

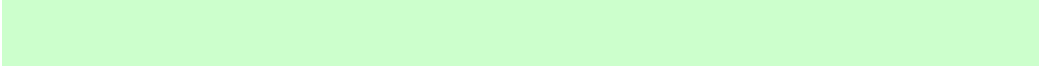


**NATIONAL PARLIAMENT OF
SOLOMON ISLANDS**

**REPORT OF THE
PUBLIC ACCOUNTS COMMITTEE
ON ITS EXAMINATION OF THE AUDITOR
GENERAL'S AUDIT REPORT ON THE**

**MINISTRY OF AGRICULTURE AND LANDS
LANDS REGISTRATION PROCEDURES AND
KUKUM SUBDIVISION REPORT**

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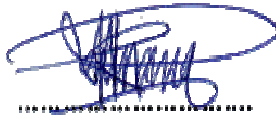


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REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

Mr. Speaker,

Pursuant to Parliament Standing Order No.69 (1) [a], it is an honour and pleasure for me Sir, to present the Report of the Public Accounts Committee for laying before Parliament.



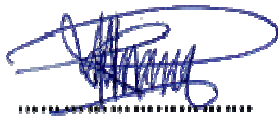
Honorable Selwyn Riumana, MP

Interim Chairman

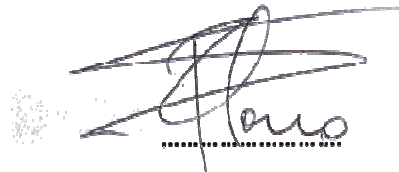
Public Accounts Committee

16th July 2007

The Members of the Public Accounts Committee are:



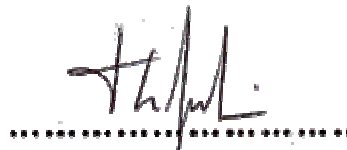
Hon. Selwyn Riumana, MP
Interim Chairman



Hon. Fred Fono, MP
Member



Hon. Johnson Koli, MP
Member



Mr Floyd Augustine Fatai
Auditor General, Secretary

**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE
ON ITS EXAMINATION OF THE AUDITOR
GENERAL'S AUDIT REPORT
ON THE
MINISTRY OF AGRICULTURE AND LANDS
LAND REGISTRATION PROCEDURES AND KUKUM
SUBDIVISION REPORT**

Summary Report

The Public Accounts Committee (PAC) under Standing Order 69 considered a Special Report of the Auditor General into the Land Registration Procedures and Kukum Subdivision of the Department of Lands and Survey. The Report was tabled in Parliament in October 2006.

The Committee noted that the Report identified a significant number of serious shortcomings in the Ministry of Lands and Survey's administration ranging from Land Allocations processes, mal-administration and fraudulent activities of officers, dormant application of the Lands and Titles Act and Land rental issues.

The following issues were identified:

- Lack of communications between the Commissioner of Lands and stakeholders such as the Country Planning Board, Surveyor General, Director Physical Planning and Valuer General
- The need for a fairer, equitable and documented process in decision-making that relates to the development of land;
- Statutory compliance requirements were not adhered with;
- Lack of documentation in processes including land approval checklist, letter of offer, payment evidences and correspondences to approved and rejected land applicants;
- non-compliance with Financial Instructions in daily revenue transfer, revenue collection of stamp duty and land rentals; and,
- Fraudulent activities, conflict of interest and other financial irregularities conducted by the Lands officers.

The audit report into the Kukum Land Sub Division contained 37 recommendations.

The Committee held the hearing on 24th May 2007 at which the Permanent Secretary Mr. Tione Bugotu and Ministry's officials Mr. Eric Gorapana and Mr Joseph Pinita appeared before the Committee.

The Permanent Secretary acknowledged and welcomed the 37 recommendations of the Auditor General's report on the Land Registration Procedures and Kukum Subdivision which serves as check points for the Ministry. An Action Plan was tabled with the Committee which outlined progress within the Ministry to rectify the matters noted in the audit report.

The Committee noted the oral evidence from the Permanent Secretary which indicated that many of the issues identified in the audit report have been dealt with in the Action Plan. The Chairman invited the Committee members to raise matters with the Ministry officials.

Whilst the full account of the deliberations are contained in the Hansard Report the following specific matters were discussed with the Committee.

Status of the Kukum Land, Land Valuation and Land Rental

The Committee enquired into the current status of the Kukum land sub division and the Permanent Secretary advised the Committee that the concerns raised in the audit report remained as they were and no action had been done about them. The Permanent Secretary further clarified that certain aspects need legal clarifications which need to be referred to the Attorney General's Chamber. The Committee further noted that there was no tender process done in the Kukum Land acquisitions.

The Committee was further concerned about the land valuation process and noted that the Ministry officials as land valuers were involved in setting values but, given the absence of a tender process, the valuations were flawed. In relation to land rentals, the officials revealed that there is a database available but revisions to land rents are only done at 20 year intervals. A new amendment is required to shorten the term to 7 years through Lands and Titles Act. The Committee considered that the Kukum land experience was most unfair and that the Ministry needed in future to use proper, open and transparent tender processes.

Discipline of Officers for Official Misconduct

The Committee also sought information about what action had been taken against any officials for misconduct. The Permanent Secretary clarified that no action has been taken with respect to a number of the officers as they have

already left the Ministry. However, he confirmed that an internal investigation would be carried out and based on its outcome, matters will be referred to Attorney General or the Director Public Prosecution for necessary action.

The Committee noted that standard office procedures were required to ensure staff acted appropriately. The Permanent Secretary indicated that a procedural manual was currently being prepared and advised the Committee that he would provide a copy to the Committee.

Land Allocation Process

The Committee sought clarification from the Ministry about the factors leading to the Kukum land allocation process. The Commissioner of Lands admitted that there are no proper criteria in place for the Kukum Land allocation and post national-tension influences prevail.

The Committee asked if a moratorium on Direct Land Allocation had been considered. The Ministry was requested to take action to impose the forfeiture of land titles provisions including when revenues due were not received for lengthy periods.

The Committee noted that land speculation was a particular problem which needed to be urgently addressed by the Ministry. The current legislation has provisions to address such practices and officials were requested to revive tender practices and application of provisions such as "Variation of Titles" to prevent such speculation.

Outstanding Revenues

The Committee was concerned that the Ministry was not ensuring all revenue from rents and sales were being collected. The Ministry accepted that due to a lack of staffing and difficulties in enforcing outstanding collections there have been problems and the Ministry relied upon leaseholders to pay their rents when due. A further issue in relation to revenue collections was the discrepancies in premiums set for land sales. The Committee requested the Ministry to impose proper valuations to these sales. The Ministry accepted the need to develop better policies to ensure the correct level of revenue is attained for the Solomon Island Government.

Recommendations

The Committee recommends:

1. That outstanding legal issues relating to the Kukum Land be referred to the Attorney General's Chamber;
2. That the Ministry deal with officers implicated in the Report and refer them to relevant bodies such as the Director of Public Prosecutions and Leadership Code Commission for appropriate action;
3. That tendering processes for sales of SIG land should be implemented as a benchmark of good governance and be fairer for the people of Solomon Islands and direct land allocation be ceased;
4. That the Department progress the current proposed amendments to the Act to improve the revenue collections; and
5. That a quarterly update report on the Action Plan be submitted to the Committee and the Auditor General to ensure all issues raised are being addressed.

Conclusion

The report of the Auditor-General highlighted many shortcomings in the Land Registration Procedures and Kukum Subdivision of the Ministry of Lands and Survey. The Committee noted the limited progress the Ministry had achieved. Most of the matters are within the direct control of the Ministry but notwithstanding appropriate liaison arrangements are required to ensure eventual satisfactory resolution of all issues noted in the audit report.

The Committee wishes to emphasise, however, that it proposes to monitor and be regularly updated on progress by the Ministry in implementing their remedial measures. In addition the Office of the Auditor General will be requested to perform a follow up audit in 2008 to appraise the extent and effectiveness of the remedial action.



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings

Meeting No. 11

Thursday 24 May 2007, Parliament House, 2:00 pm

1. **Members Present**

Hon. Selwyn Ruimana, MP – Chair (Ag.)
Hon. Johnson Koli, MP
Hon. Fred Fono, MP

Secretariat

Mr. Floyd Augustine Fatai, (Secretary) Auditor-General
Mr. Eric Muir, Deputy Auditor General
Mr. Celsus Talifilu, Committee Secretariat
Mr. Calvin Ziru, Committee Secretary – Legal
Mr. Jude Devesi, Committee Secretariat

In-Attendance

Mr. Tione Bugotu, Permanent Secretary, Ministry of Lands, Housing and Survey
Mr. Eric Gorapana, Under Secretary, Ministry of Lands, Housing and Survey
Mr. Joseph Pinita, Commissioner of Lands (Ag.)
Mr. Jackson Vaikota, Surveyor General, Ministry of Lands, Housing and Survey
Mr. Haelo Pelu, Deputy Registrar of Titles, Ministry of Lands, Housing and Survey
Mr. Harry Waitara, Director Physical Planning, Ministry of lands, Housing and Survey
Ms. Michelle Maschmedt, Advisor, Office of the Auditor General
Mr. Walter Malau, Senior Auditor, Office of the Auditor General
Mr. Ian Zuputi, Senior Auditor, Office of the Auditor General
Ms. Grace Pitu, Hansard Reporter

2. **Inquiry into the report of the Auditor General into the affairs of the Land Registration Procedures and Kukum Subdivision of the Department of Lands and Survey.**

The Chair welcomed and thanked the officials of the Ministry of Lands, Housing and Survey for appearing before the committee.

The Committee heard evidence Mr. Bugotu (Permanent Secretary), Mr. Gorapana, and Mr. Pinita. The Permanent Secretary tabled a copy of the Ministry's plan of action which addressed the issues raised in the Auditor's audit report.

The Committee deliberated on the plan of action page by page, raising issues and questions to the officials of the Ministry.

The Committee requested that the Ministry provide a copy of office procedures for the Ministry. 28 days notice was given to the Ministry starting from this day.

Evidence concluded.

3. Close

The Committee adjourned at 4:00pm.