



Solomon Islands Office of the Auditor General

Performance Audit Report

Performance Audit

Of

SIVB Marketing and Promotion program

Auditor General
Office of the Auditor General
PO Box G18 Honiara

National Parliament Paper No. 12 of 2017

**Honourable Speaker,
National Parliament of Solomon Islands**

I have the pleasure Sir, in presenting this performance audit report on the Solomon Islands Visitors Bureau (SIVB) Tourism Marketing and Promotion program for laying before Parliament as required by section 108 (4) of the Constitution.

The audit was conducted at the Solomon Island Visitors Bureau (SIVB) office in Honiara in 2016.

The Audit

The audit fieldwork was carried out from January 2016 to June 2016.

The audit recognises that the marketing and promotion program is a vital area which is crucial for the boosting of tourism growth in the Solomon Islands. The audit identified certain matters which needs some improvement in the marketing and promotion program.

I have made some recommendations to help improve the management of the SIVB marketing and promotion program. I hope these recommendations will be vital for the efficiency and effectiveness of the SIVB marketing and promotion program.

Acknowledgement

I would like to acknowledge the Chief Executive Officer (CEO) of the Solomon Islands Visitors Bureau and his staff who have provided valuable official information and records which has assisted in the compilation of this audit report.

I would also like to thank my Performance Audit Advisor, Mr. Robert Cohen and my team who undertook the commitment to carry out the audit including planning and reporting.



Peter Lokay
Auditor General
28 April 2017

Table of Contents

1. Executive Summary	1
2. Introduction	5
3. Audit Objective and Scope	5
4. Audit Methodology	5
5. Findings and Recommendations	6
LOE 1: The framework for tourism marketing and promotion program is established.	6
Criteria 1: A Tourism Marketing and Promotion Plan is in place.	6
Criteria 2: Key tourism prospects in Solomon Islands are identified	7
Criteria 3: What tourism marketing and promotional activities are in place?	8
Criteria 4: Involvement of stakeholders in the promotion and marketing program	9
Criteria 5: Marketing and promotion activities are in line with the SI National tourism development plan and the SIVB tourism marketing plan.	10
LOE 2: The management of the marketing and promotional program follows proper procedures.	10
Criteria 1: The expenditure and procurement processes and procedures are followed.	11
Criteria 2: Decisions are procedural and consistent with the tourism marketing plan in place.	11
Criteria 3: The expenditure and procurement for the marketing and promotional activities should be economical with positive outcomes	12
6. Conclusion	14

1. Executive Summary

The auditing of the Solomon Islands Visitors Bureau Marketing and Promotion grant is part of the Solomon Islands Performance Audit Program.

We conducted this audit pursuant to the provisions of Section 108 of the Constitution, sections 35 (1) (d), 35(1) (e) and 39 (3) of the Public Finance and Audit Act [Cap 120], and in accordance with the International Standards of Supreme Audit Institutions (ISSAIs)

The objective of the audit was to 'assess the effectiveness, efficiency and economy of implementing the SIG grant towards SIVB marketing and promotion program'.

To reach this OAG came up with two lines of enquiries and tested whether;

- The framework for the tourism marketing and promotion program is established; and
- The management of the marketing and promotional program follows proper procedures.

The Solomon Islands Visitors Bureau (SIVB) was identified as the implementing agency of the grant and the program. The Solomon Islands Government annually provides grant to support the SIVB international marketing and promotion program.

In 2014 SIG provides \$600,000 towards the SIVB marketing and promotion program. This grant was purposely to support the SIVB in its annual overseas marketing and promotion activities like, expo promotions and advertisements.

During the Audit, it is revealed that;

- There is a marketing and promotion plan in place which provides the framework for the marketing and promotion program undertaken by SIVB. The marketing and promotion plan contains the comprehensive action plan for the implementation of the program. SIVB is actively implementing the marketing and promotion plan through various marketing and promotion activities undertaken in the international market;
- Tourism prospects for the Solomon Islands are identified in the Marketing and Promotion plan. SIVB is actively promoting these prospects at the international level through marketing and promotion activities. The audit noted that the prospects identified in the plan is limited and there is a need that further prospects are identified;
- There are various tourism marketing and promotion activities undertaken by SIVB. The marketing and promotion activities undertaken is limited and the SIG grant to SIVB marketing and promotion program is small. Thus, there is a need that the grants are increased to further bolster the SIVB marketing and promotion program in the international market;
- SIVB is actively working with stakeholders in implementing the marketing and promotion program. There are various activities which SIVB and stakeholders have involved in to market and promote Solomon Islands tourism. The high cost of traveling

in Solomon Islands is an issue which has affected tourism in the Solomon Islands. Thus, this is an important area which SIVB needs to work with stakeholders to address;

- The marketing and promotion activities undertaken by SIVB is in line with the SIVB marketing and promotion plan. The activities undertaken are based on the marketing and promotion plan and has been implemented accordingly;
- The audit noted that the expenditure and the procurement processes were followed when undertaking the SIVB marketing and promotion program as the funds were expended according to the SIVB accounting policies and procedures;
- Out of a total of ten payments reviewed, eight payments worth \$277,438 were done and used in accordance with the Marketing and promotion plan and the other two payments worth \$35,000 were inconsistent with the marketing and promotion plan. It was noted that the activities that were inconsistent with the marketing and promotion plan included support and assistance payment to local tourism festivals (Akuila Talasasa Festival and Banana Festival) which were not part of its marketing and promotion grant purposes, it was paid to a tourism operator instead of international marketing and promotion activities as stipulated inside the Marketing and Promotion Plan; and
- The marketing and promotion activities undertaken involved \$612,228 being expended on the program. It was noted that with the robust marketing and promotion activities undertaken by SIVB, tourism has grown by 7.7 percent in 2015. OAG noted that other vital marketing and promotion strategies could be adopted to broaden the marketing and promotion program to other international markets.

From the above audit findings, the Office of the Auditor General (OAG) has concluded that SIVB has been doing a fine job in working in accordance with the Marketing and promotion plan with the allocated funding for the program. Although there has been achievements of the Marketing and Promotion plans and how it has been administered there are few areas indicated above that needs to be considered by the management to fully utilize the funds as per its intended key program focus objectives.

With the findings that have been raised, recommendations have been made within the report regarding issues that has been identified during the audit of this SIVB promotion and marketing grant.

Recommendations and Agency Response

Recommendation 1.

OAG recommends that SIVB conducts a feasibility study on other potential forms of media to promote and attract tourists for tomorrow.

Agency Response: Agree

Recommendation 2.

OAG recommends that SIVB to liaise with the Ministry of Culture and Tourism by developing a project proposal, so that they could convince Government and the Ministry of Finance and Treasury to support them in their future programs.

Agency Response: Agree

Recommendation 3.

OAG recommends that SIVB to negotiate a deal with the airlines industry and other stakeholders to work out ways to address the high cost of traveling to and within Solomon Islands.

Agency Response: Agree

Recommendation 4.

OAG recommends that SIVB to consider the Tourism Marketing and Promotion plan in terms of undertaking decisions regarding payments and other expenditures.

Agency Response: Agree

Recommendation 5.

OAG recommends that SIVB involve in other vital marketing and promotion avenues like the web and the television to attract more audience in the international markets. This could include the Solomon Islands overseas missions.

Agency Response: Agree

Summary of Agency Response

The Solomon Islands Visitors Bureau considers and concurs with all the Auditor General's recommendations that has been made in the Performance audit report, even though they cannot agree more with OAG on the need to increase funding for this program, support received is not sufficient to enable them to implement all their planned marketing and promotion effectively in the international market. SIVB will still liaise with the Ministry of Culture and Tourism for additional funding to allow SIVB to increase its current Marketing and Promotion source market and expand to new marketing and promotion avenues.

2. Introduction

The performance audit of the Solomon Islands Government grant towards the Solomon Islands Visitors Bureau (SIVB) marketing and promotion program was conducted by the Solomon Islands Office of the Auditor General (SIOAG).

Tourism industry has contributed positively to the Solomon Islands GDP in the recent years, \$352.8 million (4.0% of GDP) in 2014 and is expected to grow by 3.8% per annum from 2015 to 2025 (Travel & Tourism, 2015¹). As there is a great tourism potential for the Solomon Islands, there is a positive outlook that the tourism industry will contribute to the revenue and economic growth of the Solomon Islands.

The Solomon Islands government has recently recognised the role of tourism as a potential industry that contributes to revenue and economic growth. In the 2015 Parliamentary Public Accounts Committee (PAC) meeting, the committee urged the government to provide more grants towards the SIVB marketing and promotion program. The aim is to provide assistance for the SIVB marketing and promotion program to help bolster tourism growth in the Solomon Islands.

The Solomon Islands Visitors Bureau (SIVB) is the authority responsible for the promotion, encouragement and development of tourism in the Solomon Islands. With the SIG grant SIVB will undertake marketing and promotion activities to help enhance tourism development in the Solomon Islands.

The topic was selected based on the recent Democratic Coalition for Change Government (DCCG) focus on tourism as a major priority and driver for development and the PAC support for SIG to provide \$6.7 million dollars for the SIVB marketing and promotion activities.

3. Audit Objective and Scope

The objective of the audit is to assess the effectiveness, efficiency and economy of implementing the SIG grant towards SIVB marketing and promotion program. Two key areas are examined in this audit:

- I. The framework for the tourism marketing and promotion program is established; and
- II. The management of the marketing and promotional program follows proper procedures.

The scope of the audit covers 2014 financial year. The Solomon Islands Visitors Bureau (SIVB) is the primary stakeholder in this audit. The Bureau is responsible for the implementation of the SIG grant for the tourism marketing and promotional program.

4. Audit Methodology

The fieldwork involved in conducting the Performance Audit of the SIG grant towards SIVB marketing and promotion program at the Solomon Islands Visitors Bureau are based on two lines of inquiry (LOE).

¹ World Travel & Tourism Council, 2015. *Travel & Tourism: Economic Impact 2015*, Solomon Islands

The framework for the tourism marketing and promotion program is established.

The audit:

- Obtained relevant documents from SIVB that guards the marketing and promotion program;
- Review documents; and
- Interviewing relevant SIVB staff on the administration of the marketing and promotion program.

The management of the marketing and promotion program follows proper procedures.

The audit obtained and review government legislations, provisions, rules, instructions and administration/accounts record regarding the marketing and promotion program.

5. Findings and Recommendations

LOE 1: The framework for tourism marketing and promotion program is established.

This part of the report contains the OAG findings against the first line of inquiry which looks at five areas:

- The SIVB tourism marketing and promotion plan. The audit checked to see that there is marketing and promotion plan in place and what are the activities covered in the plan.
- Key tourism prospects in the Solomon Islands; whether the key tourism prospects in the Solomon Islands is identified in the plan.
- Tourism marketing and promotion activities; what are the tourism marketing and promotion activities undertaken.
- Stakeholders' involvement in the marketing and promotion program, what is the involvement of stakeholders in the marketing and promotion activities.
- Marketing and promotion activities are in line with the National Tourism Development Plan and the SIVB marketing and promotion activities.

Criteria 1: A Tourism Marketing and Promotion Plan is in place.

Tourism marketing plan is an important component which provides the framework for the administering of any marketing and promotion activities undertaken. The audit looked at the framework for the administration of the marketing and promotion program. The framework should contain the blueprint for the marketing and promotion program of the SIVB. A framework should provide an important mechanism for an efficient and effective marketing and promotion program.

The audit checked to see the marketing and promotion plan in place and the main features of the plan. The audit noted that the SIVB has a marketing and promotion plan which contains the blueprint for the implementation of the SIVB marketing and promotion program. The SIVB marketing and promotion plan identifies the key tourism prospects of the Solomon Islands and provides the action plan and the budgetary allocation for the implementation of the program.

The audit noted that the marketing and promotion plan is an important document which provides the framework for the successful implementation of the program. The audit also noted that apart from the plan SIVB also has the action plan which stipulates the implementation process of the marketing and promotion plan. OAG see this as a very crucial piece of document which is very useful to the success of the marketing and promotion program.

The audit noted that SIVB is robustly implementing the action plan through international adverts in tourism magazines and other marketing and promotion avenues. Thus, as noted that this marketing and promotion effort has resulted in the increasing number of tourist arrivals in the Solomon Islands in the recent years.

Finding 1: There is a marketing and promotion plan in place which provides the framework for the marketing and promotion program undertaken by SIVB. The marketing and promotion plan contains the comprehensive action plan for the implementation of the program. SIVB is actively implementing the marketing and promotion plan through various marketing and promotion activities undertaken in the international market.

Criteria 2: Key tourism prospects in Solomon Islands are identified

Recognising the key tourism prospects in the Solomon Islands should be an important component in the tourism marketing and promotion plan. The key tourism prospects for the Solomon Islands are important component to consider for the efficient and success of marketing and promotion program. Tourism prospects are the strategic avenues whereby tourism development in the Solomon Islands can be built on.

The audit looked to see that the SIVB marketing and promotion plan identifies the prospect areas for tourism development in the Solomon Islands and that the prospects are feasible and implemented. The audit conducted a review of the SIVB marketing and promotion plan and the website to see the tourism prospects that are pursued by the SIVB.

The audit noted that the main tourism prospects for Solomon Islands are identified and being recognised in the marketing and promotion program. The main tourism prospects identified in the SIVB marketing and promotion plan includes: Promoting cultural diversity of Solomon Islands, Scuba diving, Snookering and War artefacts.

The audit noted that SIVB has been actively promoting these prospects in international expos and in international tourism magazines and trade shows. And this has contributed to increased tourist and boat arrivals in the past years.

Thus, OAG sees that the current tourism prospects in the marketing plan is limited and there is a need that SIVB broadens it to include other unique characteristics in Solomon Islands.

Finding 2: Tourism prospects for the Solomon Islands are identified in the Marketing and Promotion plan. SIVB is actively promoting these prospects at the international level through marketing and promotion activities. The audit noted that the prospects identified in the plan is limited and there is a need that further prospects are identified.

Recommendation 1: OAG recommends that SIVB conduct a feasibility study on other potential forms of media to promote and attract tourists for tomorrow.

Management Response

The management concurs with the auditor's recommendation and seeking funding to help in this particular area. Currently SIVB is engaged with a research company to identify the key market segments that we should approach in our future activities, and formulate an integrated marketing strategies to promote the Solomon Islands as a tourist destination.

Criteria 3: What tourism marketing and promotional activities are in place?

Tourism marketing and promotion activities are important actions for the success of the marketing and promotion plan. The audit looked to see that the tourism marketing and promotion activities are efficiently and effectively implemented.

The SIVB marketing and promotion activities are based on the marketing plan and the action plan. The audit noted that there are wide range of marketing and promotion activities being undertaken by SIVB to promote tourism in Solomon Islands.

The marketing and promotion activities undertaken by SIVB includes advertisements in magazines, trade shows and promotions at expo. These activities are crucial for the success of the tourism program in the Solomon Islands in the recent years. Hence, the tourism marketing and promotion activities are implemented according to the marketing plan in place.

OAG sees that the SIVB intensive marketing and promotion activities is crucial to the growth of the tourism industry in the Solomon Island. Further, OAG noted that SIVB marketing and promotion activities is efficient and effective in contributing towards the increasing tourist arrivals in the Solomon Islands.

However, the audit recognises that the SIG \$600,000 grant for marketing and promotion activities is small and there is a need that SIVB increase the budgetary allocation for the marketing and promotion program as marketing and promotion is the most important strategy to lure and attract tourism in Solomon Islands.

Finding 3: There are various tourism marketing and promotion activities undertaken by SIVB. The marketing and promotion activities undertaken is limited and the SIG grant to SIVB marketing and promotion program small. Thus, there is a need that the grants are increased to further bolster the SIVB marketing and promotion program in the international market.

Recommendation 2: OAG recommends that SIVB to liaise with the Ministry of Culture and Tourism by developing a project proposal, so that they could convince Government and the Ministry of Finance and Treasury to support them in their future programs.

Management response

The management could not agree more with OAG on the need to increase funding for marketing and promotion. SIVB acknowledged SIG support of \$5 Million in the subsequent financial year 2015. However the support received is not sufficient to enable us to implement all our planned marketing and promotion effectively in the international market.

SIVB will liaise with the Ministry of Tourism to develop a project proposal to secure additional funding to allow SIVB to increase its marketing and promotion activities in the current source markets and to expand to new markets.

Criteria 4: Involvement of stakeholders in the promotion and marketing program

The audit looked at the involvement of stakeholders in the implementation of the marketing and promotion program. Stakeholders should be crucial partners for the successful implementation of the marketing and promotion program. The contribution of stakeholder inputs in marketing and promotion is important for the success of the marketing and promotion program.

The audit noted that SIVB has robustly worked with other stakeholders and partners in driving the marketing and promotion activities program. SIVB involvement in international tourism organizations is crucial in marketing and promoting tourism in Solomon Islands.

The audit noted that SIVB is working with stakeholders like the airlines industry to help in the promotion of tourism in Solomon Islands. The audit also noted strong partnership between SIVB and other stakeholders like, Business Magazine that promotes tourism attractions through tourism magazines. SIVB involvement in the tourism expo is also crucial in boosting tourism growth in Solomon Islands.

The audit also noted that an issue with tourist travels to Solomon Islands is the high cost of traveling to Solomon Islands. And this is an issue which needs SIVB and other stakeholders like the airlines industry to work on in order to address the obstacle of meeting excessive airlines fares which hinders tourism growth in Solomon Islands.

Finding 4: SIVB is actively working with stakeholders in implementing the marketing and promotion program. There are various activities which SIVB and stakeholders have involved in to market and promote Solomon Islands tourism. The high cost of traveling in Solomon Islands is an issue which has affected tourism in the Solomon Islands. Thus, this is an important area which SIVB needs to work with stakeholders to address.

Recommendation 3: OAG recommends that SIVB to negotiate a deal with the airlines industry and other stakeholders to work out ways to address the high cost of traveling to and within Solomon Islands.

Management response

The management concurs with auditor's recommendation. In fact SIVB is working closely with Solomon Airlines and Virgin Australia on special deals to increase leisure travel to address this issue. In essence the Airlines and the operators are working together to promote Solomon Islands via special promotion to target special periods.

Criteria 5: Marketing and promotion activities are in line with the SI National tourism development plan and the SIVB tourism marketing plan.

The audit looked to see that the SIVB marketing and promotion plan is in line with Solomon Islands National Tourism Development Plan (SINTDP) and the SIVB tourism development plan.

There should be a link between the marketing and promotion plan to national tourism development plan and the SIVB tourism marketing plan. This link is important to ensure that there is smooth operation of the implementation of the marketing and development plan. The National Tourism Development Plan should be the basis of the SIVB marketing and promotion program and plan.

The SIVB marketing and promotion activities are based on a robust marketing and promotion plan in place. The aim of the National Tourism Development plan is to provide a platform for the development of the tourism sector in the Solomon Islands. The Solomon Islands visitors' bureau marketing and promotion plan provides a robust strategy which aims at meeting the aims of the National Tourism Development Plan.

The marketing and promotion activities undertaken by the SIVB involves: conducting trade shows, partnership with wholesalers, strengthen inbound and outbound product offering, online marketing.

The audit noted that the marketing and promotion activities undertaken by SIVB is in line with the marketing and promotion plan in place. The activities undertaken were budgeted for and clearly defined with timeline in the marketing and promotion plan.

<p>Finding 5: The marketing and promotion activities undertaken by SIVB is in line with the SIVB marketing and promotion plan. The activities undertaken are based on the marketing and promotion plan and has been implemented accordingly.</p>

LOE 2: The management of the marketing and promotional program follows proper procedures.

In the second line of enquiry the audit gauge its findings on three areas:

- The expenditure and procurement processes and procedures are followed. The audit looks to see that the marketing and promotion activities undertaken follows proper expenditure and procurement processes.
- Decisions are procedural and consistent with the tourism marketing plan in place. The audit looks to see that decisions are procedural and consistent with the tourism marketing plan in place.

- The expenditure and procurement for the marketing and promotional activities should be economical with positive outcomes. In this area, the audit looks at the effectiveness of the marketing and promotion activities.

Criteria 1: The expenditure and procurement processes and procedures are followed.

The audit examines the expenditure and procurement involved in the marketing and promotion activities to see that proper process and procedures are followed. Expenditures and procurements are important aspects of the SIVB marketing and promotion program. SIVB procures goods and services from stakeholders who are involved in marketing and promoting tourism in Solomon Islands.

The SIVB accounting policies and procedures is the standard to which all expenditures and procurements should be based on. The audit noted from the records that all expenditures and procurements undertaken for the marketing and promotion is done according to SIVB accounting policies and procedures. The audit noted that in the process of marketing and promotion SIVB would make payments to international tourism magazines who would market and promote the Solomon Islands tourism through publishing the tourism prospects of the Solomon Islands. The audit noted that SIVB has expended \$612,228 for the marketing and promotion activities in 2014.

Finding 6: The audit noted that the expenditure and the procurement processes were followed when undertaking the SIVB marketing and promotion program as the funds were expended according to the SIVB accounting policies and procedures.

Criteria 2: Decisions are procedural and consistent with the tourism marketing plan in place.

In this area the audit examines the procedural and consistency of decisions and activities to the tourism marketing and promotion plan. Procedural decisions consistent with the marketing and promotion plan are crucial for the efficiency and effectiveness of the SIVB marketing and promotion program.

During the audit OAG noted that the decisions involved in undertaking the marketing and promotion activities are consistent with the marketing and promotion plan in place. The audit compared decisions for undertaking the types of marketing and promotion activities involved and the procurements undertaken to see if they are consistent and accordance with the tourism marketing and promotion plan.

OAG collected a total of ten sample of payments made under the marketing and promotion grant and conducted a review of all the payments and supporting documentations for each of the payments made that totalled up to \$312,437.

OAG understands that the SIG grant is to support SIVB's annual overseas marketing and promotion activities. The activities that were undertaken in considerate of the marketing and promotion plan included the payments to stakeholders or international tourism promotion magazines and tourism expos' to market and promote tourism in Solomon Islands.

Thus, OAG considers that decisions undertaken on payments outside of the marketing and promotion plan contradicts the purpose of the SIG grant and is an issue worth mentioning. As it is noncompliance to the purpose and not in the marketing plan. This might lead to shortages of funds for the marketing and promotion activities.

Finding 7: A total of ten payments were reviewed during the audit eight payments worth \$277,438 were done and used in accordance with the marketing and promotion plan while the remaining ten payments worth \$35,000 were inconsistent with the marketing and promotion plan. It was noted that the activities that were inconsistent with the marketing and promotion plan included support and assistance payment to local tourism festivals (Akuila Talasasa Festival and Banana Festival) which were not part of its marketing and promotion grant purposes, it was paid to a tourism operator instead of international marketing and promotion activities inside the Marketing and promotion Plan.

Recommendation 4: OAG recommends that SIVB to consider the Tourism Marketing and Promotion plan in terms of undertaking decisions regarding payments and other expenditures.

Management response

The management concurs with this recommendation. However there are certain product that needs support at the initial stages to allow them to be market ready for international consumption.

Criteria 3: The expenditure and procurement for the marketing and promotional activities should be economical with positive outcomes

The audit looked to see that the expenditures and procurement undertaken on the marketing and promotion program are economical with positive outcomes. As the tourism marketing and promotion program involves significant payments being expended or inputted into the program it is vitally important that the program will result in positive outcomes. The tourism marketing and promotion program is one of the most important areas which SIVB is involved in to lure and attract tourists to Solomon Islands. Hence, the economic and positive outcome of the marketing and promotion activities is important to the program as a whole.

The audit noted that a total of \$612, 22 was spent on the marketing and promotion program to promote Solomon Islands tourism in the international market. Hence, the amount is expended on promoting SI in international tourism magazines and through other marketing and promotion avenues where Solomon Islands tourism is promoted. The aim of expending the money on promoting Solomon Islands is to encourage and bolster tourism growth in the Solomon Islands. The table below shows the annual tourism arrivals from 2012 to 2015.

Tourism Growth in Solomon Islands from 2012 to 2015

Year	Tourist Arrivals	% Increase or Decrease
2012	23,925	2.1%
2013	24,431	2.1%
2014	20,070	-17.8%
2015	21,623	7.7%

Source: National Statistics Office (MOFT WEBSITE)

In the recent years it was noted that tourism growth in the Solomon Islands has been increasing steadily. This growth in tourism in the Solomon Islands is attributed to the robust marketing and promotion program undertaken by SIVB in the recent years. The audit noted that in contrast to the past when Australia and New Zealand were the target market SIVB has now expanded its marketing and promotion program to Asian markets.

The audit recognises that, there are other marketing and promotion avenues available which can be utilised to promote Solomon Islands tourism in the international market. This includes promotion through televisions and on the website. It is crucial that SIVB marketing and promotion program involved in these other promotion avenues to attract tourism in the Solomon Islands.

Finding 8: The marketing and promotion activities undertaken involves \$612,227.94 being expended on the program. It was noted that with the robust marketing and promotion activities undertaken by SIVB, tourism has grown by 7.7 percent in 2015. OAG noted that other vital marketing and promotion strategies could be adopted to broaden the marketing and promotion program to other international markets.

Recommendation 5: OAG recommends that SIVB involve in other vital marketing and promotion avenues like the web and the television to attract more audience in the international markets. This could include the Solomon Islands overseas Missions.

Management response

The Management concurs with auditors' recommendation on the enhancement of online presence and television advertisements and campaigns, as well as the Solomon Islands overseas mission. In fact we recently worked with a TV company to promote fishing in Solomon Island, and also during the year we started work on upgrading the informational website to become a fully-fledged promotional website.

6. Conclusion

The OAG performance audit of the SIG assistance to SIVB marketing and promotion program was conducted to see the efficiency and effectiveness of the SIVB marketing and promotion program. OAG concluded that the SIG assistance towards SIVB marketing and promotion program is crucial for the bolstering of tourism in the Solomon Islands. The SIG assistance towards marketing and promotion program has made positive contributions towards improving tourism visitors to the Solomon Islands.

OAG acknowledges that the framework for the SIVB marketing and promotion program is important in setting the basis for bolstering tourism development in the Solomon Islands. The marketing and promotion plan provides the basis for the marketing and promotion activities undertaken by SIVB. The successful implementation of the marketing and promotion plan was noted and has contributed to the development of tourism in the Solomon Islands.

OAG acknowledges that the expenditures and procurements undertaken by SIVB is in line with the marketing and promotion plan in place. As noted that the expenses and procurements are specifically made on marketing and promotion activities undertaken by SIVB. And this have made a positive contribution to the tourism development in the Solomon Islands.

OAG noted that the success of the SIVB marketing and promotion program is seen in the increase tourist arrivals to the Solomon Islands since 2015

In the audit OAG has identified certain areas which SIVB has efficiently and effectively managed. OAG also identified certain areas which needs improvement in the program. Overall, OAG noted that the SIVB marketing and promotion program is the most important way forward for tourism growth in Solomon Islands.

