



# ANNUAL REPORT ON OPERATIONS

For the period ending 31st December 2025



**Reported by:** Office of the Auditor-General | P O Box G18, Honiara

Photo Credit: Office of the Auditor  
General.

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### About this Report

This annual report documents the performance of the Office of the Auditor-General (OAG) for the two year period ending 31 December 2025. This report addresses all applicable obligations under section 108 of the Constitution and the Public Finance and Audit Act (Cap 120).

This report and other information about the OAG are available online at: [www.oag.gov.sb](http://www.oag.gov.sb).

## Auditor General's Message

I am pleased to present this report to Parliament covering the performance of my office for the period 2024 through to 2025. My delay of the annual report for one year was to produce compliant financial statements for a two year period allowing both current and comparative numbers to be in line with the financial instructions noting the limitations we have as a non-independent agency. I am pleased also that as part of this realignment exercise we will be undertaking our first peer audit review of our agency financial position with findings to support our agency's preparation for independence. It is my sincere hope that in time my agency can and should be independently audited and reports made public.



This year's report follows the same format as previous tabled annual report featuring an update on our strategy, and assessment of our performance highlighting the ongoing challenges and responses taken. I am also delighted to report that a number of the strategic initiatives such as the restructure and creation of a new executive layer and the localisation of our deputy auditor general role has been effectively implemented.

Other key achievements have been the implementation of our World Bank CAPSA project with in-country inception workshops undertaken in 2026. We have also successfully completed our study for the development of a new community participatory audits of the constituency development funds (CDF), the successful completion of the design and costings of a new training centre, and the delivery of our agencies first executive leadership development program with the support of our twinning partner (NSW Office of the Auditor General). Our twinning partner also provided critical support in 2025 allowing me to build a completely new executive team which includes our public service second CPA qualified Solomon Islander with plans to double this in two years. Our shift in recruitment strategy sets a new tone focusing on local professional auditing skills and capability which are and must remain at the peak of the public service.

We have also updated our strategy in 2025 following the on-boarding of a completely new executive layer in line with our new structure. This strategy aligns with the new PASAI regional strategy and brings focus to four key strategic areas following the successful completion of earlier strategic initiatives.

These areas are:

- Safeguarding our Independence
- Enhancing audit delivery
- Strengthening Organisational capability and governance
- Deepening stakeholder engagement

These new strategic areas represent a consolidation of our earlier plans developing our people, professionalism, independence, accessibility and enablement.

Our performance section sets out progress on audit delivery including continued traction of annual financial statement opinions and high impact performance audit releases. It also sets out details of our ongoing focus on addressing audit backlog including increased transparency on the state of backlogged financial reporting which paints a stark picture on the level of financial governance in our public sector. For audits reported in 2025 as work in progress but cleared in 2026 before issuance of this report we have also indicated in the report.

Section four (4) sets out our financial reporting in an IPSAS compliant format. We still face limitations in control over our expenditure and financial disclosures however the report sets out our use of public resources and provides some insights into areas which we are lacking. It remains my intention to subject our office to a peer review equivalent to an independent audit as and when resources permit. In time and in line with international best practice expected of independent SAIs we will be audited by an independent firm and report publicly on our results in our future annual reports once our new Act is approved.

Our final section continues to reflect on a number of the ongoing big picture opportunities which require Government support to address. A number of these areas would benefit from a study to consider the investment cost and equally important the potential savings in costs to provide Government the confidence that the actions make financial sense not to mention other important elements including equity and just allocations of scarce public resources.

### **Looking back over 2025**

You will recall that in my first two years in my role, both the external environment (COVID19) and internal challenges (audit backlogs, capacity, lack of independence) presented a significant challenge that required some bold actions. Our strategy through to 2027 focused on new staff structure, new capabilities, new legislation, setting a pathway to address backlogs, the pursuit of excellence and a focus on audit quality and impact as a catalyst for change.

I am very pleased to report that against each of these dimensions we have made good progress. These include effective implementation of a new staff structure bringing improved capability and capacity in line with available space and audit delivery requirements. I am particularly excited with my new leadership cadre who I hope will set the foundation for effective and capable successors within the Office to continue much needed momentum in delivery of strategic initiatives.

In relation to new legislation during 2025 we had reviewed and finalised a draft Bill and in 2026 public consultations of the proposed legislation has commenced. Also, in 2025 a detailed study of audit backlogs was undertaken showing that for statutory audits a large majority of our backlog related to non-provision of compliant financial statements and non-responsiveness of auditees to our audit queries. This area also informs some of the proposed legislative changes given the lack of deterrence and accountability which in turn affects our ability to undertake audits.

Our focus on audit quality is a key deliverable for the CAPSA World Bank project which completed all remaining procurement activities in 2025 and moved into implementation in 2026. The project

will implement ISSAI 140 requirements and deliver intense capacity build activities in line with our internationally compliant audit methodologies. We also continue our focus on high impact performance and compliance audits building our regions first community participatory audit methodology for audits of CDF and implementing our new Government Ministry compliance audits focusing on procurement and imprest management across the whole of Government.

Finally, our pursuit of excellence continues with focus on recruitment of capable leaders, heavy investment in our people and approved plans to build a new training centre deemed our “Centre of Excellence” to support development of professional workforce ready finance and audit skill for both my agency and the wider public service. This centre will be a critical part of addressing the audit backlogs, systemic governance issues in Government and support policy delivery through compliant reliable reporting. I urge Government to require our accountable officers to focus on delivery of clean audit outcomes as a prelude to informed reliable policy making and building of community trust.

In our final section, I continue to reflect on areas of systemic gaps that will continue to impact overall audit outcomes and impact in our country.

Key areas of concern for my office and what I believe remains the fundamental drivers of continued poor audit outcomes and governance include:

#### **Lack of accountability by public officers**

I remain concerned at the lack of accountability for the actions of decision makers and public officers who have acted inappropriately, negligently or dishonestly. There have been no dismissals, disciplinary actions or charges laid as a result of the management letters issued by this Office.

This pattern has existed for a prolonged period and is worsened by the lack of engagement by Parliament in our audit reports including the recent Economic Stimulus Package issued in 2024.

#### **Lack of effective records management a key driver of poor audit outcomes**

A key driver for poor audit outcomes remains the inadequate records management and lack of supporting documentation. Without accurate and timely financial reports, management of these organisations do not have key information needed to inform their decisions, to monitor progress, and identify problems and opportunities. The lack of reliable financial information indicates weak governance within the organisation.

#### **Lack of Independence**

Each year, OAG follows the directives by the Ministry of Finance and Treasury (MOFT) and Ministry of Public Service. Our expenditure remains at the discretion of MOFT and affects our ability to deliver on our approved budget and manage our staff in line with our agency annual work plans.

Following cabinet approval for our policy for a new Auditor General Act in May 2024, we have undertaken review and alignment of proposed Bill in line with the policy and international best practice. Public consultations have commenced in early 2026 and we look forward to Government continued support to properly establish the Office of the Auditor General as a fully autonomous agency in line with international best practice.

The emerging risk identified in my earlier report continues with a number of auditees failing to table their audit reports in line with their statutory obligations. Whilst I acknowledge that this delay may at times be impacted by our capacity constraints, the lack of engagement and compliance by auditees means the Government and public are denied the required financial transparency expected of the public entity.

### **The Year Ahead**

Looking ahead the OAG will continue to build accountability and transparency in public financial management and support measures to promote good governance and combat corruption. To do this OAG will focus on delivery of our updated corporate strategy seeking where necessary assistance through internal and external means to develop the capacity of the office in the areas of technical skills, legislative reforms and resources for the office. Delivery of timely high quality audits remains at the core of work. This also includes the ongoing court proceedings in relation to the Pacific Games 2023 and the learnings which will come from the court ruling.

There is also significant amount of work required to properly prepare the office for independence in the future. It is likely that the Office will commence detailed planning for independence readiness as part of the approval processes to implement the new Act. A number of key strategic pillars such as the development of a Centre of Excellence followed by a further restructure and CAPSA are key components to support effective independent operations. The continued absence of independence in both financial and operational matters continue to be the largest obstacle to sustainable effective public auditing in Solomon Islands and remains my top priority for the future of this office.

As I had committed to in my earlier report building the best public auditors both in Solomon Islands, and in time respected at a regional level, is central to both our ability to deliver quality audits at international standards and providing the community with a trusted guide for positive change.

I would like to acknowledge the support we have received from our partners including IDI, PASAI, DFAT, MFAT, NSW Office of the Auditor General as our twinning partner, UNDP, World Bank, ADB and UNCDF. This support has been critical in supplementing efforts on addressing backlog, providing technical support to ensure delivery of quality reports in line with international auditing standards, provide surge capacity and leadership support in periods of shortage of staff, and provision of highly qualified local consultants. Other support provided include capacity building, technical advisors, and supplementation of staff and operational costs. SIG supported OAG in terms of maintaining budget levels, and co-financing of programs. The OAG also received support and cooperation from Parliament, donors, public accounts committee, community, auditees, contract auditors and various other stakeholders.

It remains my hope that our government, our partners and our community see value in our work and support us in our vision to build accountability in the public sector through independence and professionalism. It has and remains an honour and privilege to have been able to serve in this Office.

May God Bless our Solomon Islands.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the top.

**David Teika Dennis**  
Auditor-General  
Office of the Auditor General  
15<sup>th</sup> May 2026

# 1.0 Who are we?

## 1.1 Our Mandate

The Solomon Islands Office of the Auditor-General (SI-OAG) is an independent constitutional office, established under section 108 of the Constitution, mandated to audit and report on the public accounts of central and provincial governments, state-owned enterprises and other public entities. Our audit portfolio covers more than SBD 10 billion in public funds annually.

The Office of the Auditor-General is governed by the Constitution and the Public Finance and Audit Act.

- The Constitution - Section 108 of the Constitution establishes the Auditor General, the Office and the Mandate. The tenure of office of the Auditor General is provided for in section 129 of the constitution.
- Public Finance and Audit Act (PFAA) - The powers and the duties of the Auditor General are detailed in the PFAA section 34-48.

## 1.2 Our activities

This mandate defines the activities of our office to deliver audits of public entities. These audits can take different forms but mainly comprise of financial audits, performance audits, compliance audits or special investigations. Our audits are undertaken in compliance with International Standards of Supreme Audit Institutions (ISSAI).

Our Office is currently designed to align to the mandate of the Office with Branches specialising in delivering these audits within different areas of the public sector. These Branches are:

- Government Financial Audit which undertakes the financial audits of the central government functions and related project audits;
- Provincial Government Financial Audit which focuses on Provincial and Council audits and related project audits;
- Commercial Government Financial Audit which undertakes audits of State-Owned Enterprises and Statutory Bodies and related project audits;
- Performance Audit and Public Accounts Committee Branch which undertakes performance and compliance audits and special investigations plus supports the Auditor General in his statutory role as secretary of the public accounts committee; and
- Central Headquarters and administration which supports the operations of our organisation providing Human Resource Management, financial processing and registry functions.

As OAG continues to on-board more audits, this structure and ongoing capacity requirements will require regular review and refreshed corporate strategy to ensure delivery of timely high-quality audits.

### **How we will deliver - Our refreshed strategy**

As part of the two-year strategy review requirement and the advent of a totally new leadership team under the new office structure, the Office undertook a two-day offsite strategy workshop intended to sharpen focus on key areas in our office and aligned our core office strategy with PASAI updated regional strategy.

As our accountability landscape continues to change, the Solomon Islands Office of the Auditor-General must evolve to keep pace with citizen expectations and emerging risks. This five-year Strategic Plan resets our direction, building on lessons from our 2022 Corporate Plan and incorporating the insights gained during the June 2025 staff workshop.

Our Vision is ambitious: to build accountability in our public sector through independence and excellence.

Our office aims to be the trusted guardian of public resources, reporting through our audits whether every Solomon Islander benefits from effective and accountable public services. Achieving this requires independence, professional excellence, sufficient capacity and close engagement with Parliament, auditees, donors and communities.

The updated strategic plan sharpens our focus moving from the earlier five pillars to now four strategic priorities:

- Independence
- Audit Delivery
- Governance
- And Stakeholder Engagement.

Each comes with clear objectives, measurable targets, and quick-wins we can deliver in the next twelve months and beyond. This strategy also considers PASAI's updated regional plans and looks to leverage on material and support available from PASAI to deliver in the key strategic priority areas.

Successful execution will depend on a committed workforce, adequate resources, and the ongoing support of the Government, Public Accounts Committee, development partners including PASAI, and the people we serve. I invite all staff and stakeholders to embrace this strategy and work together to strengthen trust in public finances.

## Vision, Mission & Core Values

### Vision

Building public sector accountability through independence, and professionalism

### Mission

- To develop the Office as a centre of excellence in delivery of audits of all public entities
- To deliver accessible, independent audit reports to Parliament and the People of Solomon Islands
- To champion accountability, transparency and integrity in the public service
- To commit our Office to a strong, active and devoted sense of duty to the nation.

### Core Values

The Solomon Islands OAG is guided by a set of core values that anchor every audit we conduct and every decision we make:

- **Excellence** – We constantly sharpen our skills, so citizens receive competent, high-quality audit services.
- **Integrity** – We tell the truth and place the public interest above personal gain.
- **Professional Conduct** – We uphold strict ethical standards, avoiding any action that could compromise our independence or reputation.
- **Respect** – We honour the customs, rights and dignity of everyone we serve.
- **Teamwork** – We share knowledge and support one another to achieve common goals.
- **Trustworthiness** – We guard against bias and undue influence, ensuring our judgements remain objective and reliable.
- **Community Commitment** – We care about Solomon Islanders and focus our work on delivering tangible benefits to them.

## Our Workforce

Chart 1: New Structure (Technical staff)

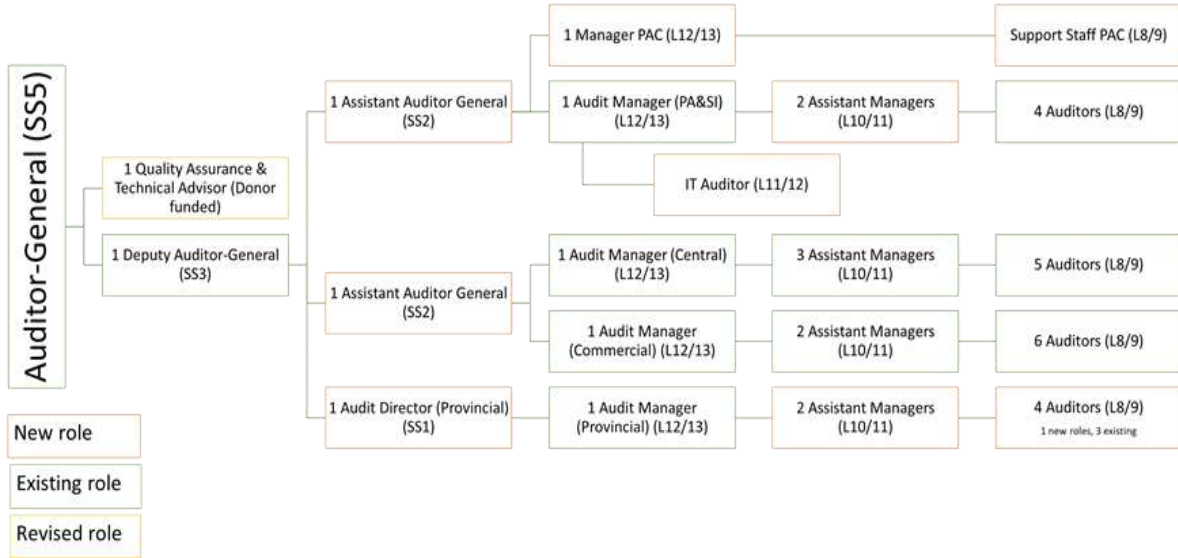
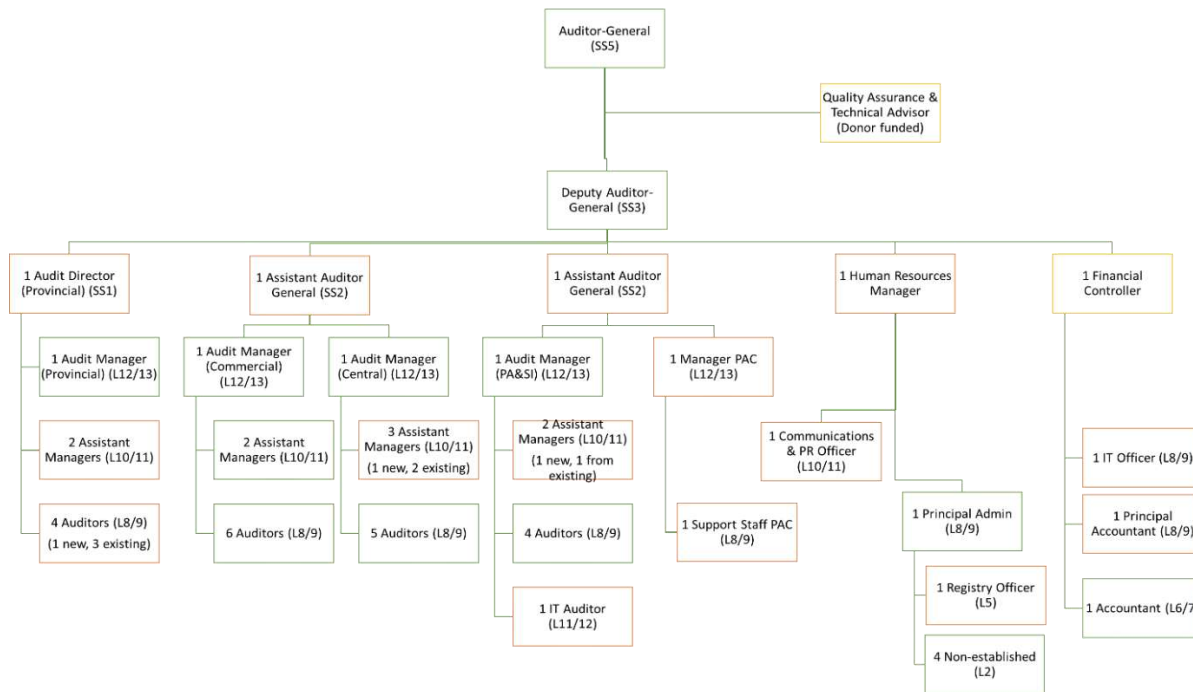


Chart 2: New Structure (Office of the Auditor-General)



## Strategic Context

The refreshed five-year strategy responds to clear evidence that the Solomon Islands OAG must raise audit quality, clear backlogs and deepen public engagement to keep pace with national and

regional expectations. Recent assessments pinpoint recurring gaps and set the benchmark for our four strategic priorities and their KPIs:

Source / Year	Key Finding	Implication for OAG 2025-30 Plan
SAI-PMF 2018	Overall grade C+. Weak follow-up of audit recommendations (Ind. 8) and limited IT-audit coverage	Prioritize backlog-blitz, improve recommendation tracking, build IT-audit capability.
PEFA 2012	External-audit pillars scored D+; late publication of audit reports flagged as critical.	Embed time-tracking (Teammate+), set strict publication KPIs, improve auditee liaison.
National Development Strategy 2016-35	Calls for stronger public-finance oversight to achieve Objective 5 (Unified, Safe & Inclusive Solomon Islands).	Align four strategic pillars with NDS Objective 5; report progress annually to MNPDC.
PASAI Strategic Plan 2023-27	Emphasizes SAI independence, audit delivery including use of digital tools, governance and citizen outreach.	Focus on passing the Audit Act, rolling out Data-Snipper/AI, launching community events and awareness campaigns.
OAG Annual Report 2023	Backlog 65 audits, staff turnover 11 %, IT-audit skills gap, Independence.	Set backlog-clearance targets, update HR strategy, implement new staff wellbeing policy, complete public consultation of new AG Bill and seek Cabinet approval to bring to Parliament.

## Strategic Priorities & Objectives (2025-2030)

### Safeguarding Independence

- Strengthen the legal foundation of the OAG through the enactment and operationalization of a modern Audit Act.
- Establish sustainable funding arrangements that protect operational autonomy and enable long-term planning.
- Promote a culture of integrity by embedding regular ethics & independence trainings, and mandatory declarations across the organization.

### Enhancing Audit Delivery

- Progressively reduce the national audit backlog to improve transparency and timeliness of financial reporting.

- Work towards meeting statutory audit deadlines across all entities, with a focus on consistent year-on-year improvement.
- Improve and monitor the quality of audits through implementation of ISSAI 140.
- Introduce practical audit technologies, including data analytics and AI tools, to streamline audit tasks.
- Implement weekly operational meetings and audit capacity training.

### Strengthening Organizational Capability & Governance

- Digitize core internal processes, such as HR, to reduce manual work and improve reliability.
- Strengthen staff capability through targeted training, peer learning and mentoring opportunities.
- Foster staff retention and wellbeing by promoting a supportive and inclusive workplace.
- Embed internal risk management and quality practices that support accountability and continuous improvement.
- Expand building and professional staff capacity.

### Deepening Stakeholder Engagement

- Implement fortnightly Communication Committee meetings to improve outreach and strengthen communication with Parliament, government, and other stakeholders through regular briefings and accessible reporting.
- Deliver community-awareness roadshows to reach across the country and increase public understanding of the OAG's role and mandate.
- Strengthen partnerships with PASAI, donors and twinning SAIs to support knowledge exchange and institutional growth.
- Create visibility and engagement opportunities for OAG and stakeholders so that the public and decision makers understand the benefits and outcomes of the work of OAG
- Socialise and promote the work of OAG through various opportunities to establish long-term partnerships

Picture 1: Consultation of new Auditor General Bill with PASAI



## Key Performance Measures

### Safeguarding Independence KPIs

- Audit Act passed and gazette by 2028.
- $\geq 80\%$  OAG budget execution rates.
- 100 % of staff complete annual ethics and independence declarations.

### Enhancing Audit Delivery KPIs

- Audit backlog reduces year-on-year with an overall plan to eliminate by 2030.
- Audit timeliness for in-year financial statements meets internal benchmarks.
- $\geq 80\%$  audits receive timely Level-2 review.
- Improve audit quality and timely delivery through implementation of ISSAI 140

### Strengthening Organisational Capability & Governance KPIs

- Implement technology tools to support efficient well managed human resources and administration management.
- Developed and implemented a training plan and roadmap aligned to capability needs
- Implement staff wellbeing policy and annual staff satisfaction survey

### Deepening Stakeholder Engagement KPIs

- By 2028 deliver at least 2 Parliamentary briefings and 5 media releases per year.
- Design and gradually implement external stakeholder surveys.

- Update and deliver the OAG stakeholder and communications plan
- Community roadshows coverage out to all provinces.
- Positive stakeholder engagement, increased trust and informed decision making by both parties
- Targeted audience/stakeholders understand the issue and know roles in certain situations and how and when to act
- Work of OAG is humanized and stakeholders understand how it makes a difference in daily lives
- Increased media coverage on OAG
- Increased understanding of OAG roles and responsibilities within the community and amongst stakeholders

### **Implementation & Monitoring Framework**

Implementation will be driven by Annual Operational Plans outlining activities, budgets and owners. Tracking of operational delivery will be through weekly operational meetings chaired by the deputy auditor general.

The Leadership team meeting is the highest authority within the OAG and is chaired by the Auditor General.

The Leadership Team meetings charter has been updated to monitor delivery of the annual work plan and strategic agenda, review and approvals of policy, committee outputs and recommendations or escalations from operational meetings.

Picture 2: OAG Leadership team



## Investing in Our Work

Delivering this strategy requires sustained investment in five areas:

- **Legal foundation** — Passage of the Audit Act and subsidiary regulations by 2028.
- **People** — An additional **SBD 3 million per year** for recruitment, new CPA scholarships and increase training expenditure, staff well-being.
- **Technology** — A one-off **SBD 1.5 million** for Teammate + upgrade, Data-Snipper licences, IT-audit toolkit, standalone security and access controls.
- **Partnerships & Technical Assistance** — **SBD 0.8 million per year** in match-funding to leverage PASAI surge reviewers, NSW twinning and other donor funded programs like EU funded Vaka Pasifika support.
- **Infrastructure:** an estimated \$12 million for construction of a new training centre and additional office space to support OAG capacity needs to deliver against its statutory mandate and increasing client base.

## Strategic risks and responses

- **Audit backlog resurgence** – Prioritise backlog blitz; monthly monitoring, full establishment and ongoing training.
- **High staff turnover / recruitment gaps** – Wellbeing program; talent pipeline, operational autonomy through the new legislation
- **Funding volatility or political interference** – Advocate multi-year budget; donor diversification.
- **Climate other risk events disrupt audits** – Business continuity plan; remote audit tools, implement risk policy and committee monitoring.

The implementation of this strategy and risk management framework is set out in the next section.

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## 2.0 How do we operate?

### 2.1 Governance structure

The OAG has a structured approach to governance that supports the delivery of the OAG's purpose and outcomes. The OAG's governance framework sets a clear direction on organisational priorities and how progress is monitored. The framework also provides assurance that management is achieving this direction in an ethical and legal way and that risk and opportunities are recognised and addressed.

Elements of our corporate governance framework include an annual work and procurement plan, office structure, committees, strategic planning framework, risk and fraud management, audit and assurance activities, policies and guidelines.

### 2.2 Annual Work Plan 2026

The Office prepares annual work plans and procurement plan as part of the annual budget setting processes. This plan is aligned to the strategic framework and has numerous other strategies which provide the operational framework to deliver against these targets. These include the audit plan (setting out the audit priorities), stakeholder engagement plan, communications strategy, human resources plan, key risk assessments and operations matrix.

Key elements of these are included below. Some plans are internal assessments which are not suitable for publication. The targets below are in addition to the KPI's in section 1 which recognises the annual focus versus the more strategic focus of five years in the overall plan. This plan will continue to be reviewed every two years.

A key feature of the operations since 2025 is the inclusion of the new executive structure which has six out of the seven roles filled and the final role (Audit Director) currently being advertised. This also creates a new executive division in line with the new structure approved in 2023.

## Reform initiatives to meet Vision, Mission and mandate

In 2025, our office undertook a two-day offsite workshop to update our corporate strategy to lay the foundations for the next five years to 2030.

The plan sharpens our focus on four strategic priorities:

- Independence
- High quality audit delivery
- Building Capability and Governance
- Stakeholder Engagement.

Each comes with clear objectives, measurable targets, and quick-wins we can deliver in the next twelve months.

Successful execution will depend on a committed workforce, adequate resources, and the ongoing support of the Public Accounts Committee, development partners, and the people we serve.

### **Our focus for 2026**

In 2026 our focus will be delivery of the audits plan including clearance of aged backlogged audits, recruitment and development of new staff, contracting of all senior staff, advancing the independence agenda, delivering on projects, embedding proper SoAQM governance and expanding our public profile. In support of these OAG will also embark on significant development projects to construct a new training centre and pursue plans for independence readiness strategy.

### **Safeguarding Independence**

The legislative independence of the Office continues to be a priority project for the Office. A cabinet approval was received in 2024 to approve new auditor general bill policy and to undertake the public consultation of the draft auditor general bill in 2025. The funding for these activities is expected to be from donor sources and SIG. In 2026, we will continue to lobby both Government and donors for support to implement.

Key targets in this area include:

- Strengthen the legal foundation of the OAG through the enactment and operationalisation of a modern Audit Act in 2026.
- Promote a culture of integrity by embedding regular ethics & independence trainings, and mandatory declarations across the organisation.

### **Enhancing Audit Delivery**

The Auditor General has set an ambitious target of 60% clearance of all backlogged files greater than 2 years in OAG control. The current baseline is 137 files which includes all clients that are expected to have delivered annual financial statements and increase in clients previously not audited due to capacity constraints. A detailed backlog strategy has been developed and an achievable target of 60% greater than two years clearance in 2026 has been set. More details is provided in Section 3 of this report. The OAG will continue to look at means to continue to on-

board new clients in line with the office mandate and addressing resourcing constraints adopting a risk-based approach.

### **Performance audits**

We continue to deliver a range of performance and compliance audits and special investigations. These are under the discretion of the Auditor General. Key areas of interest in 2026 will be at least one agile audit and the design and implementation of new compliance and value for money audits for selected national Government Ministries and the pilot audit using community participatory audit methodology for the CDF. This department will increase staff numbers in 2026 and target 4 audits in 2026.

Picture 3: OAG CDF CPA audit team in North Guadalcanal



### **Financial Statement Audits**

The primary focus in 2026 is to address backlog and bring all statutory audits back within statutory deadlines. A detailed backlog strategy has been developed and will be implemented from 2026.

We will continue to employ a number of strategies to achieve this including:

- Priority of key areas of risk
- Increasing use of outsourcing model
- Securing additional surge resources to assist with clearance of backlog audits
- Consider a dedicated contract management function within the commercial audit branch where most audits are outsourced.

## **Audit planning**

In 2025, we have increased the number of contracted audits and indications are this will likely increase further in 2026.

The Office will be allocating a budget for procurement of additional TA resources to support delivery of audits in 2026.

An audit work programme (AWP) is developed each year which identifies the audit work to be undertaken in the upcoming year. Due to various reasons including staffing and auditee issues, the AWP is a live document which is updated continuously and managed through our Leadership Team. It is also clear that we do not have the necessary in-house capacity to meet our annual statutory expectations which is alluded to in our performance section of this report. As such, active contract management and key strategic initiatives such as construction of a Centre of Excellence will be critical to stabilising capacity needs.

## **Implementation of Projects to support audit delivery and quality**

The new CAPSA project is expected to be fully resourced by the early 2026. 2026 will also be the rollout of the implementation of a system of audit quality management (SoAQM) aligned to ISSAI 140. This is critical for SAI Solomon Islands to ensure proper governance and delivery of high-quality audits aligned to international standards as expected by our relevant legislations and standards. The objective of CAPSA is to also support the institutional capacity building of the OAG by providing strategic, technical support to deliver its statutory mandate by improving audit quality and impact.

In addition to CAPSA, the OAG has secured other donor support. These funds will need to be managed and reported to the donors regularly which is leading to an additional strengthening of our corporate services function. This function will require additional resources to properly coordinate the donor related activity to OAG.

Key targets for this area are:

- Progressively reduce the national audit backlog to improve transparency and timeliness of financial reporting.
- Work towards meeting statutory audit deadlines across all entities, with a focus on consistent year-on-year improvement.
- Develop and implement through CAPSA a SoAQM to be ISSAI compliant by 2027.
- Introduce practical audit technologies, including data analytics and AI tools, to streamline audit tasks.

## **Strengthening Organisational Capability & Governance**

In 2025 6 out of 7 key executive roles are filled and focus now is on backfilling junior roles and contracting of remaining manager roles.



The focus in 2026 is the construction of a new training centre which will likely cost around \$12 million. This will require effective project management which is currently being sourced from MID.

Key targets for this area are:

- Digitise core internal processes, such as HR, to reduce manual work and improve reliability.
- Strengthen staff capability through targeted training, peer learning and mentoring opportunities.
- Embed internal risk management and quality practices that support accountability and continuous improvement.
- Fill all vacant roles on approved manpower register 2026 and consider new roles (Senior Executive Engagement role to comply with Int'l standards, Contracts Management, Legal, Auditors and Professional Learning and Development)
- Commence construction of new Centre of Excellence (Training Centre) and office infrastructure

### **Deepening Stakeholder Engagement**

OAG has recruited a new communications role in late 2025. In 2026 key activities to increase OAG profile and more active community engagements will be undertaken. This is a critical component to deliver audit impact and support OAG in delivering accountability and positive change.

We will also increase our support to PAC following the recently recruited PAC and PR manager roles. OAG will continue to lobby for increased engagement in public inquiries into our audits in 2026 and will table new sector thematic reports currently in development in 2025.

Key targets for this area include:

- Establish a Communication Committee to coordinate outreach and strengthen communication with Parliament, government, and other stakeholders through regular briefings and accessible reporting.
- Deliver community-awareness to increase public understanding of the OAG's role and mandate.
- Strengthen partnerships with PASAI, donors and twinning SAIs to support knowledge exchange and institutional growth.
- Update website including publication of all issued audits

## **2.3 Monitoring our performance**

The delivery of the annual work plan and targets are approved and monitored by the leadership team (LT) meetings chaired by the Auditor General.

Performance against KPI's form part of the annual performance reviews.

### Committees

The following committees including new committees continue to function during the reporting period:

- **Leadership Team (LT):** a new charter was approved in 2022. LT meets every fortnight or as required to review reports, approve policies and provide directions regarding the operations and management of OAG. The membership of the team comprises auditor general, deputy auditor general and all the branch heads.
- **Operational Oversight Committee:** is responsible for the ongoing monitoring of the office operations including timekeeping and deliverables set by LT.
- **Performance Management Review and Disciplinary Committee:** is responsible for the review and endorsement of submissions for confirmations of probations, promotions and annual reports for all staff of OAG.
- **Communications and public relations committee:** is responsible for all media and events management for OAG and operates in line with the approved stakeholder engagement and communications strategies.
- **Training and development committee:** is responsible for developing and oversighting OAG learning and professional development. This includes making recommendations to the AG for scholarship applications for OAG.
- **Quality Control Committee:** this committee and policy was approved in 2022 tasked with scrutiny of all high-risk audits to ensure final reports properly consider risks and approve within our risk appetite as described in our policy.
- **Risk and Compliance Committee:** this new committee was approved in 2025 and tasked with oversight of the office operational risk and compliance policy.
- **Ministerial Tender Board (MTB):** is responsible for approval and endorsement of tender submissions from the Technical Evaluation Committee (TEC) regarding tenders. These include tenders for audit contract services. In past two years we have undertaken the following tenders for audit services which have been awarded:

## 2.4 Human Resource management (HRM)

The HRM function has in place a detailed HR strategy aligned to the OAG four pillars. These are summarised as follows:

Corporate Plan Objective	HR Pillar Contribution
Strengthen organizational capability and governance	<b>Pillar 1 – Governance &amp; Performance:</b> Performance-based contracts, PMP execution, disciplinary and productivity monitoring

Enhancing audit delivery, deepening stakeholder engagement	<b>Pillar 2 – Capacity Building:</b> ISSAI training, stakeholder engagement and targeted training opportunities (PASAI, IPAM, Twinning, ISIA etc.), competency-based development opportunities, join Government and Community events.
Strengthen organizational capability and governance, Safeguarding independence	<b>Pillar 2 &amp; 3 – Staff Voice, Wellness &amp; Culture:</b> Empowerment sessions, staff association, wellness programs, uniforms, ethical conduct, annual attestations
Strengthen organizational capability and governance	<b>Pillar 4 – Infrastructure &amp; Resource Management:</b> Preventative maintenance, critical repairs, secure and staff friendly workspaces, quality staff amenities, quality tools of trade
Enhanced Audit delivery	<b>All Pillars:</b> Output-focused performance management, staff recognition and awards, time monitoring and accountability, build new Centre of Excellence.

Some of these initiatives are ongoing and, in some cases, will require a number of years to effectively implement. The implementation of ISSAI 140 will also ensure international standards for effective well governed SAI's are in place and sustained.

## 2.5 Finance Management

### Monitoring and Financial Management

These are some of the things that are monitored at OAG using different means of monitoring systems:

- **Budget and Payments:** this is monitored using the Government's D365 with fortnightly finance updates provided by the financial controller (FC).
- **Performance Management Process (PMP):** monitored by following MPS templates and guidelines schedules; and
- **Staff Attendance:** using electronic attendance record system - "SIGTaac" (Time attendance and access control) system and a manual tracker. From 2025 the office has also required all audit team to track specific client work in their timesheets.

The vigorous application of the above monitoring systems and processes, ensures transparency, accountability and effective delivery of the office goals and objectives.

Finance also oversees all IT, property and procurement requirements for OAG. All procurements are in full compliance with the Governments general procurement guidelines and Financial Instructions.

## **2.6 Information Technology Support**

In 2025 a new IT officer was recruited and commenced immediate support and management of all IT requirements in the office.

During 2024 and 2025 the OAG signed an MOU with the Internal Audit division of the Ministry of Finance and Treasury to share ongoing costs and training opportunities for the use of the audit software TeamMate+.

To date a comprehensive database of checklists, test programs, questionnaires and other documents has been compiled and updated within TeamMate+ for use in either all or specific audit types. Use of these will enhance OAGs compliance with the International Standards of Supreme Audit Institutions (ISSAI). In 2026 through the CAPSA project the implementation of Solomon Islands specific audit methodology will be undertaken and embedded in Teammate+.

As of 2025 all audits are now required to be completed online in Teammate+ with training provided on an ongoing basis. Longer term effective operationalising other software functionality such as time sheeting and audit time scheduling will support the offices monitoring of both audit performance and efficiency.

A new time sheeting and fee charging policy has been developed and expected for approval in 2026.

## **2.7 Engagement with partners**

### **PASAI and IDI Capacity Development**

OAG participates in the PASAI and IDI Capacity Development. Auditors from OAG share knowledge and experience with PASAI IDI facilitators and auditors from various countries while conducting undertaking audits. For 2025 the IDI PASAI Co-operative Audit on Climate Change Adaption was completed and received good media coverage locally and regionally.

### **Vaka Pacifika Development partner engagement**

During 2024 to current date a pilot program on developing community participatory audits on CDF was commenced. This program aims to develop a new audit methodology for audits on CDF in line with the CDF Act 2023.

This program is expected to deliver a pilot audit in 2026. These audits are compliance and value for money special audits that are intended to be delivered once in each constituency in every four-year cycle subject to capacity, risk based planning and community demand. If capacity is increased the audit cycle can also be increased to a more regular basis but still subject to community engagement.

## 2.8 Twinning Partner: The Office of the Auditor General of NSW

The Australian Department of Foreign Affairs and Trade (DFAT) is providing support to the OAG through a twinning arrangement with the New South Wales Audit Office (NSWAO). This is a three-year programme which concluded in 2025 and in the process of being extended through to 2027. NSWAO supported OAG with secondees including acting deputy auditor general and team leader for Commercial Audit Branch, delivered executive training and secondment opportunities for OAG new executive, delivered numerous capacity building workshops in strategy, IT audits, financial statements and performance audit delivery and governance.

This relationship has been critical for the sustainability of OAG operations and audit delivery.

## 2.9 Deputy Auditor General

In 2025 we recruited our first local qualified deputy auditor general (DAG) Mr Vincent Misi. This was supported by New Zealand Ministry of Foreign Affairs and Trade (MFAT) who provided funding for temporary cover and recruitment costs of the DAG. MFAT also continues to provide support through budget support to assist OAG in delivery of audits including payment of contract auditors, capacity support, training and ongoing support for the deputy auditor general role.

Picture 4: Far right: Deputy Auditor General Vincent Misi with Manager Heston Rence and Myrielyn Komolo, Principal Administration Officer.



## 2.10 Other Management Policies

### Inclusion and Diversity

The OAG aims to create an organisation that encourages and welcomes diversity. This includes diversity of background, views, thoughts and approaches.

The OAG's objective is to attract a range of talented people to build a successful and sustainable organisation with a culture that enriches our work and impact.

### **2.11 Gender**

As part of this process we champion gender balance and ensure there is equality of opportunities regardless of gender. As at end of 2025 gender balance was 48% male and 52% female.

### **2.12 Disability**

As part of our commitment to the disabled community, we guarantee to interview all disabled candidates who meet the minimum criteria for the role. In addition, we will make adjustments to the arrangements for interviews and selection tests and, if appointed, agreeing a package of workplace adjustments.

We aim to support anyone who becomes disabled during their employment to remain in their post and achieve their potential.

### **2.13 Equality and Fairness**

We are committed to fostering an inclusive working environment in which individual differences are respected and everyone is encouraged to reach their full potential and contribute to the OAG objectives.

We aim to ensure that all staff receive equal treatment that is free from discrimination and we follow all employee related procedures impartially and objectively. This approach includes decisions relating to training and development, performance management, reward and benefits and promotion.

We do not tolerate bullying and harassment of any kind. We are working hard to ensure people feel confident that they can raise issues in a safe, supportive and confidential environment.

### **2.14 Environmental Impact**

It is our policy to manage our organisation in the most environmentally responsible manner to comply with all applicable environmental legislation and with any other requirement necessary. Our direct environmental impacts include the greenhouse gas emissions associated with business travel and energy use, water use, paper consumption and general waste in our building.

We will start to establish the environmental impact of our activities in future years and will set and review environmental targets to support continuous improvement.

## **2.15 Scrutiny of the Office**

### **External Scrutiny**

The OAG's operations, processes, and reports are periodically subjected to external review. This occurs in a number of ways:

- We produce this Annual Report to Parliament which details our actual activities with regards our planned activities.

- As indicated above, the Supreme Audit Institution Performance Measurement Framework (SAI PMF) was used to measure the status of the OAG in 2016 and where it needed to improve. This was led by members of the Cook Islands SAI. In 2026 through our CAPSA project a reassessment of SAI PMF was undertaken by CIPFA. In the future, the OAG will continue external reviews using “peer reviews” from other PASAI members.
- In 2026 we expect numerous QA activities including an ICAATs assessment of our audit methodologies and alignment to ISSAI’s. Through the CAPSA project OAG will embed ISSAI compliant methodologies in our audit procedures and processes.

### **2.16 Internal Scrutiny**

This is provided by the various in-house committees.

In future consideration will be given to developing an Audit Committee, with outside members, to ensure the governance of the OAG.

OAG has instituted an Independence Committee to manage the conflicts of interest that may arise in-house and will be disclosed in the relevant audit opinions issued for the entities impacted.

## 2.17 Our 2025 Budget

SIG Recurrent Funding ESTIMATES 2025					
HEAD:04 Office of the Auditor General				040 Statutory Services	
ACCOUNTING CODE	DETAILS OF REVENUE AND EXPENDITURE	2024 ACTUALS	2025 ORIGINAL BUDGET	2025 REVISED BUDGET	DIFFERENCE 2025 REVISED ESTIMATES AND 2025 ESTIMATES
<b>INCOME</b>					
13251-101-04-040-	Fees and Charges	39,000	(8,001)	8,001	(16,002)
13253-101-04-040-	Audit Fees	505,370	(1,878,752)	1,878,752	(3,757,504)
	<b>Sub Total:</b>	<b>544,370</b>	<b>(1,886,753)</b>	<b>1,886,753</b>	<b>(3,773,506)</b>
	<b>Income Sub Total:</b>	<b>544,370</b>	<b>(1,886,753)</b>	<b>1,886,753</b>	<b>(3,773,506)</b>
	<b>INCOME TOTAL:</b>	<b>544,370</b>	<b>(1,886,753)</b>	<b>1,886,753</b>	<b>(3,773,506)</b>
<b>EXPENDITURE</b>					
<b>Payroll Charges</b>					
<b>Salaries</b>					
21101-101-04-040-	Salaries - Statutory	653,000	653,000	653,000	0
21102-101-04-040-	Salaries - Public Servants	1,021,835	2,494,716	2,494,716	0
21201-101-04-040-	Housing Allowance - Statutory	180,000	180,000	180,000	0
21202-101-04-040-	Housing Allowance - Public Servants	17,818	662,839	662,839	0
21204-101-04-040-	Various Allowances - Statutory	30,200	25,000	25,000	0
21205-101-04-040-	Various Allowances - Public Servants	88,290	1,151,823	1,151,823	0
21209-101-04-040-	Sitting Allowances	0	0	0	0
21301-101-04-040-	NPF-Employers contribution	136,177	313,404	313,404	0
21302-101-04-040-	Overtime	2,969	35,450	35,450	0
21402-101-04-040-	Gratuity Benefits	228,550	207,145	207,145	0
21403-101-04-040-	Long Service Benefits	0	0	0	0
	<b>Salaries Sub Total:</b>	<b>2,358,839</b>	<b>5,723,377</b>	<b>5,723,377</b>	0
	<b>Payroll Charges Sub Total:</b>	<b>2,358,839</b>	<b>5,723,377</b>	<b>5,723,377</b>	0
<b>Other Charges</b>					
22102-101-04-040-	Audit fees	0	4,756,555	4,756,555	0
22105-101-04-040-	Consultancy Fees	0	1,028,756	1,028,756	0
22109-101-04-040-	Printing, stationary & photocopying	26,425	80,000	80,000	0
22110-101-04-040-	Publicity & promotions	28,168	40,000	46,500	(6,500)
22112-101-04-040-	Subscriptions	48,516	270,150	57,650	212,500
22117-101-04-040-	Entertainment	600	3,000	3,000	0
22205-101-04-040-	Office Stationery	3,684	45,000	45,000	0
22211-101-04-040-	Fuel	6,400	46,560	46,560	0
22301-101-04-040-	Maintain - Non Residential Buildings	33,040	90,000	90,000	0
22306-101-04-040-	Maintain - Motor Vehicles	685	50,000	50,000	0
22308-101-04-040-	Maintain - Office Equipment	0	20,000	20,000	0
22314-101-04-040-	Software Support and Maintenance	15,196	33,758	33,758	0
22401-101-04-040-	Conferences, Seminars and Workshop	11,483	30,000	30,000	0
22404-101-04-040-	Training - Other	8,955	104,981	104,981	0
22508-101-04-040-	Public Servants - Local Fares	65,664	75,000	75,000	0
22509-101-04-040-	Public Servants - Local Accommodation	59,597	150,000	150,000	0
22510-101-04-040-	Public Servants - Local Other costs	82,896	85,000	85,000	0
22511-101-04-040-	Public Servants - Overseas Fares	19,134	0	0	0
22512-101-04-040-	Public Servants - Overseas Accommodation	0	0	0	0
22513-101-04-040-	Public Servants - Overseas Other Costs	18,376	0	0	0
22514-101-04-040-	Public Servants - Annual Leave Fares	194,706	450,000	450,000	0
22651-101-04-040-	Electricity	417,843	401,892	471,892	(70,000)
22655-101-04-040-	Telephone and Faxes	14,663	30,000	30,000	0
22656-101-04-040-	Water	42,816	70,000	156,000	(86,000)
22901-101-04-040-	Uniform & Protective Clothes	0	50,000	100,000	(50,000)
23011-101-04-040-	Capex - Office Equipment	0	90,000	90,000	0
23013-101-04-040-	Capex - Computer Software and Hardware	0	90,000	90,000	0
27001-101-04-040-	House Rent	663,330	1,400,880	1,400,880	0
	<b>Sub Total:</b>	<b>1,762,176</b>	<b>9,491,532</b>	<b>9,491,532</b>	<b>0</b>
	<b>Other Charges Sub Total:</b>	<b>1,762,176</b>	<b>9,491,532</b>	<b>9,491,532</b>	<b>0</b>
	<b>EXPENDITURE TOTAL</b>	<b>4,121,015</b>	<b>15,214,909</b>	<b>15,214,909</b>	<b>0</b>

HEAD:04 OFFICE OF THE		BUDGET SUPPORT ESTIMATES			
		040 Statutory			
ACCOUNTING CODE	DETAILS OF REVENUE AND EXPENDITURE	2024 ORIGINAL BUDGET	2024 REVISED BUDGET	2025 BUDGET ESTIMATES	DIFFERENCE 2024 REVISED ESTIMATES AND 2025 ESTIMATES
	<b>INCOME</b>				
12200-202-04-040-2019	From international	0	0	2,155,771	(2,155,771)
14220-219-04-040-	From international			1,299,596	(1,299,596)
	<b>INCOME TOTAL:</b>	<b>0</b>	<b>0</b>	<b>3,455,368</b>	<b>(3,455,368)</b>
	<b>EXPENDITURE</b>				
	<b>Other Charges</b>				
22105-202-04-040-2019	Consultancy Fees	0	0	2,155,771	(2,155,771)
22105-219-04-040-	Consultancy Fees			1,299,596	(1,299,596)
	<b>EXPENDITURE TOTAL</b>	<b>0</b>	<b>0</b>	<b>3,455,368</b>	<b>(3,455,368)</b>

SIG DEVELOPMENT ESTIMATES 2025					
HEAD:04 Office of the Auditor General					
MINISTRY DEVELOPMENT ESTIMATES APPROPRIATED					
		040 Statutory			
ACCOUNTING CODE	DETAILS OF REVENUE	2024 ACTUALS	2025 ORIGINAL BUDGET	2025 REVISED BUDGET	DIFFERENCE 2025 REVISED ESTIMATES AND 2026 ESTIMATES
	<b>DEVELOPME</b>				
	<b>OAG</b>	<b>0</b>	<b>1,130,000</b>	<b>1,130,000</b>	<b>0</b>
102-04-040-0097-22101	Advertising	0	30,000		30,000
102-04-040-0097-23002	Capex - Non	0	500,000	900,000	(400,000)
102-04-040-0097-22105	Consultancy	0	600,000	200,000	400,000
	<b>DEVELOPME</b>	<b>0</b>	<b>1,130,000</b>	<b>1,130,000</b>	<b>0</b>
	<b>TOTAL APPROPRIATED FUNDS</b>	<b>0</b>	<b>1,130,000</b>	<b>1,130,000</b>	<b>0</b>
<b>SERVICE SUMMARY</b>					
	<b>EXPENDITURE TOTAL</b>	<b>0</b>	<b>1,130,000</b>	<b>1,130,000</b>	<b>0</b>
	<b>SIG FUNDED COMPONENT</b>	<b>0</b>	<b>1,130,000</b>	<b>1,130,000</b>	<b>0</b>

In 2025, the Office of the Auditor General (OAG) operated under three budget components: the SIG recurrent budget, donor-supported funding, and the development budget. Under the SIG recurrent budget, the OAG budgeted SBD 1,886,753 in income, while total expenditure reached SBD 15,214,909, driven by payroll costs of SBD 5,723,377 and other operational charges of SBD 9,491,532. This resulted in a recurrent deficit of SBD 13,328,156, underscoring the high resource demands required to support government-wide audit services.

Donor support in 2025 included SBD 2,155,771 from MFAT, which assisted with funding for the Deputy Auditor-General role, technical advisory consultancy support, and training to strengthen audit capability. Additional donor contributions included SBD 1,299,596.32 from the World Bank through the CAPSA project, approved via an advance warrant, and SBD 937,530 from UNCDF, dedicated specifically to supporting provincial audits.

Meanwhile, the SIG-funded development budget of SBD 1,130,000 supported renovation work for the OAG office, aimed at improving the institution's facilities and creating a more effective working environment. Collectively, these 2025 budget components enabled the OAG to sustain its core functions while advancing capacity building, strengthening audit systems, and improving infrastructure.

## 2.18 Budget Execution analysis

Budget execution in 2025 was 43%. Efforts to increase spending in Q4 have been slow due to delayed cheque disbursements over recent months. The plan to boost expenditure in Q4 was further challenged as some payments were processed late and had to be deferred to 2026. All payments are subject to MoFT processes and expenditure controls.

As part of strengthening annual expenditure performance, the team will need to develop strategies to improve the spending rate. To help manage low execution levels, we introduced an aging analysis of Purchase Requisitions (PRs), tracking the time from when a PR is raised to when the payment is completed.

In 2025, several payments exceeded 90+ days, which is a concern. The Office of the Auditor-General has also highlighted this aging issue as a persistent challenge and a key barrier to achieving the planned 80% execution rate in 2026. The below analysis shows aging of payments made in 2025.

Count of PR Number Aging bucket	Total
0-30	122
31-60	36
61-90	7
91-120	4
121-180	8
181+	9
<b>Grand Total</b>	<b>186</b>

## 2.19 Development Budget

In 2025 planned expenditure was delayed due to procurement processes in MID. These have been carried forward to 2026 with draft plans and costings now finalised. Draft plans were presented to the Ministry of Finance and the Minister of Finance for support. Following discussions an additional floor was included and plans now updated and costed for approval by MoFT in 2026.

The construction of a training centre would occur on the existing site. It is envisaged that the training centre would take over the hosting of the exam lab and the training room which is currently in the main OAG building. This would free up space in our existing building to accommodate the Office's additional staff needs. The training centre will represent the regions first public sector dedicated audit and accounting professional development deemed "the Centre of Excellence" for the Pacific and Solomon Islands. This strategy responds to the ongoing lack of

skills in the sector across Solomon Islands both public and private sectors. This also supports the Governments MTS12 – Efficient and effective public service with a sound corporate culture seek to enhance efficiency and effectiveness of the public sector founded principal of transparency and, accountability and trustworthy and honesty.

Picture 5: a designer’s rendition of the Proposed Training Centre for OAG and MoFT



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## 3.0 How did we do? Our performance

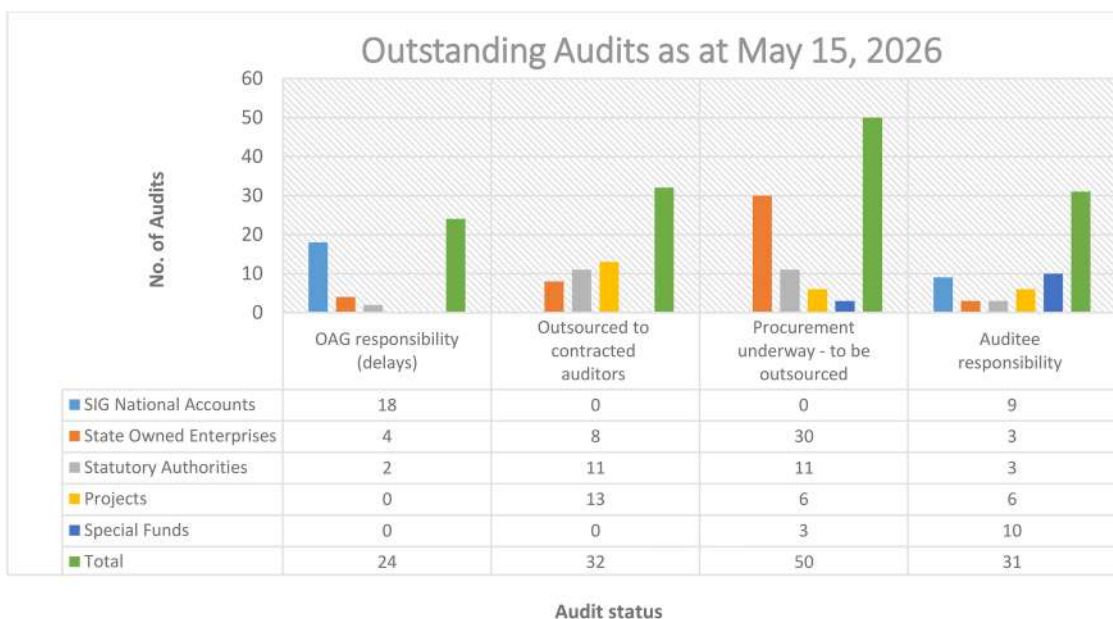
### 3.1 Delivery of our statutory audits and the backlog

Backlogged audits continue to be a drag on overall audit delivery in the Commercial & Central Government Financial Audit Branch. As at 2025, of the 137 outstanding statutory and non-statutory audits, approximately 18% of these audits are under the Office’s control which means that the Office has received and accepted the required financial statements and has commenced or is progressing the audit work. A further 23% are being progressed by contracted auditors. Additionally, 23% of the audits are the auditees’ responsibility because they have not submitted the required annual financial statements, have not responded to audit queries, or have submitted non-compliant statements that must be revised. The remaining 36% of audits are currently in the procurement phase to secure contracted auditors subject to delivery of compliant financial statements. They are at various stages, including discussions with the auditee to inform them of the audit approach, technical and financial evaluations of the external auditors’ submissions by the Ministerial Tender Board (MTB), and awaiting approval from the Treasury Procurement Unit (TPU) to proceed to subsequent stages of the procurement process.

In the third quarter of 2025, the Branch developed a Backlog Strategy that sets out an actionable plan to clear the existing backlog and prevent future accumulation. The strategy prioritises high-risk and time-sensitive audits, reallocates resources to focus on quality reviews, and introduces process improvements to reduce internal delays. Prompt implementation of these measures, together with targeted recruitment and technical capability building, is required to restore timely audit delivery and mitigate operational and reputational risks.

The office has also, for transparency, published the accounts which are behind statutory reporting requirements. All SOE and SA sectors will continue to be outsourced when the entity is ready including having prepared compliant financial statements.

Chart 3: Split of outstanding audits by status, reason for delay, and responsible party



Over the three-year period, the Branch issued 27 audit certificates in the 2024 financial year, 23 audit certificates in the 2025 financial year and five audit certificates in the 2026 financial year. These certificates encompass audits completed from both current engagements and the backlog. Provincial Government issued five opinions in 2025. In early 2026 the Provincial audit team released a further six opinions and expect to clear a further 8 within the next six months.

### 3.2 Grant, Special funds and Political Party audits

Over the past three years, the Office integrated project and grant audits into its processes, expanding its remit to more than 60 grants and/or project audits. Due to capacity constraints, a majority these engagements have been outsourced and the Office is now implementing a structured on-boarding process to appoint contracted auditors and ensure audits are delivered on schedule.

Four Special Fund financial statements are subject to audit by the Office of the Auditor General. No audit certificates were issued for Special Funds in the 2024, 2025 and 2026 financial years. The Branch has assumed responsibility for four Special Funds: one fund is pending the procurement of a contracted auditor, one fund is currently under audit, and one fund is in backlog and subject to court proceedings. This fund and the last remaining fund have outstanding financial statements.

Under the Political Parties Integrity Act 2014, the Office of the Auditor-General is not the statutory auditor of political parties; rather, it is required to consent to the appointment of party auditors and to certify acceptance of their audit reports. Only a limited number of registered political parties have submitted unaudited financial statements to the Political Parties Commission. The Office is currently undertaking a compliance audit of the Political Parties Commission’s adherence to Part 10 - Public Funding and Financial Reporting by Political Parties of the Political Parties Integrity Act. This exercise is not a statutory audit and remains a work in progress.

### 3.3 How do we report

Before we set out our performance for the year by the relevant sector, the following sections outline the different types of financial statement audit reports that we can issue.

### 3.4 Audit opinion definitions

When providing an audit opinion over a set of financial statements, the auditor-general is required to comply with International Standards of Supreme Audit Institutions (ISSAI).

These standards define the type of audit opinion that should be issued depending upon the nature of the errors, internal control weaknesses and other matters identified during the audit. The table below provides details of the different types of modified audit opinions that the auditor general may issue when certifying a set of financial statements.

Nature of matter giving rise to the modification	Auditor’s Judgement about the pervasiveness of the effects or possible effects on the financial statements	
	Material but not pervasive	Material and pervasive

Financial statements are materially misstated	<b>Qualified audit opinion</b>	<b>Adverse opinion</b>
Inability to obtain sufficient appropriate audit evidence	<b>Qualified audit opinion</b>	<b>Disclaimer of opinion</b>

Material means that whatever hasn't been reported properly in the financial statements is big enough to matter from a reader's perspective. Material can also be about the "nature" of the item that caused the error and what the circumstances were.<sup>2</sup>

Pervasive means that it isn't an isolated problem – it affects so much that the information that's been reported, as a whole, is misleading<sup>3</sup>.

The best type of audit opinion to receive is an **unqualified audit opinion**. Ultimately, it should be a key objective for all auditees to achieve an unqualified audit opinion.

The auditor general is also required to report on other legal and regulatory requirements. This forms the second part of the auditor general's audit opinion and details any significant breaches of other legal or regulatory requirements identified in relation to reporting requirements under the applicable Act.

### 3.5 Emphasis of Matter paragraphs

In some of the auditor general's audit opinions, ISSAIs require him to issue an emphasis of matter paragraph. This is not the same as a qualification but the auditor general is required to alert readers of the financial statements to any matters which may not result in modification to the financial statements but are important issues that the auditor general wishes to bring to the readers' attention. This is an auditor's way of saying "you need to take note of this."

### 3.6 Reporting by Audit Sector

The following sets out the details by audit sector under the Commercial Government & Central Government Financial Audit Branch.

### 3.7 State-owned Enterprises (SoE)

In 2024 there were 11 State-owned Enterprises (SoEs) within the Branch's audit scope. Table 3 shows that three clean audit opinions pertaining to Solomon Power & GEF EA & REEP (WB) for 2023, 2024 and 2025. Solomon Airlines also received unqualified opinion with emphasis of matter for the 2021 and 2022 financial periods. Additionally, only Solomon Power met its financial reporting obligations for the 2024 and 2025 year-ends. The Solomon Islands Ports Authority and the Solomon Islands Water Authority each had two audit certificates that remained backlogged across the two-year period and did not meet statutory reporting deadlines.

<sup>2</sup> Taken from: <https://auditnz.parliament.nz/assurance-services/annual-audits/types-of-opinions>

<sup>3</sup> Taken from: <https://auditnz.parliament.nz/assurance-services/annual-audits/types-of-opinions>

Overall, a majority of the SoEs failed to submit financial statements within the required timeframes for the reporting period. The delays were driven by several factors, including prolonged procurement of contracted auditors, insufficient staffing and specialist technical capacity to support quality reviews in our branch, and the absence of adequate supporting audit evidence necessary to form audit conclusions. In response, the Branch has implemented a Backlog Strategy and is initiating tenders to engage contracted auditors for SoEs that remain in backlog. An active communication channel has been established between the Branch and contracted auditors to coordinate work and promote timely completion of outstanding audits.

*Table 3: State Owned Enterprises which Received Audit Certificates during 2024, 2025 and 2026*

<b>Auditee</b>	<b>Financial Year-End</b>	<b>Date of Audit Certification</b>	<b>Audit Opinion</b>	<b>Date tabled in Parliament</b>
Solomon Islands Ports Authority	31/12/2021	13/12/2024	Qualified	Not yet tabled
Solomon Islands Ports Authority	31/12/2022	13/12/2024	Qualified	Not yet tabled
Solomon Power & GEF EA & REEP (WB)	31/12/2023	28/03/2024	Unqualified	Tabled 17/06/2024
Solomon Power & GEF EA & REEP (WB)	31/12/2024	28/03/2025	Unqualified	Tabled 14/7/2025
Solomon Power & GEF EA & REEP (WB)	31/12/2025	26/03/2025	Unqualified	Not yet tabled
Solomon Islands Water Authority	31/12/2022	22/05/2024	Qualified	Tabled 12/8/2024
Solomon Islands Water Authority	31/12/2023	26/02/2025	Qualified	Tabled 14/7/2025
Solomon Airlines	31/12/2021	14/03/2024	Unqualified with Emphasis of Matter	Not yet tabled
Solomon Airlines	31/12/2022	23/12/2025	Unqualified with Emphasis of Matter	Not yet tabled
Solomon Islands Broadcasting Corporation	31/12/2019	30/09/2024	Qualified	Not yet tabled
Solomon Islands Postal Corporation	31/12/2019	08/01/2024	Disclaimer	Not yet tabled

### 3.8 Statutory Bodies

Table 4 summarises the financial reporting status of statutory bodies brought into the Branch's processes over the past two years. The six statutory authorities account for 28 audits in total, of which 14 audits relate to the 2024 and 2025 financial years and the remaining 50% remain in backlog. Seven audit certificates have been issued in total for the 2024 and 2025 financial years, with only the Central Bank of Solomon Islands (CBSI) meeting timely reporting requirements for both years. Also, CBSI (2023 and 2024), SINPF (2023) and DBSI (2022) received unqualified opinions. Contrastingly, all the other statutory bodies failed to meet statutory reporting deadlines. Four audits (NPF, DBSI and SIMA) were outsourced, while others such as SINU, SIVB and TCSI have previously been audited in-house and are currently undergoing procurement to appoint contracted auditors to address the outstanding backlog and future audits.

Table 4: Statutory Bodies & Other Agencies which received Audit Certificates during 2024, 2025 and 2026

Auditee	Financial Year-End	Date of Audit Certification	Audit Opinion	Date tabled in Parliament
Solomon Islands National Provident Fund	30/06/2023	30/08/2024	Unqualified	Not yet tabled
Central Bank of Solomon Islands	31/12/2023	20/04/2024	Unqualified with Emphasis of Matter	Tabled 12/8/2024
Central Bank of Solomon Islands	31/12/2024	30/04/2025	Unqualified	Not yet tabled
Central Bank of Solomon Islands	31/12/2025	29/04/2026	Unqualified	Not yet tabled
Development Bank of Solomon Islands	31/12/2022	08/05/2025	Unqualified with Emphasis of Matter	Not yet tabled
Solomon Islands Visitors Bureau	31/12/2019	03/10/2024	Disclaimer	Not yet tabled
Telecommunications Commission Solomon Islands	31/12/2020	31/07/2024	Disclaimer	Not yet tabled

### 3.9 Solomon Islands Government (SIG), Provincial Governments and Honiara City Council

The audit of SIG, HCC and provincial governments continues to be a challenge for the OAG due in part to the state of record keeping and the quality of the financial statements produced by the entities and the capacity within OAG.

The audit of SIG has not met its statutory deadlines. As at the date of this report all National Accounts received have been audited and opinions released. The HCC financial statements audit for 2020 is nearing completion and 2021 and 2022 has also now been received and reviewed by

OAG. The two set of financial statements does not comply with IPSAS cash basis of report and were set back to client for amendments. These will be completed as OAG resourcing permits.

In the year 2024-2025 only five audit opinions were released. Three provinces (Isabel, Western and Temotu) received qualified audit opinions. In addition, Malaita and Guadalcanal received disclaimer audit opinions. A number of Provincial audits were reported in 2026 and we expect remaining 2022 and 2023 accounts will be released in 2026. The office has secured support from UNCDF for an external contractor from KPMG who is assisting the office with review capacity to clear outstanding Provincial audits.

*Table 5: Solomon Islands Government National Accounts which received Audit Certificates during 2024, 2025 and 2026*

<b>Auditee</b>	<b>Financial Year-End</b>	<b>Date of Audit Certification</b>	<b>Audit Opinion</b>
SIG National Accounts	31/12/2018	02/06/2020	Disclaimer of Opinion
SIG National Accounts	31/12/2019	08/05/2026	Disclaimer of Opinion
SIG National Accounts	31/12/2020	08/05/2026	Disclaimer of Opinion
Guadalcanal Province	31/3/2022	24/09/2024	Disclaimer of Opinion
Choiseul Province	31/3/2022	15/01/2026	Qualified Opinion
Makira Ulawa Province	31/3/2022	22/01/2026	Disclaimer of Opinion
Central Islands Province	31/3/2022	26/10/2023	Unqualified Opinion
Western Provincial Government	31/3/2022	24/09/2024	Qualified Opinion
Isabel Provincial Government	31/3/2022	24/12/2025	Qualified Opinion
Malaita Provincial Government	31/03/2022	20/09/2024	Disclaimer of Opinion
Temotu Provincial Government	31/03/2022	24/09/2024	Qualified Opinion
Choiseul Province	31/3/2023	08/04/2026	Unqualified Opinion
Central Islands Province	31/03/2023	13/04/2026	Unqualified Opinion with Emphasis of matter

### 3.10 Project audits

Over the past two years the Office has worked closely with the Ministry of Finance and Treasury and donor partners to integrate project and grant audits into the Office's audit processes and to ensure these engagements are audited by the Office. However, due to capacity constraints, the Office has outsourced more than 95% of the project and grants audits. The Office is currently working through a process to onboard the audits, appoint an outsourced auditor and then ensure that audits are delivered against project deadlines. Since 2024 the initiative has materially expanded the Branch's remit, generating approximately 20 projects and about 60 associated project audits. From 2024 through the date of this report, the Office has issued 35 audit opinions. Outstanding project audits comprise 15 audits currently in progress by contracted auditors – due 30 June 2026, five audits undergoing procurement to secure contracted auditors, and the remainder awaiting responses to audit queries and outstanding documentation from the auditees.

Table 6: Project Audits Certified in 2024, 2025 and 2026 (up to 15 May 2026)

Auditee	Financial Year end	Date of audit certification	Audit Opinion
UWSSSP*	31/12/2023	27/05/2025	Unqualified
SIART*	31/12/2022	31/07/2024	Qualified
SIART*	31/12/2023	31/07/2024	Qualified
SIART*	31/12/2024	24/10/2025	Qualified
SMDTAP*	31/12/2022	30/04/2025	Qualified
SMDTAP*	31/12/2023	30/04/2025	Qualified
SMDTAP*	31/12/2024	13/10/2025	Qualified
Solid Waste Management*	31/12/2023	07/11/2024	Unqualified
Solid Waste Management*	31/12/2024	24/10/2025	Unqualified
SIEA Solar Project (ADB)*	31/12/2023	12/08/2024	Unqualified
SIEA Solar Project (ADB)*	31/12/2024	31/10/2025	Unqualified
IEDCR Project*	31/03/2023	28/03/2024	Unqualified
IEDCR Project*	31/03/2024	29/03/2025	Unqualified
IEDCR Project*	31/03/2025	31/03/2026	Qualified
SIRAP I*	31/12/2023	28/06/2024	Unqualified
SIRAP II*	31/12/2023	28/06/2024	Unqualified
SIRAP I*	31/12/2024	21/07/2025	Unqualified
SIRAP II*	31/12/2024	23/07/2025	Unqualified
CBSP*	31/12/2024	22/08/2025	Qualified
CAUSE*	31/12/2022	27/03/2024	Unqualified
CAUSE*	31/12/2023	28/06/2024	Unqualified
CAUSE*	31/12/2024	30/06/2025	Qualified
IRD ADB*	31/12/2022	02/09/2024	Unqualified
IRD ADB*	31/12/2023	16/12/2024	Qualified
IRD ADB*	31/12/2024	27/10/2025	Unqualified

MHMS COVID 19 WB*	31/12/2022	29/02/2024	Qualified
MHMS COVID 19 WB*	31/12/2023	30/09/2024	Qualified
MHMS COVID 19 WB*	31/12/2024	31/10/2025	Qualified
PROPER2 WB*	31/12/2022	16/07/2024	Unqualified
PROPER2 WB*	31/12/2023	25/07/2025	Qualified
PROPER2 WB*	31/12/2024	23/12/2025	Unqualified
SIEA Solar Project (ADB)*	31/12/2023	12/08/2024	Unqualified
SIEA Solar Project (ADB)*	31/12/2024	31/10/2025	Unqualified
TRHDP MMERE*	31/12/2023	16/12/2024	Unqualified
TRHDP MMERE*	31/12/2024	31/10/2025	Unqualified

*\*Denotes special purpose reports with emphasis on matter on limitations of the audit*

### 3.11 Performance, Compliance and Special audits

Two audits were tabled during the reporting period. The ESP Audit was also referred for further investigation. The Climate Change Adaptation audit is a cooperative audit facilitated by IDI and PASAI with other audit offices in Asia and Pacific.

*Table 7: Performance Audits tabled in Parliament by OAG in 2024 and 2025*

<b>Audit Type</b>	<b>Audit Title</b>	<b>Date certified by Auditor General</b>	<b>Parliament Paper No.</b>	<b>Date tabled in Parliament</b>
Special Audit	Economic Stimulus Package		16 of 2024	October 2024
Performance Audit	Climate Change Adaption Audit (CCAA)		14 of 2025	October 2025

### 3.12 Audits in Progress

Tables 8 and 9 present the breakdown of financial statement audits: Table 8 lists statutory audits, while Table 9 lists non-statutory audits (all project audits). In total, 137 audits are outstanding, meaning they are either in progress or have not yet started. Of these, 24 audits are the Office's responsibility because the financial statements have been received, accepted as compliant, and there are no outstanding queries requiring follow-up. A further 32 audits are currently in progress by contracted auditors, 50 in process for outsourcing which subject to provision of compliant financial statements and readiness of auditees finally the remaining 31 audits remain the responsibility of the auditees.

The audits still held by auditees are at various stages: some entities have not submitted the required financial statements for the years under audit; others have not responded to audit queries; and some submitted statements were non-compliant with presentation and disclosure requirements and were returned for revision. Consequently, the majority of outstanding audits are not within the Office's control, since the Office only commences its audit procedures after receiving and accepting compliant financial statements from the auditees.

*Table 8: Annual Financial Statements of outstanding Statutory Audits as at May 14, 2026*

	Type of audit	Auditee (Audit)	Year	In-house or contracted	Auditor	Status
1	SA	Development Bank of Solomon Islands	2023	Contracted	Grant Thornton	Reporting
2	SOE	Commodities Export Marketing Authority	2021	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
3	SOE	Investment Corporation Solomon Islands	2017	In-house	OAG	Reporting
4	SOE	Solomon Islands Broadcasting Corporation	2021	In-house	OAG	Fieldwork
5	SOE	Commodities Export Marketing Authority	2020	In-house	OAG	Fieldwork
6	SOE	Solomon Islands Broadcasting Corporation	2020	In-house	OAG	Fieldwork
7	SA	Solomon Islands Visitors Bureau	2020	In-house	OAG	Fieldwork
8	SA	Solomon Islands Visitors Bureau	2021	In-house	OAG	Fieldwork
9	SOE	Solomon Islands Maritime Authority	2021	Contracted	KPMG	Outsourced

	Type of audit	Auditee (Audit)	Year	In-house or contracted	Auditor	Status
10	SOE	Solomon Islands Maritime Authority	2022	Contracted	KPMG	Outsourced
11	SOE	Solomon Islands Ports Authority	2023	Contracted	EY	Outsourced
12	SOE	Solomon Islands Ports Authority	2024	Contracted	EY	Outsourced
13	SOE	Solomon Islands Water Authority	2024	Contracted	EY	Outsourced
14	SA	Development Bank of Solomon Islands	2024	Contracted	Grant Thornton	Outsourced
15	SA	Solomon Islands National Provident Fund	2024	Contracted	EY	Outsourced
16	SA	Solomon Islands National Provident Fund	2025	Contracted	EY	Outsourced
17	SF	CAASI	2018	In-house	OAG	Auditee responsibility - to revise FS & respond to queries from OAG
18	SF	CAASI	2019	In-house	OAG	Auditee responsibility - to revise FS & respond to queries from OAG
19	SF	CAASI	2020	In-house	OAG	Auditee responsibility - to revise FS & respond to queries from OAG
20	SF	CAASI	2021	In-house	OAG	Auditee responsibility - to revise FS & respond to queries from OAG
21	SF	CAASI	2022	In-house	OAG	Auditee responsibility - to revise FS & respond to queries from OAG
22	SF	CAASI	2024	In-house	OAG	Auditee responsibility - to revise FS & respond

	Type of audit	Auditee (Audit)	Year	In-house or contracted	Auditor	Status
						to queries from OAG
23	SOE	Solomon Airlines	2023	Contracted	EY	Outsourced
24	SA	Pacific Games 2023	2019	Contracted	KPMG	Outsourced – in court
25	SA	Pacific Games 2023	2020	Contracted	KPMG	Outsourced – in court
26	SA	Pacific Games 2023	2021	Contracted	KPMG	Outsourced – in court
27	SOE	Solomon Islands Maritime Authority	2023	Contracted	KPMG	Outsourced
28	SOE	Solomon Islands Maritime Authority	2024	Contracted	KPMG	Outsourced
29	SF	CAASI	2023	In-house	OAG	Auditee responsibility - to revise FS & respond to queries from OAG
30	SF	CAASI	2025	In-house	OAG	Auditee responsibility - to revise FS & respond to queries from OAG
31	SF	National Transport Fund (MID)	2023	Procurement of Contracted Auditor underway	TBC	To be outsourced (New)
32	SF	National Transport Fund (MID)	2024	Procurement of Contracted Auditor underway	TBC	To be outsourced (New)
33	SA	Solomon Islands National University	2021	Contracted	EY	Outsourced
34	SA	Solomon Islands National University	2022	Contracted	EY	Outsourced
35	SA	Solomon Islands National University	2023	Contracted	EY	Outsourced
36	SA	Solomon Islands National University	2024	Contracted	EY	Outsourced
37	SA	Pacific Games 2023	2022	Contracted	KPMG	Auditee responsibility - No financial statement received
38	SA	Pacific Games 2023	2023	Contracted	KPMG	Auditee responsibility - No

	Type of audit	Auditee (Audit)	Year	In-house or contracted	Auditor	Status
						financial statement received
39	SOE	Solomon Islands Postal Corporation	2020	Procurement of Contracted Auditor underway	TBC	To be outsourced
40	SA	Solomon Islands Visitors Bureau	2022	Procurement of Contracted Auditor underway	TBC	To be outsourced
41	SA	Solomon Islands Visitors Bureau	2023	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
42	SOE	Solomon Tower Ltd	2023	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
43	SF	Corrections SF	2019	In-house	OAG	Auditee responsibility - No financial statement received
44	SIG	SI Government	2021	In-house	OAG-TA	Auditee responsibility - No financial statement received
45	SIG	SI Government	2022	In-house	OAG-TA	Auditee responsibility - No financial statement received
46	SIG	SI Government	2023	In-house	OAG-TA	Auditee responsibility - No financial statement received
47	SF	Health & Lifestyle SF	2020	In-house	OAG	Auditee responsibility - No financial statement received
48	SOE	Commodities Export Marketing Authority	2022	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
49	SOE	Commodities Export Marketing Authority	2023	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)

	Type of audit	Auditee (Audit)	Year	In-house or contracted	Auditor	Status
50	SOE	Investment Corporation Solomon Islands	2018	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
51	SOE	Investment Corporation Solomon Islands	2019	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
52	SOE	Investment Corporation Solomon Islands	2020	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
53	SOE	Investment Corporation Solomon Islands	2021	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
54	SOE	Investment Corporation Solomon Islands	2022	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
55	SOE	Investment Corporation Solomon Islands	2023	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
56	SOE	Solomon Islands Broadcasting Corporation	2022	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
57	SOE	Solomon Islands Broadcasting Corporation	2023	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
58	SOE	Solomon Islands Postal Corporation	2021	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
59	SOE	Solomon Islands Postal Corporation	2022	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
60	SOE	Solomon Islands Postal Corporation	2023	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)

	Type of audit	Auditee (Audit)	Year	In-house or contracted	Auditor	Status
61	SA	Telecommunications Commission Solomon Islands	2021	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
62	SA	Telecommunications Commission Solomon Islands	2022	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
63	SA	Telecommunications Commission Solomon Islands	2023	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
64	SOE	Solomon Airlines	2024	Contracted	EY	Auditee responsibility - No financial statement received
65	SIG	SI Government	2024	In-house	OAG-TA	Auditee responsibility - No financial statement received
66	SOE	Solomon Islands Water Authority	2025	Contracted	EY	Auditee responsibility - No financial statement received
67	SIG	SI Government	2025	In-house	OAG-PASAI	Auditee responsibility - No financial statement received
68	SA	Development Bank of Solomon Islands	2025	Contracted	Grant Thornton	Auditee responsibility - No financial statement received
69	SOE	Solomon Islands Ports Authority	2025	Contracted	EY	Auditee responsibility - No financial statement received
70	SA	Solomon Islands Visitors Bureau	2024	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
71	SOE	Solomon Islands Airport Corporation	2024	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)

	Type of audit	Auditee (Audit)	Year	In-house or contracted	Auditor	Status
72	SOE	Solomon Tower Ltd	2024	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
73	SOE	Solomon Airlines	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
74	SOE	Solomon Islands Maritime Authority	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
75	SA	Solomon Islands Visitors Bureau	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
76	SOE	Solomon Tower Ltd	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
77	SOE	Solomon Islands Airport Corporation	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
78	SA	Telecommunications Commission Solomon Islands	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
79	SOE	Investment Corporation Solomon Islands	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
80	SOE	Solomon Islands Broadcasting Corporation	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
81	SA	Solomon Islands National University	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
82	SOE	Solomon Islands Postal Corporation	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)

	Type of audit	Auditee (Audit)	Year	In-house or contracted	Auditor	Status
83	SOE	Commodities Export Marketing Authority	2024	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
84	SOE	Investment Corporation Solomon Islands	2024	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
85	SOE	Solomon Islands Broadcasting Corporation	2024	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
86	SOE	Solomon Islands Postal Corporation	2024	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
87	SA	Telecommunications Commission Solomon Islands	2024	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
88	SA	Pacific Games 2023	2024	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
89	SOE	Commodities Export Marketing Authority	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
90	SF	National Transport Fund (MID)	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (No financial statement received)
91	SIG	Rennell Bellona Province	2022	In-house	OAG-TA	Reporting
92	SIG	Rennell Bellona Province	2023	In-house	OAG-TA	Reporting
93	SIG	Rennell Bellona Province	2024	In-house	OAG-TA	Pending Review
94	SIG	Western Province	2023	In-house	OAG-TA	Reporting
95	SIG	Temotu Province	2023	In-house	OAG-TA	Reporting
96	SIG	Isabel Province	2023	In-house	OAG-TA	Reporting
97	SIG	Western Province	2024	In-house	OAG-TA	Pending Review
98	SIG	Temotu Province	2024	In-house	OAG-TA	Pending Review

	Type of audit	Auditee (Audit)	Year	In-house or contracted	Auditor	Status
99	SIG	Isabel Province	2024	In-house	OAG-TA	Pending Review
100	SIG	Malaita Province	2023	In-house	OAG-TA	Pending Review
101	SIG	Central Islands Province	2024	In-house	OAG-TA	Pending Review
102	SIG	Makira Ulawa Province	2023	In-house	OAG-TA	Pending Review
103	SIG	Choiseul Province	2023	In-house	OAG-TA	Pending Review
104	SIG	Choiseul Province	2024	In-house	OAG-TA	Pending Review
105	SIG	Malaita Province	2024	In-house	OAG-TA	Pending Review
106	SIG	Western Province	2024	In-house	OAG-TA	Pending Review
107	SIG	Makira Ulawa Province	2024	In-house	OAG-TA	Pending Review
108	SIG	Honiara City Council	2020	In-house	OAG-TA	Reporting
109	SIG	Honiara City Council	2021	In-house	OAG-TA	Auditee responsibility - Financial statement rejected by OAG & to be revised
110	SIG	Honiara City Council	2022	In-house	OAG-TA	Auditee responsibility - Financial statement rejected by OAG & to be revised
111	SIG	Honiara City Council	2023	In-house	OAG-TA	Auditee responsibility - No financial statement received
112	SIG	Honiara City Council	2024	In-house	OAG-TA	Auditee responsibility - No financial statement received

\* This list is not exhaustive and some statutory entities are excluded because their financial statements were not received. The list will be updated annually as additional financial statements are provided.

Table 9: Annual Financial Statements of outstanding Non-Statutory Audits as at May 14, 2026

	Type of audit	Auditee (Audit)	Year	In-house or contracted	Auditor	Status - OAG responsibility, Auditee responsibility & Contracted Auditor responsibility
1	Project	Land Maritime Connectivity Projects	2024	Contracted	MSCA	Contracted auditor responsibility - WIP
2	Project	UWSSSP	2024	Contracted	EY	Contracted auditor responsibility - WIP
3	Project	IRD ADB	2025	Contracted	MSCA	Contracted auditor responsibility - WIP
4	Project	PROPER2 WB	2025	Contracted	MSCA	Contracted auditor responsibility - WIP
5	Project	SIART	2025	Contracted	MSCA	Contracted auditor responsibility - WIP
6	Project	SMDTAP	2025	Contracted	EY	Contracted auditor responsibility - WIP
7	Project	Solid Waste Management	2025	Contracted	EY	Contracted auditor responsibility - WIP
8	Project	TRHDP MMERE	2025	Contracted	EY	Contracted auditor responsibility - WIP
9	Project	SIEA Solar Project (ADB)	2025	Contracted	EY	Contracted auditor responsibility - WIP
10	Project	COVID-19 ADB	2024	Contracted	MSCA	Contracted auditor responsibility - WIP
11	Project	SIRAP II	2025	Contracted	MSCA	Contracted auditor responsibility - WIP
12	Project	CBSP	2025	Contracted	EY	Contracted auditor responsibility - WIP
13	Project	Solomon Islands Transport Sector Project Development Facility (ADB)	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (New)
14	Project	FMIS DFA (MOFT)	2018	Contracted	MSCA	Auditee responsibility - to revise FS & respond to audit queries
15	Project	FMIS DFA (MOFT)	2019	Contracted	MSCA	Auditee responsibility - to revise FS & respond to audit queries

	Type of audit	Auditee (Audit)	Year	In-house or contracted	Auditor	Status - OAG responsibility, Auditee responsibility & Contracted Auditor responsibility
16	Project	FMIS DFA (MOFT)	2020	Contracted	MSCA	Auditee responsibility - to revise FS & respond to audit queries
17	Project	FMIS DFA (MOFT)	2021	Contracted	MSCA	Auditee responsibility - to revise FS & respond to audit queries
18	Project	FMIS DFA (MOFT)	2022	Contracted	MSCA	Auditee responsibility - to revise FS & respond to audit queries
19	Project	FMIS DFA (MOFT)	2023	Procurement of Contracted Auditor underway	TBC	Auditee responsibility - to revise FS & respond to audit queries
20	Project	UWSSSP	2025	Contracted	EY	Contracted auditor responsibility - WIP
21	Project	Senior Secondary Education Improvement Project (SSEIP)	2024	Procurement of Contracted Auditor underway	TBC	To be outsourced (New)
22	Project	Senior Secondary Education Improvement Project (SSEIP)	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (New)
23	Project	ESSP	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (New)
24	Project	CAUSE II	2025	Procurement of Contracted Auditor underway	TBC	To be outsourced (New)
25	Project	ESSP	2024	Procurement of Contracted Auditor underway	TBC	To be outsourced (New)

Table 10 details audits undertaken by the performance audit branch currently in progress during the reporting period.

*Table 10: Special and Performance Audits in Progress as at 31st December 2025*

<b>Audit Type</b>	<b>Audit Title</b>	<b>Status</b>
Compliance	Pilot CDF CPA Audit North Guadalcanal Constituency	Fieldwork
Compliance	Pilot CDF CPA Audit Are Are Constituency	Planning
Performance	Ministry of Public Service	Reporting
IT Audit	Guadalcanal Province	Review

### 3.13 Public Accounts Committee

Effective and transparent accountability for spending public money is central to democratic government and good public administration. The OAG's role, independent of government; is to offer insight and expertise to support Parliament in ensuring accountability for public spending and simultaneously provide a robust platform for improvement in the public service. In 2023, the OAG has continued to play this vital role in what can only be described as a challenging time for the public sector.

### 3.16 Budget Estimates Hearings

The Auditor-General is the Secretary to the Public Accounts Committee (PAC) and the OAG provides the secretariat support. This consumes considerable resources of OAG in attending hearings and preparing the reports of the committee.

Table 11 shows the hearings of the PAC that OAG provided secretariat support to.

*Table 11: PAC hearings*

<b>Hearing date</b>	<b>Type of hearing</b>	<b>No of days of hearing</b>
Sept 2024	2023 Supplementary Appropriation Bill 2024	2
August 2024	2024 Supplementary Appropriation Bill 2024	3
November 2024	2025 Appropriation Bill 2024	9
July 2025	2024 Supplementary Appropriation Bill 2025	1
July 2025	2025 Supplementary Appropriation Bill 2025	4
November 2025	2026 Appropriation Bill 2025	8

We continue to support UNDP and Westminster Foundation for Democracy engagement with Parliament.

### 3.14 Other Corporate Programs

#### OAG independence agenda

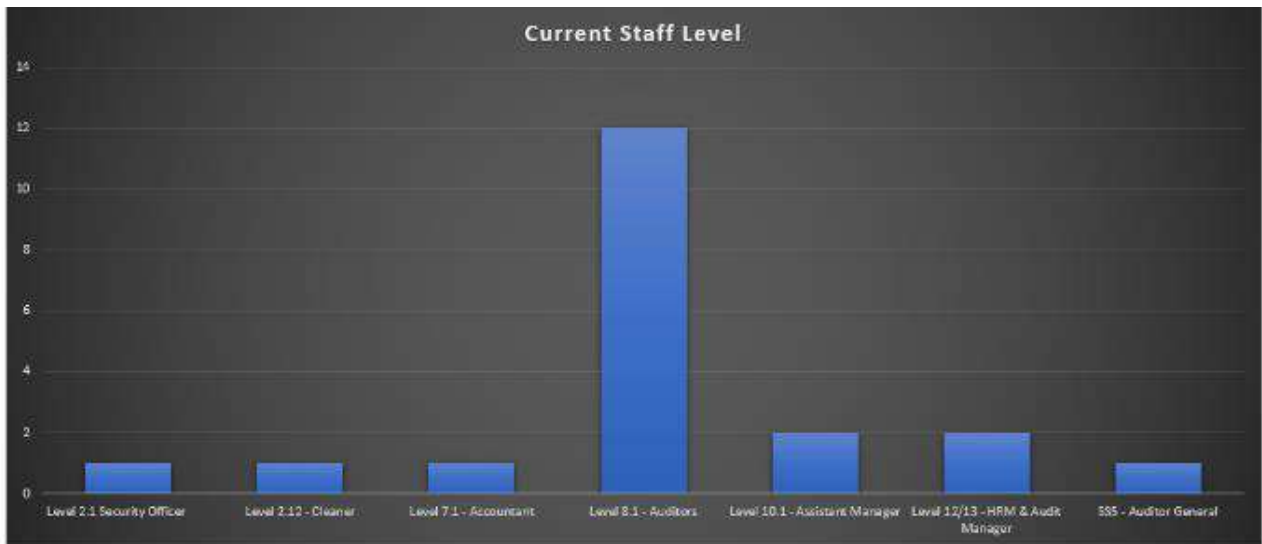
In 2024 the Office received cabinet approval to progress proposed Auditor General Bill to public consultations. During 2025 the Office assisted by IDI further updated its draft auditor general legislation, workshop and training. In 2026 public consultations have commenced with target to deliver a final proposed draft Bill to Cabinet for approval and submission to Parliament.

### 3.15 Human Development and Training Plans

A comprehensive Human Resource Development Plan which outlines the training and development needs of OAG staff from 2025 to 2027 is in place. The plan emphasizes skills enhancement, particularly for staff with lower qualifications, and aligns with key reform initiatives. Training focuses on both technical and leadership competencies, fostering a culture of continuous development within the OAG.

#### Current Manpower

**Diagram 1. OAG’s CURRENT MANPOWER LIST & LEVEL**



The data presented in the bar graph and the staff list provides a comprehensive overview of the current manpower situation at the Office of the Auditor General (OAG). The staff list reflects the current distribution of roles and levels, highlighting that 60% of the staff are Auditors occupying Level 8.1 positions. However, this list does not account for the total expected workforce as outlined in the Recurrent Manpower Establishment Registry for 2025 and the OAG structure, which projects a total of 40 staff members. Additionally, up to 13 externally funded positions are anticipated, further expanding the team.

With a significant influx of new staff expected to join over 2025 and 2026, the OAG is proactively preparing to integrate these recruits effectively. The training plan is carefully tailored, prioritizing

short-term training programs to quickly on-board new team members. This approach underscores the importance of investing in staff succession plans and development initiatives to equip employees for senior roles in the future.

The OAG is deeply committed to building staff capacity to address complex challenges. As part of this commitment, the organization is dedicated to investing in employees who have demonstrated faithfulness, enthusiasm, and consistent diligence in their duties, along with a clean work history. A key aspect of this investment includes supporting staff in pursuing training and development opportunities to attain higher qualifications.

During the reporting period weekly in house trainings were undertaken during 1<sup>st</sup> half of 2025. The second half included 3 week executive training in NSW Auditor General Office for three new executives recruited in June 2025.

During the reporting period numerous workshop for PASAI and IMF training was supported during the period. These trainings were hosted in various locations including Singapore, Samoa, Fiji, Vanuatu, Australia and New Zealand. All overseas training are funded by donors.

The Office also supported two staff in their CPA training and updated the training policy to increase support provided for continual professional education costs.

The future plans will align course content to international standards and deliver best in country professional training for audit and finance professionals in public sector.

In early 2026 the Office supported by MFAT and GAO funded an audit fellowship for a high performing Manager to US.

### **3.16 Integrity Institutions**

UNDP has previously supported the development of memorandums of understanding (MOUs) to work with other integrity institutions. We now have MOUs in place with Police, FIU and SIICAC.

The MOUs create the expectation of regular liaison meetings so we will schedule these to start to build the relationship.

In addition, the anti-corruption day each December is supported by our Office. We continue to advocate for the creation of an independent integrity group forum.

In 2024 one each referral was made to the Police , LCC and SICAAC. The Office continues to follow-up a 2021 referral to the Solomon Islands Independent Commission against Corruption (SIICAC), one 2023 referral to Police and referrals made to the LCC.

### **3.17 Ongoing engagement with CSOs and media**

Both the stakeholder and communications strategy were further updated in 2025 following the engagement of a new Communications Advisor as part of CAPSA. New social media and media interaction policies were also developed and approved in 2026.

The auditor general attended numerous panel discussions, community awareness programs, and a number of regional events as a presenter.

## **4.0 Unaudited Annual Financial Statements for the period ending 2025**

This section of the Annual Report contains the unaudited annual financial statements for 2025. It remains our intention to have our financial statements audited in the future. These financial statements are extracted from the SIG financial management information systems which will be subject to a future audit.

The Financial Statement for the years ended 31st December 2024 to 31st December 2025 are based on properly maintained financial records, fairly presented, to the extent possible as required by section 77 of the Public Financial Management Act.

**OFFICE OF THE AUDITOR GENERAL OF SOLOMON ISLAND**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2025**

**STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE  
OFFICE OF THE AUDITOR GENERAL OF SOLOMON ISLAND  
FOR YEAR ENDED 31 DECEMBER 2025**

(in thousands of currency units)	Note	2025 Receipts/(Payme nts)	2024 Receipts/(Payments)
<b>RECEIPTS</b>			
Audit Fee receipts	2	1,637,680	505,370
Other fees and charges		42,000	38,962
Donor support	3	1,620,036	-
<b>Total Cash Receipts for the year</b>		<b>3,299,716</b>	<b>544,332</b>
<b>PAYMENTS</b>			
Audit Fee payment	4	1,937,510	-
Salaries, Wages and Employee Benefits	5	3,547,202	2,949,044
Consultant	6	1,515,837	-
Operating payments		567,003	554,166
Utilities		581,554	475,321
Training		68,740	20,438
Maintenance		139,295	48,921
Other payments		154,323	245,982
<b>Total Cash Payments for the year</b>		<b>8,511,464</b>	<b>4,293,872</b>

<b>STATEMENT OF ACTUAL VS BUDGET FOR THE OFFICE OF THE AUDITOR GENERAL OF SOLOMON ISLAND FOR 2025</b>					
<b>RECURRENT BUDGET</b>					
(in thousands of currency units)		31 December 2025 Original Budget	31 December 2025 Revised Budget	31 December 2025 Actual Treasury Account	31 December 2025 Difference Revised Budget to Actual (under)/over budget
		\$SBD	\$SBD	\$SBD	\$SBD
<b>RECEIPTS</b>					
Audit Fee receipts	BN9	1,878,752	1,878,752	1,637,680	241,072
Other fees and charges		8,001	8,001	42,000	- 33,999
<b>Total Cash Receipts for the year</b>		<b>1,886,753</b>	<b>1,886,753</b>	<b>1,679,680</b>	<b>207,073</b>
<b>PAYMENTS</b>					
Audit Fee payment	BN10	4,756,555	4,756,555	1,937,510	2,819,045
Salaries, Wages and Employee Benefit:	BN11	7,124,257	7,124,257	3,547,202	3,577,055
Consultant	BN12	1,028,756	1,028,756	84,022	944,734
Operating payments		1,294,710	1,138,710	567,003	571,707
Utilities		501,892	657,892	581,554	76,338
Training		134,981	134,981	68,740	66,241
Maintenance		193,758	193,758	139,295	54,463
Other payments		180,000	180,000	154,323	25,677
<b>Total Cash Payments for the year</b>		<b>15,214,909</b>	<b>15,214,909</b>	<b>7,079,650</b>	<b>8,135,259</b>
<b>DEVELOPMENT BUDGET</b>					
Advertising		30,000	30,000	-	30,000
Capex - Non Residential Buildings		500,000	900,000	-	900,000
Consultancy Fees		600,000	200,000	-	200,000
		<b>1,130,000</b>	<b>1,130,000</b>	<b>-</b>	<b>1,130,000</b>
<b>BUDGET SUPPORT</b>					
Consultancy Fees MFAT	BN13		2,155,771	809,411	1,346,360
Consultancy Fees CAPSA**	BN13		1,299,596	622,404	677,192
			<b>3,455,368</b>	<b>1,431,815</b>	<b>2,023,553</b>
* This is for MFAT funding budget NZD 445,597.94 at 4.84					
**This is allocated sum applied for June to Dec 2025 via Advance warrant though an amount as per note 9 is the full year budget allocated					

**NOTE TO THE FINANCIAL STATEMENT**

**General information**

The Office of the Auditor-General of Solomon Islands is an independent constitutional body that audits public sector accounts to promote accountability and transparency. It examines ministries, provincial governments, state-owned enterprises, and donor-funded projects, reporting audit findings to Parliament and recommending improvements in governance and public financial management nationwide service delivery.

The Office of the auditors General are currently funded by the national government via the recurrent and development budget. In the year 2025 there are also budget provided by MFAT via SIG program and UNCDF under the LoCAL program. Only cash we manage are bascily from standing imprest \$30,000.00 retired as when it fully uterlise via normal imprest process in D365 system

	2025	2024
Recurrent budget*	15,214,909.00	10,768,818.00
Development budget	1,130,000.00	1,130,000.00
Budget Support***	3,455,367.68	-
	19,802,301.68	11,900,842.00

\* the budget exclude the virement plus the income

\*\*the budget exclude the virement plus the income

\*\*\* This is from MFAT, CAPSA comes in via Advance Warrant while UNCDF was utilise as reimbursement budget support to Recurrent budget

**Accounting Policies**

**Basis of preparation**

The financial statements have been prepared in accordance with the Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting*. The accounting policies have been applied consistently throughout the period.

**Source of Financial Information and System Control**

The financial information presented in these financial statements has been extracted from the Ministry of Finance and Treasury (MoFT) D365 Financial Management System.

Transactions, including postings and payments recorded within the system, are processed and controlled by MoFT. Accordingly, the Agency does not have direct control over the processing, timing, or modification of such transactions.

As a result, the financial data is subject to change or adjustment by MoFT, and any such changes are beyond the control of the Agency.

**Reporting entity**

The financial statements are for the Office of the Auditor General of Solomon Island. The financial statements encompass the reporting entity as defined under the in the Public Financial Management Act 2013.

The office of the Auditor General constitutional mandate requires delivery of audit services to all “Ministries, offices, courts and authorities of the Government, of the government of Honiara City and of all provincial governments” (s. 108 (3) of the Constitution)

Office of the Auditor General does not operate its own bank account. The Government operates a centralized treasury function which manages the cash receipts and payments (expenditures) of the office of the Auditor General during the financial year.

**Presentation currency**

The presentation currency is solomon Island Dollar

## NOTE TO THE FINANCIAL STATEMENT

2	<b>Audit fee income</b>	<b>2025</b>	<b>2024</b>
	Statutory Authority *	776,496	173,417
	State Own Enterprise**	654,292	307,070
	Provincial Government	206,892	9,883
	Project		
		1,637,680	490,370

\* SINPF, Solomon Water  
 \*\*DBSI , SI airline

**Audit Fee Arreas**

	<b>2025</b>
State Owned Enterprise	111,435.00
Project	95,750.00
	207,185.00

Audit fee areas related to audit fees paid by OAG but not yet paid by the client. The Project payment was received in full in 2026.

3	<b>Donor support</b>	<b>2025</b>	<b>2024</b>
	MFAT	1,336,913.10	-
	CAPSA *	283,123.01	-
	UNCDF **		-
		1,620,036.11	-

\* CAPSA is a reimbursement method of funding that appear in the statement of receipt and payment after incurring the expense

\*\* UNCDF was not appropriated but was utilise as reimbursement to SIG

4	<b>Audit Fee payment</b>	<b>2025</b>	<b>2024*</b>
	Statutory Authority	915,481.21	
	State Own Enterprise	926,278.99	
	Provincial Government		
	Project	95,750.00	
		1,937,510.20	

\*In 2024 the audit payment was paid directly from auditee to the contract auditors hence no payment was reflected in 2024. However that was changes in the 2025 . All payment was redirected to OAG before payment is made to contract auditors.

5	<b>Salaries, Wages and Employee Benefits</b>	<b>2025</b>	<b>2024</b>
	Salaries - Statutory	652,999.88	652,999.88
	Salaries - Public Servants	1,308,854.01	1,021,835.04
	Statutory allowance	208,100.00	210,200.00
	public Servant allowance	974,517.69	696,312.71
	NPF	165,562.90	136,176.90
	OT	8,618.34	2,969.35
	Other	228,549.59	228,549.96
		<b>3,547,202.41</b>	<b>2,949,043.84</b>

6	<b>CONSULTANCY</b>		
	SIG Recurrent	87,373.80	
	Consultancy Fees MFAT	809,410.97	
	Consultancy Fees CAPSA**	622,403.95	
		<b>1,519,188.72</b>	

7 **Amounts authorized for use by the office of the auditor General of Solomon Island**

**Recurrent + Development budget TOTAL= 16,344,909.00**

An amount of **SBD 16,344,909.00** was authorized for use by the Office of the Auditor-General of Solomon Islands through the national budget appropriation bill. The funds are administered by the Ministry of Finance and Treasury (MOFT) on behalf of the Office of the Auditor-General.

Budget execution is carried out through the government payment system, where payment requests are initiated by the Office of the Auditor-General and processed by MOFT once all supporting documents and required authorizations have been properly endorsed.

8 ASSET	<b>2025</b>	<b>2024</b>
Property, Plant and Equipment (PPE	108,949.50	33,949.50
IT Equipment	600,089.62	533,771.82
Other Equipment	-	-
Intangible Assets	49,928.46	49,928.46
	<b>758,967.58</b>	<b>617,649.78</b>

Fixed Assets are recorded on the D365 system and a detailed register of assets procured under OAG. Land and Building is recorded under the Commissioner of Lands. Motor Vehicles

ADDITIONAL NOTE TO THE FINANCIAL STATEMENT

9 **Going concern**

The Office of the Auditor-General, mandated under the Constitution of Solomon Islands, continues operations through MOFT's centralised funding system. Government support remains assured, enabling sustained delivery of audit services and financial oversight. Management considers the going concern basis appropriate, with no material uncertainties affecting continued constitutional and financial operations.

10	COMMITMENT	Purpose	2025	comment
	<b>Audit fee expenditures</b>			
			-	
	<b>Recurrent Expenditures</b>			
		Telekom	2,698.57	cleared in Q1 2026
		Solomon Power	24,876.92	cleared in Q1 2026
		Solomon Water	589.94	cleared in Q1 2026
		Consultant expenses	45,722.92	cleared in Q1 2026
	<b>Development expenditure</b>			
		Togographical expenses	95,000.00	cleared in Q1 2026
		Design costs	99,550.00	Pending
			<u>268,438.35</u>	

11 Facility 1

GFA Grant in historical figures including available balances for the Year.

Grant	Budget		Disbursed		Undisbursed	
	NZD	SBD	NZD	SBD	NZD	SBD
GFA MFAT	445,598	2,156,694	167,234	809,411	278,364	1,347,283
	<b>445,598</b>	<b>2,156,694</b>	<b>167,234</b>	<b>809,411</b>	<b>278,364</b>	<b>1,347,283</b>
	222,799					

Note The rate used is 4.84, the FX rate conversions in the D365 system  
 NZD 222,799 of the 445,598 is currently investigated since the amount is yet appear correctly in the OAG budget head. However for reported purpose we decided to include this for readers as per what stated in the contract

**Facility 2**

UNCDF Grant in historical figures including available balances for the Year.

Grant	Budget		Disbursed		Undisbursed	
	USD	SBD	USD	SBD	USD	SBD
LOCAL	113,448	937,530	9,521	79,022	103,927	858,508
	<b>113,448</b>	<b>937,530</b>	<b>9,521</b>	<b>79,022</b>	<b>103,927</b>	<b>858,508</b>

Note The amount in the budget is as per contract both SBD and USD converted using that rate 8.3

**Facility 3**

WORLD BANK Grant in historical figures including available balances for the Year.

Grant	Budget		Disbursed		Undisbursed	
	USD	SBD	USD	SBD	USD	SBD
CAPSA	1,700,000	14,110,000	72,373	622,404	1,627,627	13,487,596
	<b>1,700,000</b>	<b>14,110,000</b>	<b>72,373</b>	<b>622,404</b>	<b>1,627,627</b>	<b>13,487,596</b>

Grant proceeds from the World Bank				
Application No.	Date	Currency	Amount	
WA002	28/01/2025	SBD	32,981.84	
WA003	25/03/2025	SBD	25,839.57	
WA004	31/05/2025	SBD	26,678.70	
WA005	31/08/2025	SBD	209,069.05	
WA006	31/08/2025	SBD	96,830.55	
WA007	31/10/2025	SBD	100,792.35	
WA008	30/11/2025	SBD	130,211.89	

Note Budget include the international QA 622,403.95

Rate is converted using the 8.3 to SBD in the budge. While he disbursement amount are SBD equivalent

BUDGET NOTE TO THE FINANCIAL STATEMENT					
BN9	Audit Fee receipts	Budget FY25	Actual FY25	Variance	Comments
	Statutory Authority	932,452.00	776,496.10	155,955.90	Below budget due to fee directly billed.
	State Own Enterprise	700,000.00	654,291.60	45,708.40	
	Provincial Government	206,892.00	206,892.00	-	
		<u>1,878,752.00</u>	<u>1,637,679.70</u>		Below budget due to fee directly billed
BN10	Audit Fee payment *	Budget FY25	Actual FY25	Variance	Comments
	Statutory Authority	1,323,400.00	915,481.21	407,918.79	CBSI direct pay the contract auditors offset by payment from related to prior years
	State Own Enterprise	2,580,970.00	926,278.99	1,654,691.01	SIEA did their payment directly to contract auditors as well , while SI Ports was projected for Q4 2025 but was deferred for 2026
	Project	852,185.00	95,750.00	756,435.00	Contingency budget for close projects
		<u>4,756,555.00</u>	<u>1,937,510.20</u>	<u>2,819,044.80</u>	
	* Audit payment include the 10% administrative expense and contigence for over run expense hence the difference noted when compare to audit fee receipt budget lines.Project Audit fee payment budget is a contingency allocation for close project				
BN11	Salaries, Wages and Employee Benefits	Budget FY25	Actual FY25	Variance	Comments
	Salaries - Statutory	653,000.00	652,999.88	0.12	
	Salaries - Public Servants	2,494,716.00	1,308,854.01	1,185,861.99	Mainly from lower Full Time Employee (FTE) than the budget
	Statutory allowance	205,000.00	208,100.00	- 3,100.00	
	public Servant allowance	3,215,542.00	974,517.69	2,241,024.31	Mainly from lower Full Time Employee (FTE) than the budget
	NPF	313,404.00	165,562.90	147,841.10	
	OT	35,450.00	8,618.34	26,831.66	
	Other	207,145.00	228,549.59	- 21,404.59	Gratuity budget was less the actual. Budget is as per MPS calculation
		<u>7,124,257.00</u>	<u>3,547,202.41</u>	<u>3,577,054.59</u>	
BN12	Consultant	Budget FY25	Actual FY25	Variance	Comments
	Consultant	1,028,756.00	84,022.00	944,734.00	Mainly from Office related costs
BN13	Donor budget support	Budget FY25	Actual FY25	Variance	Comments
	WB CAPSA	1,299,596.32	283,123.01	1,016,473.31	This is only related WA 2,3,4,6,7. The budget was process via a advance warrant to appropriate the later half of the year expenditure
	MFAT Office of the Auditor General	2,155,771.36	1,336,913.10	818,858.26	Difference is related to fund that are currently investigated with the banks
		<u>3,455,367.68</u>	<u>1,431,814.92</u>	<u>2,023,552.76</u>	

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## 5.0 Challenges we continue to face in building accountability in the public sector

Observations on broader issues which affect both audit effectiveness and impact requiring government policy and political will include:

- Ongoing disclaimer audit outcomes and serious audit findings with no consequence on accountable officers and as such no change.
- Lack of proper records keeping is a key systemic issue across public sector and key driver of lack of accountability.
- Lack of Public Financial Management Act reporting compliance across government requires a suitable project to address the financial controller and systems capabilities to deliver compliant annual reports for each ministry and government agencies.
- There is a need for new government policy to support the professional development of public sector finance and governance statutory roles across the country.
- The lack of engagement by Parliamentary committees in audit and annual reports public inquiries undermines holding the executive government to account and impacts delivery of public services and subsequent development opportunities for the future.
- Lack of awareness and engagement from the community on our audits. This needs to be supported by delivering reports in a public and easily understood way.
- Strengthen independence of integrity institutions and MoFT internal audit.

These key areas are important for the effective functioning of an accountability framework in Solomon Islands.

Areas to consider to support improved quality financial reporting within a Solomon Islands context include:

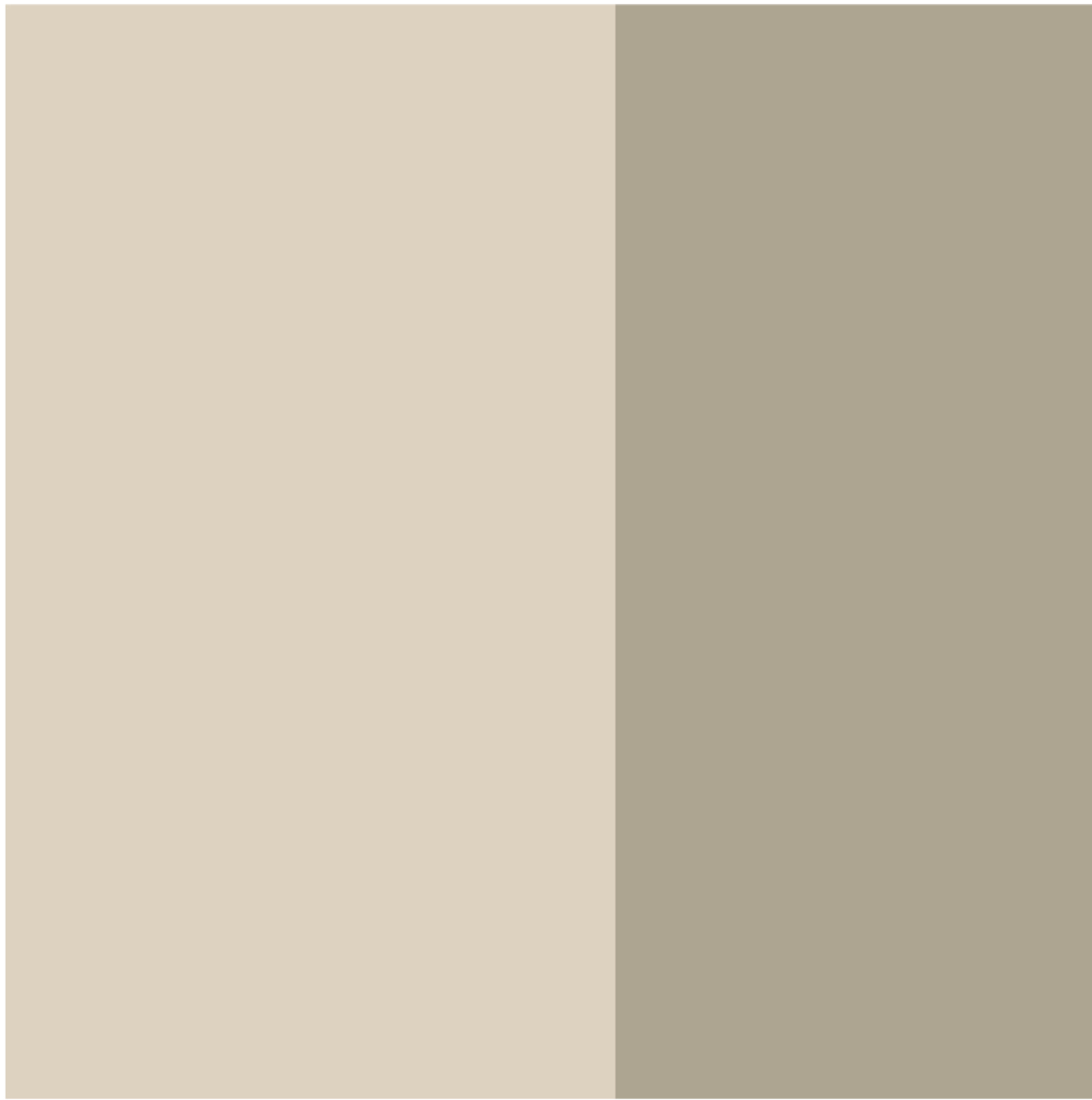
- A need to introduce IFRS-SME for Solomon Islands to cater to smaller state-owned enterprises. This standard also would have positive impacts in the private sector SME segment. The rollout should be led by the Institute of Solomon Islands Accountants.
- Continued work towards an IPSAS accrual reporting framework for Government.

# Appendices

The following table provides a summary of the acronyms used in this report:

Acronym	Detail
AFS	Annual Financial Statements
A-G	Auditor-General
BIC	Business Implementation Committee
CAAT	Computer Assisted Audit Techniques
CBP	Corporate Business Plan
CC	Communication Committee
CGFAB	Corporate Governance Financial Audit Branch
CTB	Central Tender Board
DFAT	(Australian) Department of Foreign Affairs and Trade
EMT	Executive Management Team
EPS	Executive Personal Secretary
GFAB	Government Financial Audit Branch
HCC	Honiara City Council
ICSI	Investment Corporation of Solomon Islands
ICT	Information and Communication Technology
IDI	INTOSAI Development Initiative
IFRS	International Financial Reporting Standards
INTOSAI	International Organisation of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISIA	Institute of Solomon Islands Accountants
ISSAI	International Standards for Supreme Audit Institutions
MCS	Manager, Corporate Services
MoFT	Ministry of Finance and Treasury
MPS	Ministry of Public Service
MTB	Ministry Tender Board
NSW	New South Wales
NSWAO	New South Wales Audit Office
OAG	Office of the Auditor-General
PAB	Performance Audit Branch
PAC	Public Accounts Committee
PASAI	Pacific Association of Supreme Audit Institutions

PEC	Public Expenditure Committee
PGAB	Provincial Government Audit Branch
PMF	Performance Measurement Framework
PMRC	Performance Management Review Committee
SA	Statutory Authority
SAI	Supreme Audit Institution
SBD	Solomon Islands Dollar
SDG	Sustainable Development Goals
SIG	Solomon Islands Government
SIGOV	Solomon Islands Economic and Public Sector Governance Programme
SIPA	Solomon Islands Ports Authority
SIPC	Solomon Islands Postal Corporation
SINU	Solomon Islands National University
SIVB	Solomon Islands Visitors Bureau
SIWA	Solomon Islands Water Authority
SoE	State-owned Enterprise
TCSI	Telecommunications Commission of Solomon Islands
TMAMS	TeamMate Audit Management System
TSDC	Training and Staff Development Committee



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