By ROBERT L. IROGA

The Government had lost millions of dollars through poor management, corruption and fraud within its financial system.

Deputy Auditor General Richard Woodgate revealed this during his presentation to a leadership seminar in Honiara yesterday.

He said the above were among findings the Office of the Auditor General discovered after the recommencement of its activities following the arrival of RAMSI.

Mr Woodgate said other key findings included:

- Widespread non-compliance with the Public Finance and Audit Act
- Serious breakdowns in critical management and accounting systems
- Millions of dollars of uncollected arrears in fees and licences

He said he was surprised at the level of corruption he found in the Solomons.

An auditor for more than 30 years, Mr Woodgate said he had worked in Fiji, Papua New Guinea and his home country Australia.

None of what he found in those countries could be compared to his discoveries here.

MPs and provincial premiers are attending the three-day seminar, which will end today.

Former Prime Minister Bert Ulu-Raval said corruption was rooted within the government and involved leaders because of a weak watch-dog system like the Office of the Auditor General and the Ombudsman Commission.

Mr Woodgate pointed out that, with the RAMSI ARRIVAL, the Office of the Auditor General ceased to function as an effective audit institution.

He said the office was also denied operational effectiveness with many government agencies not being audited for up to 30 years.

"Ultimately a disastrous break-down in public accountability," the deputy Auditor General said.

He cited the Department of Fisheries as an example.

Mr Woodgate said in 2001, the department collected $64, 2002 $92,500, 2003 $121,000 and 2004 $131,000.

He said the increase in 2002 was achieved after the arrival of RAMSI and an audit into the department's account was started.

Mr Woodgate said with the assistance from RAMSI, the Office of the Auditor General is now implementing a Capacity Building Programme and recommending the functions of the Office.

We would like to see the reinstatement of the Auditor General Office as a self-sustaining and effective supreme audit office," Mr Woodgate said.

"What we are striving to achieve is a Parliament that is aware of the importance of the role of the Auditor General and the Public Accounts Committee to provide transparency and accountability in Government.

"We are also striving to achieve a Parliament that is well informed through regular tabling of audit reports and a Parliament that values and has confidence in the Auditor General as a source of advice and assurance on the performance and accountability in the public sector."

Mr Woodgate said the role of the Office of the Auditor General is to report to Parliament on financial operations of Government.

However, he pointed out that there is conflict of interest when the Auditor General also has the function of being Secretary to the Public Accounts Committee.

"In my opinion, the situation should return to what was before when Parliament had a Public Accounts Committee and a Public Expenditure Committee with one considering the budget before being tabled in Parliament and the other looking at how the government has spent the money approved by Parliament."

WHAT IS CRIME...Youths from borderline area, East Honiara listening attentively to speakers on crime related issues during a community policing outreach programme hosted by Royal Solomon Islands Police on Wednesday. See story page 8.

INSIDE Immigration officer charged with fraud - p3
PAPUA New Guinea’s Ombudsman Ila Geno is known for disciplining leaders for misconduct in office but as ROBERT L. IROGA finds out cultural influence can play a bigger role in abuse of office by our leaders.

Mr Geno said the officeholder is the trustee and the public is the beneficiary.

"Public officers have a duty to uphold the dignity and independence of their offices; to discharge their duties with a strong sense of the interest of the public; and to steer clear of decisions that are motivated by self interest," Mr Geno said.

He told MPs, ministers and premiers that these duties are all part of the ethical standards which at least in a country such as Solomon Islands - a public office-holder is supposed to be guided everyday.

"When ethical standards breakdown which is what happens when decisions are motivated by some hidden agenda - the whole system of government also breaks down."

"There is weak and poor leadership and poor governance leading to the demise of a nation state," the ombudsman said.

Political Governance
Mr Geno said governance is provided by politicians through dynamics of politics and its interaction with other factors.

He added that there are no fixed rules of political governance.

"Politics is a noble profession. A politician must aim to be an honest and responsible person."

"In politics, you survive by your wit and often one has to play dirty. Honest politicians do last long in the game of politics." Mr Geno added as he cautioned that he was not suggesting politicians must play dirty to survive.

"I am merely stating the obvious," said the Papua New Guinean.

He said elected leaders must strive to provide stable and effective governance.

"Politicians should strive to maintain and provide stable and effective political leadership to your country."

Mr Geno said considering the experiences Solomon has gone through in the past years, effective governance through stable and effective political leadership is paramount and is absolutely necessary.

He said leadership and accountability are two big concepts.

Mr Geno said political leadership plays a very significant role in governance.

"Political leadership determines the progress of or the lack of, the denial of, or the procrastination of, or the decline of governance and the development of a nation."

He said the primary responsibility of a political leader is to provide a stable and effective leadership.

"The responsibility comes with the obligation to be accountable."

"A leader has the obligation to be transparent and to be open to public scrutiny in their conduct of business. Leaders must be prepared to be answerable for their actions or inactions," he said.

Mr Geno highlighted that political leadership and responsibility to discharge the obligation to be open, transparent and accountable are the hallmarks of strong leadership.

"There is no better way to achieve effective political leadership and governance," said the ombudsman.

He said political leaders at all levels must aim to provide an effective political leadership in order to achieve governance based on strong objectives to ensure long-term development for their countries.

"This aim must permeate national and regional political cultures, governance, legal system, public administration and cultural or ethnic regionalism."

"Decisions of political leaders affect the public service, the economy, the people and the nation. Your decisions must be for the benefit of the nation," he told the leaders at the King Solomon Hotel yesterday.

Mr Geno said the quality of leadership of a nation is demonstrated by the quality and stability of political leadership - their willingness to be open, transparent and accountable.

"They are always exemplary in their conduct."

When the conduct of a political leadership is exemplary, it sets the tone and style of the nation," said the ombudsman.

Mr Geno also highlighted the need for the Ombudsman’s Office to have a role in order to become an effective watchdog.

Ombudsman John Smith Pitabelana said now that the MPs know about the need for an effective Ombudsman’s Office they should start supporting his call for his office to be well resourced.