

FY21 PFTAC Work Plan - May 2020 to April 2021: Tonga

TA Area	Objective	Country	Outcome Targeted	Activity	May 2020 - April 2021 (in person-days)			Number of Missions/ Activities	Milestones	Comments	Planned Date	Experts
					PFTAC resident advisors	ST experts	Total					
Financial Sector Supervision	1. Develop/strengthen regulation of insurance companies (IC) and risk based supervision capability of the insurance supervisor (IS)	Tonga	1.1 Effective risk based supervision in place and being used for their intended purpose(s)	Assist RBF finalize revised insurance law and consult with industry and stakeholders	-	7	7	1	New insurance law finalized and submitted for legislative process	Continuation of Insurance Regulatory Reform project		
				Assist RBF finalize revised insurance prudential standards and consult with industry and stakeholders					New prudential standards finalized and issued			
				Provide overview and training on draft example law and Prudential Standards	-	4	4	1				
	1. Develop/strengthen cybersecurity regulations and prudential norms	1.1 Sound policies & processes to identify, measure, monitor and control cyber risks	Cyber Risk Regulation and Supervision Project - third component - onsite examination	-	-	-	-	Cyber Risk on-site examination framework implemented	FY22 - On-site examinations to include regional participants			
Government Finance Statistics	1. Strengthened macroeconomic and financial statistics compilation and dissemination for decision making: compilation methodologies in line with international standards for GFS	Tonga	1.5 Data are compiled and disseminated using the coverage and scope of the latest manual/guide.	Complete the institutional unit table for the public sector and investigate source data for GFS compilation purposes.	5	-	5	1	• Review and finalize the list of institutional units for the public sector	The institutional scope includes all significant general government institutional units and its associated transactions.	May, 2020	Temes
			1.9 Data are compiled and disseminated using appropriate statistical techniques, including to deal with data sources, and/or assessment and validation of intermediate data and statistical outputs.	Mapping the national chart of accounts (CoA) to GFS.					The revised CoA for BCG include the GFSM 2014 economic and functional coding for automating the GFS compilation.	Bridge tables from national source data to GFS classifications have been constructed and are used to compile GFS.		
			1.12 Higher frequency data has been compiled and disseminated internally and/or to the public.	Compile, review and disseminate data to the IMF Statistics Department.					• Compile and disseminate annual data for BCG for FY2018 and FY19. • Compile and disseminate annual public sector debt statistics.	GFS for general government operations are compiled and disseminated on an annual basis.		
Real Sector Statistics	1. Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.	Tonga	1.15 Improved Timeliness of data made available internally and/or to the public	Experimental QNA data on GDP, unadjusted and seasonally adjusted are compiled	-	12	12	1	Experimental QNA data is made available internally		Jul. 2020	Scheiblecker
Macroeconomic Programming and Analysis	Well functioning macroeconomic policy and institutions: improved macroeconomic policy advice to government	Tonga	3. Sound medium-term macroeconomic framework	Support the use of the Tonga macroeconomic programming framework in budget preparations.	10	-	10	2	(1) The GDP forecasting framework continues to be used in budget preparations (Jun. 20). (2) The Tonga macroeconomic programming framework continues to be used in budget preparations (Jun. 20). (3) Fiscal forecasting is enhanced (Apr. 21).	Technical assistance will be provided in collaboration with the PFM program.		Beaumont
Public Financial Management	1. Improved laws and effective PFM institutions	Tonga	1.1 Legal framework enacted	Review existing legislation, reforms, expectation	5	8	13	1	Review of legislation completed		May, 2020	Kubasta/McKenzie
			1.1 Legal framework enacted	Prepare proposed legal update and accompanying report	-	12	12	1	Review proposed new legislation		Jun. 2020	McKenzie
			1.1 Legal framework enacted	Review draft proposed legislation	-	-	-	-	Endorsement by of proposed legislation by government.	Early FY22		McKenzie
	3. Improve budget execution and control.	1.2 The capacity of MoF to plan, implement and sustain PFM reforms is enhanced	Developing PFM Roadmap	-	28	28	1	PFM roadmap drafted for consideration		May-20	Kauffmann/Higgins	
		3.2 Establishing risk based internal audit functions	Review of work and improve framework	-	-	-	-	Identify next steps for standardising internal audit consistent with IIA framework.	FY22		Prceвич	
	4. Improve coverage and quality of fiscal reporting	4.2 Comprehensiveness, frequency, and quality of fiscal reporting is enhanced	Streamline processes for financial reporting and budget execution	-	12	12	1	Improved cash basis IPSAS			Kauffmann	
	5. Improved asset and liability management	5.4 Disclosure and management of state assets is improved	Advance reporting and update regulations	5	12	17	1	Endorse regulations supporting the fixed asset framework.		Feb, 2021	Higgins	
			1&2 Better revenue administration, management and governance arrangements & stronger tax administration core functions.	TADAT Assessment	-	16	16	1	TADAT assessment completed by 4/31/21	TADAT Secretariat	Mar 8 - 19, 2021	Expert/ HQ

Revenue Administration	1. Strengthened revenue administration management and governance arrangements	Tonga	1.5.1- 1.5.4. Corporate priorities are better managed through effective risk management	Implementing industry partnership strategy	-	16	16	1	An industry partnership initiative implemented targeting high risk industry segments showing compliance improvements by 12/31/20.	An industry partnership strategy to improve compliance has been introduced but due to staff shortages has struggled to get off the ground.	Jun 1 - 12, 2020	Shrosbree
			1.5.2 Corporate priorities are better managed through effective risk management	Improving Risk management and compliance improvement strategy;	-	16	16	1	An effective CIS facilitating high levels of compliance implemented by 12/31/20.	PFTAC has assisted Fiji in the development of a CIS approach now in its third year. A review will be carried out to measure its effectiveness and suggestions for its further improvement.	Aug 24 - Sep 4, 2020	Home
			1&2 Better revenue administration, management and governance arrangements & stronger tax administration core functions.	Review reform progress	5	-	5	1	Review overall reform progress and status of PFTAC recommendation	PFTAC has provided TA across objective 1 & 2 that needs to be reviewed	Sep 21 - 25, 2020	Eysselein
	2. Strengthened core functions evidenced by an accurate taxpayer base, taxpayer services supporting voluntary compliance, improvements in filing, payment and audit activities		2.3 - 2.4 A larger proportion of taxpayers meet their filings and payments obligations as required by law	Improving debt and returns management	-	16	16	1	On-time filing and payments operating at improved efficiency levels by 31/12/2020 and measured against TADAT dimensions.	TA assistance requested by the authorities to improve current returns and payment compliance levels.	June 1 - 12, 2020	Scott
			2.5.1 Audit and other verification programs more effectively ensure accuracy of reporting	Assist with tax auditor training framework and development	-	16	16	1	The audit function operating at improved efficiency levels by 31/12/2020 and measured against TADAT dimensions.	The authorities have requested TA to assist in developing auditors	July 6-17, 2020	Bell
			2.5.1 Audit and other verification programs more effectively ensure accuracy of reporting	Strengthen tax audit function	-	16	16	1	The audit function operating at improved efficiency levels by 31/12/2020 and measured against TADAT dimensions.	The authorities have requested TA to assist in building audit function and capability.	Aug 17 - 28, 2020	Bell
			2.5.1 Audit and other verification programs more effectively ensure accuracy of reporting	Industry partnership audit methods	-	16	16	1	Specific audit methods introduced in support of industry partnership strategy for tourism industry	Audit methods required in support of industry partnership	Jun 1 - 12, 2020	Matthews
			TOTAL				30	207	237	19		