

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	Updated Post COVID Inputs at Jul 31, 2020 (person-days - changes in red)			Number of Missions/ Activities	% of updated plan delivered at end-Jul	Delivery Status	COVID Status	Milestones	Comments	Planned Date	Experts	
					PFTAC resident advisors	ST experts	Total		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	-	7	7	1	0%	Feb 13 - 17, 2021 (in-country)	1 - Not COVID Related	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																
				Provide overview and training on draft example law and Prudential Standards	-	4	4	1	4	4	8	1	100%	Jul 2020 (remote)	1 - Not COVID Related				1 STX will be paid by HQ	Stefanou/ Claxton
	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	-	-	-	-	-	-	-		FY22	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.																
				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.	5	-	5	1	5	-	5	1	0%	Nov 30 - Dec 4, 2020 (in-country)	2 - Indirectly COVID Related	• Review and finalize the list of institutional units for the public sector The revised CoA for BCG include the GFSM 2014 economic and functional coding for automating the GFS compilation.	The institutional scope includes all significant general government institutional units and its associated transactions. Bridge tables from national source data to GFS classifications have been constructed and are used to compile GFS.	May, 2020	Temes
				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	10	-	10	1	0%	Nov 2 - 13, 2020 (remote)	4 - Predominantly COVID Related	Experimental QNA data is made available internally		Jul. 2020		
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	5	-	5	1	0%	Oct 12 -16, 2020 (remote)	3 - Moderately COVID Related	(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	5	10	15	1	0%	Remote	1 - Not COVID Related	Review of legislation completed		May, 2020	Lavea/ McKenzie	
			1.1 Legal framework enacted	Prepare proposed legal update and accompanying report	-	12	12	1	-	10	10	1	0%	Remote	1 - Not COVID Related	Review proposed new legislation		Jun. 2020	McKenzie	
			1.1 Legal framework enacted	Review draft proposed legislation	-	-	-	-	-	12	12	1	0%	Feb, 2021 (in-country)	1 - Not COVID Related	Endorsement by of proposed legislation by government.	Early FY22		McKenzie	
			1.2 The capacity of MoF to plan, implement and sustain PFM reforms is enhanced	Developing PFM Roadmap	-	28	28	1	8	9	17	1	100%	May 11 -19, 2020 (remote)	4 - Predominantly COVID Related	PFM roadmap drafted for consideration		May-20	Kubasta/ Kauffmann	
			3. Improve budget execution and control.	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		Prcevic
			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 to comply with IPSAS Cash	-	12	12	1	-	12	12	1	0%	Sep - Dec, 2020 (remote)	1 - Not COVID Related	Improved cash basis IPSAS			Kauffmann
					Cash Basis IPSAS Financial Statements	-	-	-	-	-	8	8	1	100%	May 20 -27, 2020 (remote)	1 - Not COVID Related				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	-	-	-	-	0%	Shift to FY22		Endorse regulations supporting the fixed asset framework.		Feb, 2021	Higgins			
1. Strengthened revenue administration management and governance arrangements			1&2 Better revenue administration, management and governance arrangements & stronger tax administration core functions.	TADAT Assessment	-	16	16	1	-	32	32	1	0%	Mar 8 - 19, 2021 (in-country)	2 - Indirectly COVID Related	TADAT assessment completed by 4/31/21	TADAT Secretariat	Mar 8 - 19, 2021	Expert/ HQ	
			1.5.1.- 1.5.4. Corporate priorities are better managed through effective risk management	Implementing industry partnership strategy	-	16	16	1	-	12	12	1	100%	Jul 20 - Aug 7, 2020 (remote)	2 - Indirectly COVID Related	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	-	16	16	1	0%	Nov 9 - 20, 2020 (in-country)	3 - Moderately COVID Related	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	

Revenue Administration	2. Strengthened core functions evidenced by an accurate taxpayer base, taxpayer services supporting voluntary compliance, improvements in filing, payment and audit activities	Tonga	1&2 Better revenue administration, management and governance arrangements & stronger tax administration core functions.	Review reform progress	5	-	5	1	5	-	5	1	0%	Oct 26 - 30, 2020 (remote)	2 - Indirectly COVID Related	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
			2.3 - 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	-	12	12	1	0%	Nov 5 - 17, 2020 (remote)	3 - Moderately COVID Related	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.	Jun 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	-	12	12	1	0%	Oct 26 - Nov 6, 2020 (remote)	2 - Indirectly COVID Related	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	Jul 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	-	16	16	1	0%	Mar 1 -12, 2021 (in-country)	2 - Indirectly COVID Related	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	-	12	12	1	100%	Jul 20 - Aug 7, 2020 (remote)	3 - Moderately COVID Related	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				
Updated Post COVID-FY21 Workplan:					42	184	226	19

Delivered by Jul 31:	12	45	57	5
Percentage of Revised Plan:	29%	24%	25%	26%