

FY20 PFTAC Work Plan - May 2019 to April 2020: Cook Islands - FINAL OUTTURN AS AT APRIL 2020

TA Area	Objective	Country	Outcome Targeted	Activity	May 2019 - April 2020 (in person-days)			Updated Inputs at Oct 31, 2019 (person-days - changes in red)			Number of Missions/ Activities	% of updated plan delivered at end-Oct	Updated Inputs at Apr 30, 2020 (person-days - changes in red)			Number of Missions/ Activities	% of updated plan delivered at end-Apr	Delivery Status	Milestones	Comments	Experts		
					PFTAC resident advisors	ST experts	Total	PFTAC resident advisors	ST experts	Total			PFTAC resident advisors	ST experts	Total								
Financial Sector Supervision	1. Develop and strengthen banking regulations in line with international standards	Cook Islands	1.1 Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile	Assistance in finalizing draft Prudential Standards following stakeholder consultation	0	12	12	1	-	-	-	0%	-	-	-	0%	Shift to FY21	Applicable guidelines and regulations are finalized and formally issued		TBC			
			1.2 Supervisors and regulations require banks to have robust governance policies and processes covering among others effective board and senior management oversight and sound control environment.																				
	2. To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	Cook Islands	2.4 Strengthened institutional structure and operational and procedures for RBS implementation	Assistance in finalizing revised risk-based approach to on-site examination	0	17	17	1	-	-	-	0%	-	-	-	0%	Shift to FY21	Structured approach to on-site examination reporting (including terminology framework) imbedded		TBC			
			2.5 Bank risk assessment frameworks strengthened	Assistance in developing a financial analysis process that effectively identifies risk	5	0	5	1	5	12	17	1	100%	5	12	17	1	100%	Jul 15 - 19, 2019	TBC	Need an outcome indicator / Milestone description for improving financial risk analysis	Stefanou/ Henderson	
Government Finance Statistics	1. Strengthened macroeconomic and financial statistics compilation and dissemination for decision making: compilation methodologies in line with international standards for GFS	Cook Islands	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.	Refine compilation techniques for using various administrative data sources to reduce statistical discrepancies.	5	0	5	1	5	-	5	100%	5	-	5	100%	Jul 22 - 26, 2019	<ul style="list-style-type: none"> Cook Islands National Statistics Office (CINSO) and Crown Accounts Divisions (CAD) to work with departments to reconcile discrepancies for the flows recorded in the accounting system and the asset registers, as well as reconciliation of changes in cash balances for the financial balance sheet. Chart of accounts (CoA) reform to include the automation of the GFS with <i>GFSM 2014</i> economic and functional codes. [RBM – GO – 9.8]. 	Improved data for GFS compilation and dissemination.	Luis			
			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.															GFS for general government operations are compiled and disseminated on a annual/quarterly 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.	Cook Islands	1.10 In the compilation of BOP and/or IIP data, source data are obtained from comprehensive data collection programs that take into account country-specific conditions; source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required; and source data are timely.	Review measures of primary and secondary income flows in ESS	0	12	12	1	-	12	12	0%	-	12	12	100%	Mar 2 - 14, 2020	<ul style="list-style-type: none"> New QNA estimates are regularly compiled within 6 months of the reference period. All staff trained on use of quarterly and annual tax data in GDP. All staff trained on updated industry methodologies. ESS data correctly reflects data on foreign aid and loan-funded development. All staff trained on compiling and disseminating rebased GDP estimates. 		Andrews			
			1.3 Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination	Improve capacity on rebasing principles and industry-specific methods																			
			1.4 Data are compiled and disseminated using the concepts and definitions of the latest manual/guide.	Assist with rebasing GDP by production using latest benchmark information																			
Macroeconomic Management	1. Improved macroeconomic policy advice to government and central bank management	Cook Islands	1.3 Sound medium-term macroeconomic framework	Support prudent fiscal management.	12	0	12	1	-	-	-	0%	-	-	-	0%	FY21	(1) The Cook Islands macroeconomic and fiscal framework continues to be used in budget preparations (Jun. 19). (2) Forecast methodology continues to be enhanced (Apr. 20).		Beaumont			
Public Financial Management	1. Improved laws and effective PFM institutions	Cook Islands	1.1 Legal Framework enacted	Update PFM policy based on draft legislation					-	15	15	0%	-	15	15	100%	Nov 11 - 22, 2019			Emery			
	3. Improved Budget Execution and Control		3.1 Budget execution and controls are strengthened	Improve treasury operations and controls for non-salary expenditure	12	17	29	1	-	-	-	0%	-	-	-	0%	Cancelled	Adoption of new procedures. Improved internal controls over budget execution.	STX days: 2 weeks in country; 1 weekend; 2 travel days; 3 pre-post mission days	Kubasta/ STX - TBD			
Revenue Administration	1. Strengthened revenue administration management and governance arrangements	Cook Islands	1.1.1 Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	Review Implementation Strategic and Operational Plan	0	18	18	1	-	18	18	100%	-	18	18	100%	Jun 3 - 14, 2019	Provide the authorities with a diagnostic report that advises where to further improve revenue administration.	Conduct high level diagnostic and provide recommendation to further improve revenue administration	McNeill			
				Review organization modernization project plan													100%	Oct 21 - Nov 1, 2019			Shrosbree		
			1.2.2 Organizational arrangements enable more effective delivery of strategy and reforms	Design Function Based Organizational Structure	0	16	16	1	-	32	32	2	100%	-	23	23	2	100%	Jul 30 - Aug 9, 2019/ Mar 2 - 5	Function based structure introduced by 12/31/2020	Function based structure currently being implemented to support overall reforms	Shrosbree	
			1.5.1 - 1.5.4 Corporate priorities are better managed through effective risk management	Design Compliance Improvement Strategy	0	12	12	1	-	16	16	1	0%	-	-	-	0%	Cancelled	An effective CIS facilitating high levels of compliance.	CIS developed to improve monitoring and evaluation of compliance risk mitigation	Shrosbree		
			1.1 - 1.7. Strengthen revenue administration management and governance arrangements	Review reform progress and status of PFTAC Recommendations	2	0	2	1	2	-	2	1	0%	-	-	-	0%	Cancelled	Review overall reform progress and status of PFTAC recommendation	PFTAC has provided TA across objective 1 that needs to be reviewed	Eysselein		
	2. Strengthened core functions evidenced by an accurate taxpayer base, taxpayer services supporting voluntary compliance, improvements in filing, payment and audit activities	Cook Islands	1.1.2. Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	Tax Policy Review						-	16	16	0%	-	-	-	0%	Shift to FY21			Mullins		
			1.3 Support functions enable more effective delivery of strategy and reforms.	Procurement and specifications of new IT System							-	16	16	0%	-	16	16	1	100%	Feb 10 - 21, 2020			Norkunas
			2.3.1 - 2.3.2 A larger proportion of taxpayers meet their filing obligations as required by law	Improve on-time filing and management of outstanding tax returns	0	12	12	2	-	12	12	2	50%	-	12	12	2	100%	Aug 12 - 15, 2019/ Feb 3 - 6, 2020	Operational plan in place to improve on-time filing by 30/12/2019	Potential to improve on time filing which will contribute to improved levels of voluntary compliance	Piper	
			2.4.1 - 2.4.3 A larger proportion of taxpayers meet their payment obligations as required by law	Improve on time payment and management of tax arrears	0	20	20						50%	-	20	20		100%	Aug 16 - 23, 2019/ Feb 7 - 14, 2020	Operational plan in place to improve on-time payment by 30/12/2019	Potential to improve on time payment which will contribute to improved levels of voluntary compliance	Piper	
			2.5.1 Audit and other verification programs more effectively ensure accuracy of reporting	Design Audit Plan	0	16	16	1	-	16	16	1	0%	-	16	16	1	100%	Oct 14 - 25, 2019	Risk based annual audit plan designed and implemented	TA requested to develop new generation audit plan	Home	
2.2.1 - 2.2.2 Taxpayer services initiatives to support voluntary compliance are strengthened	Design Taxpayer Services Strategy	0	16	16	2	-	-	-	-	0%	-	-	-	0%	Substituted - Modernizati on Project Plan	Taxpayer services strategy and function in place by 31/12/2019 and measured against TADAT dimensions.	Cook Islands has recently embarked upon a strategy to rebuild their tax administration including the introduction of a function based structure which includes a taxpayer services function.	Shrosbree					
2.1 - 2.5. Strengthened core tax administration functions	Review reform progress and status of PFTAC Recommendations	3	0	3						1	-	1			0%	Cancelled	Review overall reform progress and status of PFTAC recommendation	PFTAC has provided TA across objective 2 that needs to be reviewed	Eysselein				

Updated Plan Total Days: 13, 185, 198, 14

Delivered by Oct 31: 10, 78, 88, 6
Percentage of Revised Plan: 77%, 42%, 44%, 43%

Actual Outturn at April 30, 2020: 10, 160, 170, 12
Percentage of Mid-Year Revised Plan: 77%, 86%, 86%, 86%
Percentage of Original Plan: 26%, 95%, 82%, 75%