

FY20 Proposed PFTAC Work Plan - May 2019 to April 2020: Cook Islands

TA Area	Objective	Country	Outcome Targeted	Activity	May 2019 - April 2020 (in person-days)			Number of Missions/ Activities	Milestones	Comments	Planned Date	Experts	
					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	Applicable guidelines and regulations are finalized and formally issued		1-May-19	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						Applicable guidelines and regulations are finalized and formally issued				
	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	Structured approach to on-site examination reporting (including terminology framework) imbedded		1-May-19	TBC	
			2.5 Bank risk assessment frameworks strengthened	Assistance in developing a financial analysis process that effectively identifies risk	5	0	5	1	TBC	Need an outcome indicator / Milestone description for improving financial risk analysis		1-Aug-19	
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	<ul style="list-style-type: none"> <li>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.</li> <li>Chart of accounts (CoA) reform to include the automation of the GFS with GFSM 2014 economic and functional codes (RBM – GO – 9.8)</li> </ul>	Improved data for GFS compilation and dissemination.	Jul-19	LTX	
			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.					<ul style="list-style-type: none"> <li>The CINSO to compile and disseminate consolidated general government annual data for the GFS database FY2018.</li> <li>The CINSO to produce and disseminate quarterly data for the International Financial Statistics (IFS). [RBM – GO – 12.3]</li> </ul>	GFS for general government operations are compiled and disseminated on an 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	<ul style="list-style-type: none"> <li>New QNA estimates are regularly compiled within 6 months of the reference period.</li> <li>All staff trained on use of quarterly and annual tax data in GDP.</li> <li>All staff trained on updated industry methodologies.</li> <li>ESS data correctly reflects data on foreign aid and loan funded development.</li> <li>All staff trained on compiling and disseminating rebased GDP estimates.</li> </ul>		Oct-19	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	[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).		Apr-20	Expert	
Public Financial Management	3. Improved Budget Execution and Control	Cook Islands	3.1 Budget execution and controls are strengthened	Improve treasury operations and controls for non-salary expenditure	12	17	29	1	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	Apr-20	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	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	Aug-19	McNeill	
			1.2.2 Organizational arrangements enable more effective delivery of strategy and reforms	Design Function Based Organizational Structure	0	16	16	1	Function based structure introduced by 12/31/2020	Function based structure currently being implemented to support overall reforms		Sep-19	Shrosbree
			1.5.1 - 1.5.4 Corporate priorities are better managed through effective risk management	Design Compliance Improvement Strategy	0	12	12	1	An effective CIS facilitating high levels of compliance.	CIS developed to improve monitoring and evaluation of compliance risk mitigation		Nov-19	Shrosbree
			1.1. - 1.7. Strengthen revenue administration management and governance arrangements	Review reform progress and status of PFTAC Recommendations	2	0	2	1	Review overall reform progress and status of PFTAC recommendation	PFTAC has provided TA across objective 1 that needs to be reviewed		Oct-19	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	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	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		Apr-19/ Aug-19	McGregor
			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		Operational plan in place to improve on-time payment 30/12/2019	Potential to improve on time payment which will contribute to improved levels of voluntary compliance		Apr-19/ Aug-19	McGregor
			2.5.1 Audit and other verification programs more effectively ensure accuracy of reporting	Design Audit Plan	0	16	16	1	Risk based annual audit plan designed and implemented	TA requested to develop new generation audit plan		Jun-19	Home
			2.2.1 - 2.2.2 Taxpayer services initiatives to support voluntary compliance are strengthened	Design Taxpayer Services Strategy	0	16	16	2	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.		May-19	Shrosbree
2.1. - 2.5. Strengthened core tax administration functions	Review reform progress and status of PFTAC Recommendations	3	0	3		Review overall reform progress and status of PFTAC recommendation	PFTAC has provided TA across objective 2 that needs to be reviewed		Oct-19	Eysselein			
<b>TOTAL</b>					<b>39</b>	<b>168</b>	<b>207</b>	<b>16</b>					