

FY21 PFTAC Work Plan - May 2020 to April 2021: Solomon Islands

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 and strengthen banking regulations in line with international standards	Solomon 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	SFEP - Regulatory Framework - Prudential Standards - Assist CBSI with industry and stakeholder consultation for new suite of prudential standards	5	-	5	1	Applicable guidelines and regulations drafted	Continuation of the SFEP - regulatory component of project			
			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		2.4 Strengthened institutional structure and operational and procedures for RBS implementation	SFEP - Assistance in developing a financial analysis process that effectively identifies risk	5	-	5	1	Revised Reporting templates are developed	Continuation of SFEP			
				SFEP - Finalize off-site financial risk analysis reform	5	-	5	1	Detailed Quarterly Financial Risk Report embedded				
				SFEP - Finalize Risk Rating and Supervisory Action Planning	-	10	10	1					
Government Finance Statistics	1. Strengthened macroeconomic and financial statistics compilation and dissemination for decision making: compilation methodologies in line with international standards for GFS	Solomon 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	12	-	12	1	<ul style="list-style-type: none"> <li>Establish work group between MOF, CBSI and National Statistics Office (NSO) to resolve discrepancies</li> <li>Complete integration of adjustments of "subventions and grants" for BCG, and for financial flow data and submit revised annual GFS time series to IMF database</li> </ul>	GFS for general government operations are compiled and disseminated on an annual basis.	Sep, 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.	<ul style="list-style-type: none"> <li>Compile and disseminate annual data for BCG FY2019.</li> <li>Investigate statistical discrepancies and reconcile changes in cash balances.</li> <li>compile GG consolidation FY2010-19.</li> <li>Compile and disseminate annual public sector debt statistics.</li> </ul>			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.	Solomon Islands	1.10 Source data are adequate for the compilation of the national accounts	Assessing the quality and improving latest business survey data and continue rebase	-	16	16	1	Finalize and publish rebased 2018 GDP estimates.		Mar, 2020	Andrews	
Macroeconomic Programming and Analysis	Well functioning macroeconomic policy and institutions: improved macroeconomic policy advice to government	Solomon Islands	4. Strong institutional structures for macroeconomic policymaking.	Establish and support an interagency macroeconomics working group.	5	24	29	3	(1) The Ministry of Finance and Treasury's Solomon Islands Macroeconomic Model (SIMEM) continues to be used in budget preparations (Dec. 20). (2) Expenditure forecasting by ministries continues to be developed (Apr. 22). (3) The Central Bank of Solomon Islands' macroeconomic programming framework continues to be used in monetary policy settings (Apr. 21). (4) The frameworks are used to undertake sustainability analysis of policy scenarios (Apr. 21). (5) The compilation of key macroeconomic statistics is supported by users and source data providers (Apr. 21). (6) All relevant macroeconomic policy entities meet at least quarterly to discuss the country's economic and fiscal outlook (Apr. 21). (7) Policy proposals are consulted on (Apr. 23).	Support of the working group will be supplemented by assistance from the PFM program, the Institute for Capacity Development, and the Singapore Regional Training Institute.		Beaumont/ Claus	
Public Financial Management	4. Improve coverage and quality of fiscal reporting	Solomon Islands	4.2 Comprehensiveness, frequency, and quality of fiscal reporting is enhanced	Financial statement reforms	12	-	12	1	Adopt a plan to comply with IPSAS cash following PFTAC review draft financial statements.	Subsequent mission to follow in FY22		Kubasta/ TBD	
			1.8.1 Effective implementation of a new tax or modernized legislation	Assist with implementation of VAT	-	16	16	1	Implementation strategies and plans for VAT finalized by 12/31/20.	A decision to implement a VAT has been made with a request from the authorities to support implementation.	Sep 7 - 18, 2020/ Dec 7 - 18, 2020	Expert	

Revenue Administration	1. Strengthened revenue administration management and governance arrangements	Solomon Islands	1.1.2. Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	Facilitate design of MTRS	-	36	36	1	Design and implementation of an MTRS by 6/30/2020.	The authorities have requested assistance in the design of an MTRS.		HQ/ Das/ Sutherland
			1.5.2 Corporate priorities are better managed through effective risk management	Enhancing the compliance improvement strategy	-	16	16	1	An effective CIS facilitating high levels of compliance implemented by 4/30/21.	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.	Nov 16 - 27, 2020	Home
			1.2.2 Organizational arrangements enable more effective delivery of strategy and reforms	Establish large taxpayer office and functional structure	-	16	16	1	Large taxpayer office established by 4/31/22	Authorities have requested assistance in the design and establishment of large taxpayer office as part of the reforms	May 4 - 15, 2020	Shrosbree
	2. Strengthened core functions evidenced by an accurate taxpayer base, taxpayer services supporting voluntary compliance, improvements in filing, payment and audit activities		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.	Jul 6 - 17, 2020	Sutherland
	<b>TOTAL</b>				<b>44</b>	<b>150</b>	<b>194</b>	<b>15</b>				