

GOVERNMENT OF SAMOA

PHASE 3:

**PUBLIC FINANCE MANAGEMENT
REFORM PLAN
(2015-2017)**

“THE ROLL OUT”

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Prepared by the Ministry of Finance

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EXECUTIVE SUMMARY

The Government of Samoa is committed to strengthening its public financial management systems in order to promote the efficient use of resources for the public good. This includes improved transparency in accounting for public funds and increased availability of information on Government's annual budgets and accountability statements. This document is an update to Phase II of the Public Finance Management Reform Plan, which was produced in March 2011.

The Strategy incorporates the four main aspects of PFM (1) the Legal & Regulatory, (2) Institutional Arrangements, (3) Management/Systems Framework and (4) Capacity Considerations. This 3rd Phase of the Reform Plan builds on the achievements from Phase II and will aim to consolidate and sustain improvements to systems to achieve fiscal discipline leading to the following results:

- Further developments to improving Sector Plans across all Government sectors with linkages to the budget and the SDS and related performance monitoring frameworks.
- A strengthened budget process through integration of development partner funding in budget estimates, improved performance measures linked to the SDS and sector plans, and increased stakeholder consultation on budget priorities.
- Increased responsibility and capacity of line Ministries to manage their accounting functions and ensure the accuracy of data in the Finance One computerised system for Ministries' financial reporting.
- Improved Financial Reporting in line with International Standards.
- Continual capacity building initiatives for the Systems Support Unit to ensure the effective management of Finance One and training of officials to use the system.
- Implementation of the new government policy with deadlines for payments to suppliers and monitoring of arrears.
- Continual capacity building initiatives for the Procurement Unit in Ministry of Finance to assist the Tenders Board and strengthen the quality of procurement systems across government through standardisation and improved transparency.
- Further implementation arrangements linked in to the approved Debt Management Strategy, Debt Reform Plan and Development Cooperation Policy.
- Improved income tax administration including customer service, monitoring of arrears, debt collection and tax payer education and information services
- Implementation of the Internal Audit strategic plan to strengthen the internal audit function across Government with the focus on risk based approach and systems audits. Improve investigation function capability within the Internal Audit and Investigation Division within Ministry of Finance.
- Continual expansion and an improved quality and timeliness of external audits by the Audit Office including the implementation of IT and performance audits.

The PFM Reform Strategy will be reviewed and updated on a rolling basis at least every two years with annual reviews of progress involving development partners and stakeholders.

The coordination and monitoring of the Public Finance Management Reform Plan will be led by the Finance Sector Advisory Committee chaired by the Ministry of Finance. The Aid Division will continue to be responsible for coordinating capacity building support from Development Partners and the financing of external reviews.

1. INTRODUCTION

The Public Finance Management Reform Strategy in its **Third Phase** will aim to build upon the progression as illustrated by the successes and achievements of the first two stages in the reform plan as well as lessons learnt. Significant focus will be laid upon a holistic approach towards **rolling out** these consistent standards to all line ministries to improve the efficiency and effectiveness of the public service in managing the collection and expenditure of funds as well as ensuring policy cohesion between planning and budgetary processes.

Furthermore, the Government has adopted the Public Expenditure and Financial Accountability (PEFA) Framework to monitor the Government's PFM reform programme. This Phase III update has been developed based on the analysis and consultations relating to the findings from the Oct/Nov 2013 PEFA Assessment (which was conducted as a self-assessment process led by Government officials before a PFTAC Team completed the formal assessment), the World Bank Public Expenditure Review 2013, the Methodology for Assessing Procurement Systems (MAPS), IMF Article IV Consultations, Issues Paper on SOEs and the PEER Review Consultations/Findings conducted by Pacific Islands Forum Secretariat in 2013. Issues discussed and reviewed in Development Partner (including regional technical missions) missions have also been incorporated accordingly.

Overall, there have been significant improvements across a number of PEFA assessment criteria between the 2010 and 2013 assessments. In addition, there are a number of areas of potential "quick wins", where relatively little effort would be required for the Government in achieving a higher score.

Noteworthy improvements since 2010 have been made in expenditure, commitment and arrears reporting; taxation awareness programs; debt and guarantees processes; payroll and other expenditure processing; and bank/suspense account reconciliation. Many of these improvements have flowed from improvements to the Finance One and People One systems used for Finance and HR processing, which have enabled more timely and accurate data processing and reporting.

The 2013 PEFA Assessment has also identified a number of ongoing projects in Public Financial Management that, when completed, should enable higher scores in subsequent PEFA assessments. These include the following:

- Development of sector plans;
- Procurement process improvements;
- Reforms to customs legislation; and

- Legislative and resourcing improvements to audit activities (both internal and external).

Nonetheless, there are some areas; notably the significant taxation arrears issues, absence of reconciliation across all phases of revenue operation from assessment, collection, arrears and transfers to Ministry of Finance together with issues on registration and linkages of information on taxpayers across Government systems and also to the financial; where further effort is required to improve Public Financial Management and these will all be addressed in Phase III.

The Ministry of Finance will continue to prepare the annual reports with regards to the progress in the implementation of PFM Reform Plan and these will be disseminated at annual Finance Sector review meetings held in November/December each year for in depth discussions with key stakeholders including development partners.

2. BACKGROUND

2.1 LEGAL & REGULATORY FRAMEWORK

The current legal framework for PFM is set out in the table below:

Legal Framework for PFM	
Area	Description
Public Finance	Section VIII of the Constitution sets the basis for PFM in Samoa by setting out procedures for the receipt of public revenue and the appropriation and payment of public funds. The Public Financial Management Act (2001) as amended sets out the responsibilities for financial management, fiscal responsibility, economic, financial and fiscal policy, the functions of the National Revenue Board, the Government Tenders Board and the general management of public monies including budget and appropriations and borrowing, loans and guarantees. Treasury instructions (2013) and regulations 2013) provide more detailed rules, reflecting current business practices.
Audit	The Constitution stipulates that the Controller & Chief Auditor shall audit all public accounts and funds of all Departments and Offices of the Executive and report at least once annually to the Legislative Assembly. Further guidance is provided in the Audit Act 2013.
Procurement	The PFMA (2001) Part XII "Procurement and Contracts" defines the establishment and operation of the Tender Board. Principles guiding procurement, methods, requirements and procurement processes are outlined in Part K of the Treasury Instructions 2013. Detailed guidance regarding procurement is provided in the two sets of guidelines a) procurement of goods and works; b) for consulting services.
Public Bodies	The Public Bodies (Performance and Accountability) Act (2001) and associated regulations are designed to promote improved performance and accountability in respect of public bodies and set out the principles governing their operation, appointment of directors, and financial reporting requirements.
Revenue	There are five main pieces of legislation that regulate revenue administration in Samoa; the Income Tax Act 2012, Tax Administration Act 2012, the Value Added Goods and Services Act (VAGST) 1993, the Business Licence Amendment Act 2012 and the Customs Act (2014).
Other	There is no Freedom of Information Act. Money Laundering Prevention Act 2007 (amendment to the original Act of 2000)

Ongoing Revisions to the Legal and Regulatory Framework:

There is only one action under this component, namely completion of updating the Treasury Instructions of 1977. The Treasury Instructions 2013 has been approved by Cabinet in the first quarter of FY 2013/14, amendments will also be made to the PFMA 2001 to reflect the revisions in this newly approved Treasury Instructions 2013 and current functions/practices of the Ministry of Finance. A comprehensive socialization and

training program across the public sector is scheduled for the 2nd half of FY 2013/14. Proposed amendments to the Public Bodies Act/regulations would also change the need to update corporate plans annually to bi-annually.

The new Audit Act 2013 stipulates systematic follow up on audit recommendations in the management letters which became effective with the Constitutional Amendment 2013 to extend the term of the Controller & Chief Auditor from a 3 year contract to 12 years contract, as well as change in the title to the Audit Office head from Controller & Chief Auditor to Auditor General.

There is continued advancement in considering a “presumptive tax” for small business, which would reduce costs and lead to improving compliance. VAGST legislation 1994 is in the process of being redrafted/amended to introduce new provisions not covered by the current Act and its amendments (i.e. telecommunication supplies, multinational companies transactions) as well as to amend existing provisions in accordance with WTO standards in regards to fair trading between member countries (i.e. custom duty, tariff rates, etc). The Customs Act 2014 was passed by Parliament on 20th August 2014 and is now effective.

2.2 INSTITUTIONAL ARRANGEMENTS FRAMEWORK

Structure of Government

The Government of Samoa is a parliamentary democracy and is comprised of 14 ministries and seven constitutional bodies. As shown in Annex 1 there are an additional eight public beneficial bodies and one regulatory body who carry out core functions of government including health service provision, regulation and road maintenance. All ministries and public bodies have their headquarters in the capital Apia (Upolu island). Revenue, justice, health and education have offices in Savaii. There is no sub-national government. Administratively the country is divided into the following eleven political districts, Tuamasaga, A’ana, Aiga-i-le-Tai, Atua, Va’a-o-Fonoti, Fa’asaleleaga, Gaga’emauga, Gaga’ifomauga, Vaisigano, Satupa’itea and Palauli within which there are 44 electoral districts

Legislature

Parliament comprises the Head of State and the Legislative Assembly. The Head of State is elected by the Legislative Assembly (*Fono*) for a five year term and there is no limit on the number of terms. The Legislative Assembly is a unicameral body of 49 members. Forty seven members are elected by voters affiliated to the eleven political districts and two members by independent voters. Members serve five-year terms. The Finance and Expenditure Committee formerly known as the Public Accounts Committee is responsible for the examination of estimates, the policy, administration and expenditure of ministries and government bodies related to government finance and to examine and report on the public account and the Controller and Chief Auditor (CCA)’s report on the annual financial statements. The Business, Standing Orders, House,

Electoral and Officers of Parliament Committee chaired by the Speaker and including the Prime Minister or his representative is responsible for considering the report of the CCA.

Executive

Executive power is vested in the Head of State. The Cabinet has control and direction of the Executive and is headed by a prime minister appointed by the Head of State. Cabinet comprises of not less than eight and not more than 12 ministers.

Judiciary

Samoa's court system consists of two District courts and a Supreme Court manned by six local judges, and an Appeal Court that sits once or twice a year and is overseen by overseas judges. There is a separate Land and Titles Court that deals with matters relating to customary land ownership and 'matai' (family heads) titles. There are no specialised commercial courts.

Audit Office

The Audit Office is mandated to carry out its functions and responsibilities by the Constitution, Audit Office Ordinance (1960), Audit regulations (1976), Audit Act (2013) and the PFMA (2001). The organisational structure includes 40 professional and/or technical staff and nine support staff in the Audit Office, apart from the Controller and Chief Auditor (CCA), who is a statutory appointee. The structure reflects its core functions of auditing government departments, including public accounts and public bodies, audit of donor and loan funded projects, daily treasury cheque listings and quarterly statement of receipts and payments from Treasury.

Ombudsman

The Ombudsman is a statutory officer appointed by Parliament to investigate complaints against Government Departments and other official agencies. He conducts independent investigation into complaints against actions (including failure to act), recommendations and decisions of official agencies relating to administrative matters. The Ombudsman is also the head of the recently established Human Rights Commission.

Central Bank of Samoa

The Central Bank of Samoa is the country's Reserve Bank and, as such, acts as banker to the Government and the commercial banks. Pursuant to its mandate under the Central Bank of Samoa Act (1984), the Financial Institutions Act (1996), Money Laundering Prevention Act (2007) and the Insurance Act (2007), some of the Central Bank's main functions include regulating the issue, supply, availability and international exchange of money; advising the Government on banking and monetary matters; and promoting a sound financial structure.

Ministry of Finance

The Ministry of Finance is responsible for all aspects of financial management with the aid coordination and debt management, economic policy and planning and the state owned enterprises monitoring divisions handling policy management. Two specialist

divisions, namely Climate Financing and Energy Coordination cater for the new and increased volumes of resources flowing in separate to normal development resources as well as ensuring alignment with national policy frameworks for climate financing and energy. The operational management arm includes four divisions: budget, accounting services and financial reporting, information technology and corporate and strategic services. Each division is headed by an Assistant CEO. An internal audit and investigations division reporting to the CEO is also in place together with the newly established divisions which had been proposed under Phase II which are procurement unit and systems support unit.

Ministry for Revenue

The Ministry for Revenue (MfR) was established in 2003 following the merger of the former Customs and Inland Revenue Departments and collects all tax and customs revenue. Both Departments are now referred to as “Services”. The Inland Revenue Service is responsible for administration of the tax system of the country and the Customs Service is responsible for border control and facilitation of trade at the border.

Line ministries

Chief Executive Officers of individual ministries are appointed as the administrative head of a Ministry. This assigns specific responsibilities including compliance with the PFMA as well as sound economic and expenditure management of the Ministry’s affairs. Corporate services departments in each of the ministries are responsible for the day-to-day financial management affairs of the ministry and the preparation of the ministry’s plans and budgets.

The key features of the PFM system

An output based performance budgeting system exists across all budget funded government departments and agencies. Since 2000/2001 all Budget Estimates in Samoa (for current expenditure) have been prepared on this basis, with appropriations by output, and with each Ministry identifying and publishing performance indicators and targets as part of the Approved Estimates. In 1996, the Ministry of Finance (MoF) , supported by the Asian Development Bank (ADB), also initiated parallel reforms to their national planning, sector planning and project planning systems. These have been further developed and enhanced and now include the 2012 - 2016 Strategy for the Development of Samoa (SDS), the Sector Planning Manual for Samoa (2009), and the Manual on Project Planning (2009). As noted earlier all development expenditure (with the exception of some minor new initiatives) is externally funded. This is beginning to change with increasing flows of aid for development expenditure being channelled through the budget either as general or sector budget support .

Samoa has a centralised payments and payroll system located in the MoF. In 2005, MoF installed a financial management information system (FMIS) known as ‘Finance One’ based on the Technology One Accounting package. It includes modules for general ledger that operated budget, projects, loans and chart of accounts, funds control, accounts payable, accounts receivable, purchasing, payroll and the newly established

Asset Register. Access to the system by line ministries is provided by a network. Information on both external debt, on-lent and guarantees has been consolidated in the CS-DRMS and improvements have been made to the quality of the records and the reporting from the system. Customs is managed using the ASYCUDA software, while Inland Revenue uses the Revenue Management System (RMS).

2.3 MANAGEMENT/SYSTEMS FRAMEWORK

Overall, Samoa benefits from strong fiscal systems, a clear commitment to strengthening service delivery and pursuing important reforms. This is evident from its expenditure policy. The following section reviews the progress that has been achieved in the second phase of the PFM Reform Plan over the past two years 2011-2013.

During this period the Government has received support for the implementation of Phase II from a variety of development partners including the European Union, under its technical cooperation facility and budget support programmes, NZAID and AusAID (through incentivizing budget support tranches both fixed and variable), ADB (technical support to planning, macro-economic modelling and internal audit), World Bank (Public Expenditure Review 2013) and PFTAC (technical assistance provided via PEFA 2013).

Whilst progress has been achieved in many areas there have also been gaps and delays in the reform process. A summary of achievements of the PFM Reform Plan against performance indicators and targets during the second phase of implementation (2011-2013) is attached as **Annex 3**.

3. PFM REFORM ACTION PLAN

3.1. PLANNING AND PERFORMANCE MONITORING

Continual developments with regards to an improved performance monitoring and evaluations framework for all fourteen (14) sector plans providing specific linkages to the budget and the SDS, whilst ensuring that these respective sector plans and annual reviews are uploaded regularly on the respective line Ministry websites for public access.

A higher PEFA score will reflect improved PFM outcomes for the Government. Strengths and weaknesses in a Government's PFM framework have a direct impact on the overall strategic outcomes of the Government, in the areas of aggregate fiscal discipline, projected allocation of resources and efficient service delivery.

The development and publication of fully-costed sector strategies, and linking these to the budget process in the future, will assist in this area i.e. the sector costings should be structured in line with the program, output and economic type information as set out in the Government's national budget, to provide a clear link between the two documents.

Short-term Actions:

3.1.1: Completion of the Mid-Term Review of SDS 2012 – 2016 providing national progress mid-way to achieving stated national priorities and goals. **Estimated timeframe: June 2014.**

3.1.2: Continual development of achievable sector-level medium-term strategies (4-5 year) as per the established sector plans linking them back to the overarching Strategy for Development of Samoa 2012 – 2016. Continuous support for the remaining sectors: Transport, Communication and Tourism (currently under review). **Estimated timeframe: 100% for 14 sector plans by Dec 2014.**

3.1.3: The Economic Policy Planning Division will build upon a more **strengthened capacity in macro-economic modelling of the national economy** gained via PFTAC technical assistance thus broadening the expertise to manage and manipulate the SERF model on its own. **Estimated timeframe: by Ongoing.**

3.1.4: Update of the Sector Planning Manual 2009. This should also include capacity building and setting minimum requirements/standard template for sector plans including MTEF etc.. **Estimated timeframe: June 2015.**

3.1.5: Quality assurance checks on all completed sector plans by means of annual sector reviews in compliance with the Sector Planning Manual, together with updating the respective sector Monitoring & Evaluation frameworks, which will be heavily linked to the budget process. **Estimated timeframe: Ongoing.**

3.1.6: The Public Sector Investment Programme (PSIP) will be a summary of the capital investment and technical assistance programmes for all sectors and their

anticipated recurrent costs based on fully developed sector MTEFs. **Estimated timeframe: By Dec 2014**

Medium-term :

- The development of the next SDS in consultation with key stakeholders and sector implementing agencies.
- Annual Reviews for the completed sector plans, whereby all sectors would update their respective MTEFs reflecting fully costed investment priorities and sector-wide capacity building plans and M&E frameworks
- Planning officers attending high level sector meetings and contributing to dialogue on sector priorities and inter-sector linkages
- Sectors providing annual reports including performance in achieving targets for key indicators
- Public Sector Investment Plan linked to sector plans updated on an annual basis
- Macro-economic model being updated in discussion with CBS and the Bureau of Statistics. Macro-economic unit personnel all with capacity to manipulate and update model
- Input-output model in place to assist in identifying inter-economic sector impacts from changes in key variables
- Close linkages developed with Bureau of Statistics, which contributes to performance monitoring of the SDS and sectors

3.2. IMPROVED BUDGETING

The good budget framework, the accuracy of budget estimates, and the high level of discipline around reporting and payments serve the Government's budget and economic strategy well. Nonetheless, there are some areas that deserve attention, which if addressed will further improve budgetary and fiscal outcomes.

The Government continues to improve its policy-based budgeting. The budget timetable, processes and guidance are generally adhered to, and legislative approval is provided prior to the commencement of the budget year. Medium-term financial forecasts have been in place for a number of years, although general budget consideration focuses primarily on the budget year only and there is no clear link between the forward estimates and ministry ceilings.

With reference to the PEFA 2013 assessment, the Government's budget is realistic and generally implemented as intended. Aggregate expenditure estimates have been a credible indicator of actual expenditures, with variances generally around 2%. Amounts charged to the contingency reserve are quite small (3%). Revenue estimates have also been relatively accurate. There has also been a considerable improvement in expenditure payment arrears.

Nevertheless, Samoa is and will continue to be highly vulnerable to both natural disasters and exogenous economic shocks, all of which have been painfully evident over the last decade. Hence, achieving the twin goals of fiscal sustainability and improved services will require the government to exercise vigilance in the planning and implementation of expenditure policy, to subject debt-financed proposals to extra levels of scrutiny and to ensure value-for-money in government programs. Such efforts, taken together with the continued support of development partners, especially in times of crisis, will support the government's policy and reform agenda. Given this context, key recommendations from the PER notes include:

- **Strengthen focus on increasing value for money in large sectoral expenditure programs.** These PER notes reviewed expenditure programs in only two sectors and has highlighted areas where expenditure programs in these sectors may potentially benefit from increased scrutiny to ensure that value for money is pursued to the extent possible. Expanding this focus broadly across the public sector, and especially the fastest growing expenditure programs, would support government priorities whilst helping to strengthen control over budgets where needed.
- **Increase central government oversight over the personnel policies of non-central government agencies.** The recent growth in the number of autonomous public agencies has established a trend where, in some cases, personnel policies have been more expansionary than those of central government. Increasing central government and public service commission oversight, including monitoring of the whole of government wage bill and coordinating large establishment and remuneration decisions, are measures that would support budget control especially at times of fiscal stress.

Short-term Actions:

3.2.1: Full publication of forward estimates at the detailed Ministry level considering that the vast improvements are made to the quality of the forward estimates collated. **Estimated Timeframe: On-going**

3.2.2: Inclusion of the prior year's actual budget outturn within the Approved Budget documentation, adhering to the same reporting format as the estimates: **Estimated timeframe: July 2015**

3.2.3: Development partner funding to improve accuracy, timeliness and comprehensiveness of the data as required by the Ministry of Finance. Together with additional support and training for line Ministries to strengthen capacities in collating and presenting information on all DP funding that runs through their respective outputs. **Estimated Timeframe: On-going**

3.2.4: Further investment into the **linkages between the budget and the national and sector strategies** and plans. **Also continual coordination is vital through the Budget and Planning Committee**, a forum focused on improving these national systems thus linking additional support to line ministries to ensure coherence between their planned outcomes and their budget allocations; as well as to the SDS and their respective sector plans. **Estimated time frame: Ongoing**

3.2.5: Development of the Non Tax Revenue Guide as per the rebasing exercises already conducted and completed by the Budget Division. **Timeframe: By Jul 2014**

3.2.6: Continue implementing the Communication Strategy to provide more information to the public and key stakeholders on policy reforms, the budget process and the annual and medium term budget estimates including mid-term reviews. **Estimated timeframe: Ongoing.**

Medium-term :

- Budget estimates performance framework include all development partner funding against implementing agency
- Budget personnel actively participating in annual sector reviews and key sector meetings
- Budget estimates and performance monitoring closely aligned to the SDS and sector plans
- Budget deficit within the target range and revenue policy in place
- Increased opportunities for public access to information and stakeholder dialogue on the budget strategy and performance

3.3. *PROCUREMENT*

In terms of procurement practices, open competition is the preferred practice and a thorough legal framework governs procurement matters, including the threshold for approval of procurements, the thresholds for the sourcing of procurement (such as open tender, limited tender, etc), and advertising of procurements awarded. Detailed instructions have been developed.

- Enforcement and the implementation of the new Procurement Guidelines together with a training programme for Government Ministry personnel responsible for these procurement functions.
- Finalization of standard tender documents i.e. bidding documents and contracts.
- Harmonizing the Procurement Reform Implementation Strategy and the MAPS Assessment once validated.

Procurement planning is underway together with a governing legal framework, although these are not yet published. Furthermore, an independent procurements complaints mechanism has not been established.

These are seen as priority actions, some of which can be implemented in the short term.

Short-term Actions:

- 3.3.1 Providing short term support to the Procurement Division in preparation for its enhanced role as a regulatory/normative body.** Recruitment of additional staff, training of the staff and provision of tools such as software (notably in respect of monitoring and information sharing) and the ability (possibly outsourced) to tailor that software to the needs of the PD and the evolving procurement system and a **provision of a mentor in the short term to facilitate the development of division. Estimated Timeframe: by June 2015**
- 3.3.2 Completing a basic suite of Standard Tender Documents (STD) and obtaining AGO approval** in order to reduce the current delays. This involves AGO accepting that use of STDs already approved do not need further approval. However, in cases whereby changes needs to be made in the conditions of contract, hence, further approval by AGO is required. **Estimated Timeframe: by Jun 2015**
- 3.3.3 Develop an Annual Training Program for the Procurement Framework and Mandatory Practices** for awareness and improved compliance by whole of government. **Estimated timeframe: Jun 2015**
- 3.3.4 Commence short term compliance and competence training** to the whole of government (Ministries and Public Bodies) with the possibilities already available. This would include **awareness training based on the Part K of the Treasury Instructions 2013**. In addition, efforts should be made to **liaise with USP and seek to develop the existing competence training** that they have created in the context of Tonga. A closer to home option would be to laise with the NUS that also provides competence based training through the Oloamanu Centre. Providing competence training at a regional level should also be explored. **Estimated Timeframe: by Jun 2015**
- 3.3.5 Providing guidance and templates for the use of framework agreements,** especially as a **mechanism to address emergency situations** and procurement needed in the event of natural disasters. This could involve creating a framework agreement within the context of any existing task force set up to deal with such disasters. **Estimated Timeframe: by Jun 2015**
- 3.3.6 Explore developing a complaints mechanism** for Samoa's benefit in the long run. More importantly, it encourages donors to rely more on the national procurement system for their own procurement. The absence of a credible complaints review mechanism is one of the biggest obstacles to this. **Estimated Timeframe: by Jun 2016**
- 3.3.7 Despite the apparent low propensity to fraud and corruption, early efforts should include strengthening the integrity provisions to maintain a deterrence effect and promote greater integrity.** This would include developing the debarment procedure envisaged under the new Part K and widely adopting integrity tools for the public sector such as conflict of interest declarations. **Estimated Timeframe: by Dec 2015**

Medium term:

- Improve the legal and regulatory framework
- Establish sustainable capacity development and create a procurement cadre,
- Strengthen the Procurement Division to become a functioning regulatory body,
- Introduce an independent complaints review mechanism and
- Consider converting the Tenders Board into a strategic organ of the regulatory body.
- Introducing user-friendly automated system (for expediting the process which could form part of a phased introduction of the use of electronic tools e.g. use of software tools to help procuring entities produce bidding documents and advertisements for automatic transmission)

Efforts should be made early on to engage with both bidders and with civil society. This might consist of holding regular meetings with contractor associations and the Chamber of commerce as well as creating a platform for dialogue with civil society. This latter would form part of a longer term awareness campaign but could begin by establishing an annual Public Procurement Forum to which both bidders and civil society would be invited. The adoption of the new Part K provides an obvious topic for the first Forum.

3.4. AID COORDINATION AND DEBT MANAGEMENT

A sizeable amount of aid is provided by donors as “direct budget support” as defined in the 2012 PEFA Field Guide. A key issue has been capacity to deliver, with aid receipts driven by milestones rather than to a timing schedule. Capacity issues are therefore an issue – if a project is late, then delivery of aid funds is late as well. Where DPs can provide technical support to assist timely delivery these are accepted by the Government

Most donors provide budget information, although this is not necessarily attached to the Samoan Government’s specific outputs/sub-outputs.

Key recommendation from the PER notes include:

- **Refocus borrowing policy to prioritize high quality loan funded projects with a clear economic rationale.** The GoS has made much progress in strengthening the policy framework for debt management by updating the medium term debt strategy amongst other measures. Nevertheless, recent investments emphasize the scope for strengthening the quality and prioritization of loan funded projects to place a larger emphasis on investments with a clear economic rationale to underpin debt sustainability in the long term. However, there is always the flexibility to consider other aspects for borrowing which might not always follow the economic rationale.

Short-term Actions:

3.4.1: Continued development for an **online and functioning Finance One project module** for **improved** monitoring and reporting on development cooperation funding. **Estimated Timeframe: On-going but is technically too difficult to implement – besides the project model cannot fully provide for the information needs of the ACDM division**

3.4.2: Sustaining the **mechanisms (eg. joint policy action matrix)** in place for open dialogue with donors on development policies, **strategies and priorities at both sector and national** level to facilitate the transition to budget support. **Estimated timeframe: On-going.**

3.4.3: Continual collaboration with the Budget Division and the commitment to facilitate a more precise/accurate **integration of development partner funding in line-Ministry/agency budget estimates further strengthening the budget process.** **Estimated Timeframe: On-going**

3.4.4: Further investment into the MTDMS process, improving the quality of reports on performance (as part of MoF's annual Fiscal Strategy) and update annual external loan plans and ensuring a timely release of the quarterly debt bulletin. **Estimated Timeframe: Ongoing** **3.4.5: Strengthening Cash Management Practices** via closer collaboration between MOF and CBS with regards to daily CBS data on Government accounts and related financial operations, which will in turn assist MOF (ACDM, Accounts, EPPD and Budget) internal cash flow forecasting. **Estimated timeframe: Ongoing**

3.4.5: Validate and introduce regular updates of domestic debt in CSDRMS and establish linkages with Finance One. **Estimated Timeframe: On-going**

3.4.6: Debt management staff **capacity further developed to assist EPPD undertake and update annual debt sustainability analysis .** **Estimated Timeframe: by Jun 2015**

Medium-term Vision:

AID COORDINATION

- Full integration of donor funding in the Finance 1 system
- Quarterly updates of development partner funding commitments, disbursements, forecasts and problem projects/programs
- Increased donor funding through general or sector budget support (process has begun)
- Consolidate joint donor monitoring and reviews on budget performance and sectors (done as all DPs are invited to and engage in annual reviews)

DEBT MANAGEMENT

- Continuous implementation of the Debt Management Reform Plan
- Two yearly Debt Sustainability Analysis being undertaken by Government
- Debt records updated on a monthly basis including both domestic, external debt and loan guarantees and validated annually. CRDMS linked to Finance One with synchronisation of information
- Domestic debt market developed with Treasury Bills programme functioning effectively and piloting of longer-term Treasury bond sales

3.5. ACCOUNTING AND REPORTING

There have been significant improvements to understanding and use of the Finance One system used for financial management and reporting. Progress has also been made in improving the timeliness of financial statements and bank account reconciliations. Other areas are:

- Enforcement and refinements to the new Government Payment Policy with deadlines for payments to suppliers and monitoring of late payments so that there is a reduction in arrears.
- Enhancing the reporting format on development partner GDP accounts in Government expenditure reports with the respective accounts schedules. Strengthen the coordination between the Accounts Division, Aid Coordination and Ministries on the Finance 1 project module to ensure timely entry and accuracy of data as well as a roll out of projects financial operations/data entry to line ministries.
- Enforcement of the revenue collection policy to strengthen the monitoring of revenue collection, reduce delays in recording revenue receipts and follow up of debtors, in line with the process in the newly approved Treasury Instructions 2013
- Improvement made to the Asset Register module of Finance 1 and to review Asset Policy in place;
- Enhancing Public Account reporting in compliance with the PFM Act and International Public Sector Accounting Standards (IPSAS).

Short-term Actions:

3.5.1: Develop an Annual Training Program for the updated Treasury Instructions 2013 (including new revisions and future updates) for awareness and improved compliance by whole of government. **Estimated timeframe: Jun 2015**

3.5.2: Commence short term compliance and competence training to the whole of government (Ministries and Public Bodies). This would include **awareness training based on the Treasury Instructions 2013. Estimated timeframe: Ongoing**

3.5.3: Ensure that public accounts are submitted within the legally defined deadline of 4 months from the end of each financial year with some improvement to disclosure in compliance with the current best practice reporting standards. **Estimated timeframe: On-going (October of every year)**

3.5.4: Strengthen the capacity for **cash flow forecasting and monitoring** centrally within the Accounts Division and at the Ministry level. In-year updates of cash flow forecasts should be completed by line ministries on a quarterly basis. **Estimated timeframe: Dec 2014**

3.5.5: Continued **strengthening of the data quality in the Finance One accounting system** and improvement made to the Asset Registration within Ministries. **Estimated Timeframe: On-going**

3.5.6: Further improvements to the **mechanisms in place so that regular reconciliations of payroll and the human resource system are efficient and effective.** **Estimated Timeframe: On-going**

3.5.7: Continual developments to the Project data entry to be devolve to Ministries with the inclusion of budget and funding allocation. **Estimated Timeframe: Jan 2015**

3.5.8: Continual development of the reporting framework in the Public Account Report to be compliant to International Public Sector Accounting Standards and the PFM Act. **Estimated Timeframe: Jun 2015**

3.5.9: Further improvements to the revenue collection policy in line with the newly approved Treasury Instructions 2013 and to **strengthen the monitoring of revenue collection base on accuracy of reports generated from the system, and enforce follow up of debtors** from these reports. **Estimated Timeframe: Dec 2014**

Medium-term :

Reporting:

- Public Accounts Reporting to be sustain on its timeliness in according the PFM Act requirement and improved Disclosure in compliance to International Reporting Standards (IPSAS). The Government is currently reporting on Cash IPSAS/Modified with the intention to change to Accrual IPSAS.
- Devolved project financial management/data entry to implementing agencies/Ministries.
- Improved Financial Reporting Template for Ministries' Annual Reporting
- To continue the improvement to the accuracy of data with the timeliness of all bank reconciliation (locally and overseas banks)

Services (Payment, Payroll, Receipting, Assets and Cashflow):

- The Finance 1 payroll module reconciled with PSC's People One on a monthly basis with changes to personnel implemented on Finance 1 within

one week. – this is also in place - matter of timing of paperwork from Ministries, link of HR information (PSC) to the Payroll database.

- Finance 1 being used to provide accurate accounting information and reports throughout Government with no duplicate excel systems
- Weekly cashflow reports being produced and used by line-Ministries and MoF to manage cash requirements.
- Asset management review of policy and wide use of the Asset Registration by Ministries using Finance 1.
- Payments electronically transferred to Suppliers Bank Accounts and paperless transaction processing

3.6. INTERNAL AUDIT AND INTERNAL CONTROL FRAMEWORK

Internal audit improvements are in progress including development of the new legal framework which mandates adequate resourcing of internal audit functions within ministries, strengthening of the established forum for internal auditors, continuous development of the internal audit manual, and shifting focus to systems-based audits.

Short-term Actions:

3.6.1: Implementation of the internal audit strategic plan for internal audit across Government. Specifically the **implementation of the Legal Framework, Treasury Instructions 2013, legislation/regulations and institutional arrangements to ensure the development and enhancement** of the internal audit function throughout government. **Estimated timeframe: by Jun 2016**

3.6.2: Implementation of the Ministries Internal Audit Committee to provide effective oversight over the internal audit function across Government Ministries. **Estimated timeframe: by Jun 2015**

3.6.3: Develop a comprehensive resource plan for the internal audit function across Government including the design of an internal audit career path. **Estimated timeframe: Jun 2015**

3.6.4: Implementation of Resource Plan including **approval and funding of new positions** to effectively **address resource issues identified in Internal Audit: Estimated Timeframe: Jun 2016**

3.6.5: Strengthening of the internal audit forum for effective progress of the Strategic Plan and of **knowledge sharing on challenges and opportunities** in moving internal audit function forward: **Estimated Timeframe: Ongoing**

3.6.6: Development of cross Government Risk Assessments and Ministry level Risk Assessments to be used as a base for **Internal Audit Annual Work Plans** with increased emphasis on systems audits. **Estimated Timeframe: Dec 2014**

3.6.7: Monitoring and evaluating the implementation of the annual work plans with increased emphasis on compliance and systems audits using a risk-based framework. Estimated timeframe: by June 2015

3.6.8: Development of Internal Audit capability to use IT Resources in reviewing and performing audit tasks including accessing and analysing data from Finance 1. **Estimated timeframe: On-going**

Medium-term :

- A revised structure and Internal Audit Charter adopted across Government with coordinated arrangements in place for undertaking compliance and systems audits
- Annual work plans in place with the majority of time spent on compliance and systems audits prioritised through consultation with stakeholders
- Internal audit functioning in line with the “Internal Audit Professional Practices Framework”
- Increased appreciation and communication on the constructive role of internal audit across Government
- Improved coordination and sharing of reports and information for follow up between the controller/Chief Auditor and Internal Audit
- Audit findings used by senior management to strengthen and improve systems and the internal control framework
- Internal auditors in government with established linkages with professional associations for audit functions
- Internal audit utilising IT and specialist software to undertake systems and compliance audits

3.7. *MANAGEMENT OF STATE OWNED ENTERPRISES*

As per the Public Bodies Act 2001, reporting and monitoring of State Owned Enterprises (SOESs) is comprehensive and actions are recommended and taken based on these reports. Delays in the audit of the financial statements for these entities have been a problem although recent initiatives to improve audit timeliness and scope should alleviate this issue in the near future.

Public access to key documentation is important in adhering to the Ministry’s Communication Policy and government’s accountability, with intended improvements to audit office timeliness for clearance of financial statements as mentioned above to deliver further improvements. The availability of up-to-date financial statements for the SOEs has enabled improved monitoring of potential fiscal risk.

Short-term Actions:

3.7.1: Continual capacity development for the SOE Monitoring Division Staff, so that the in-house expertise on **finance/business analysis and project appraisal** is sufficient to support and monitor the performance of all SOEs. **Estimated Timeframe: On-going**

3.7.2: Further **strengthening of the corporate governance of SOEs building upon increasing** private sector participation, especially for public trading bodies. **Estimated Timeframe: On-going**

3.7.3: Constant improvements to recent initiatives to address audit timeliness stemming from the timely submission and clearance of financial statements to reduce potential fiscal risk to SOEs and having this information readily available for public access. **Estimated Timeframe: On-going**

3.7.4: Reinforce and maintain strict procedures for the approval of loan guarantees and taking into consideration the Debt Sustainability Analysis before cabinet approval is sought. Timeframe: Dec 2014

3.7.5: Continue privatisation of non-strategic SOEs as well as improvements and developments to the **Private Public Partnerships** programme. **Estimated Timeframe: Dec 2015**

Medium-term :

- Privatisation of non-strategic SOEs continued
- Transparent mechanism in place for selection and training of board Directors
- Transparent mechanisms in place for tariff setting and calculation of CSOs
- Public bodies with a strong customer and business orientation and able to meet their 7% revenue targets.
- Public Bodies meeting their reporting targets on schedule
- PPP framework and potential PPPs approved by Cabinet

3. 8. *Crosscutting Support within Ministry of Finance*

The aim is for completion of current reviews to lead to optimal organizational design and a better managed MOF in a performance oriented environment. **Improved HRD practices in MOF** (and elsewhere in the public sector) represent a critical element of improving PFM practices over the medium term. Furthermore, the institutionalization of HRD management and improved HRD practices into MOF systems and processes will provide the necessary impetus and drive to further improve and sustain PFM practices over the medium to long term.

The **support of the Executive Management Team** will greatly facilitate the development of a results oriented workforce, improve staff engagement practices and generate a wider understanding of the strategic direction of the respective divisions and the Ministry as a whole.

The **IT Division** will continue to pursue forward planning and monitoring to ensure **adequate capacity and security** is maintained for **electronic data information** over time as well as further **research and investment into how the SNBH Broadband network** can better facilitate redundancy for the GoS FMIS connections together with **continual IT staff capacity building initiatives**.

Short-term Actions:

3.8.1: The **Corporate Service Division** will further develop its role with regards to **human resource management (HRM) and human resource development (HRD)** with the objective of continuous induction training, job design and evaluation, performance management, performance monitoring and use of manuals to support and contribute to sustainable PFM systems. **Estimated Timeframe: by Dec 2015**

3.8.2: The IT Division will **continue to strengthen the management, organisation and security of electronic data**. **Estimated Timeframe: On-going**

3.8.3: The IT Division **will focus on harnessing the impending benefits (i.e. cost efficiencies)** which can be obtained and realized through the newly established **SNBH Broadband network**: **Estimated Timeframe: by June 2015**

Medium-term:

- Manuals and training tools in place to sustain systems
- Staff development training plans linked to Ministry goals
- Organised structure and secure dissemination of MoF and Line Ministries data on the main servers
- Finance One reaching users with improved speed and less downtime
- CSDRMS linked to Finance One

3.9. Revenue Collection

Significant changes for Inland Revenue have taken place, notably with the passage of new legislation in 2012. The new Customs Act 2014 was passed by Parliament in August 2014, as part of the Government of Samoa's Customs Modernisation Project. These changes have led to improvements in taxpayer compliance, notably through increased education and awareness activities, and enforcement procedures. Revenue administration, however, continues to be problematic, both in terms of debt collection and collection/reconciliation of data across a number of disparate systems.

The upgraded RMS system, the RMS database and Asycuda is capable of producing the debt collection data more accurately and efficiently whereby a reduction in the arrears figure will be realized, together with improved reconciliation of tax assessments to tax payments and arrears, which will enable both a higher score against this

dimension in future PEFAs, as well as eliminating leakage of arrears amounts from total taxation receipts.

On the VAGST Legislation, assistance was sought from PFTAC for the policy design which was completed in July 2014. Legislative drafting is now underway with support from the PFTAC and the AG's office. This vital support from the PFTAC had not only led the work to review the VAGST and the Presumptive Tax consultations, but also in building the capacity of the Policy, Forecasting and Business Improvement (PFBI) staff.

The current second phase of the ISP addresses further stages of administrative strengthening, including: (i) specialist tax audits; (ii) international tax, fraud and evasion; and (iii) risk analysis together with (iv) expected revenue increases given the sustainably enlarged tax base, (v) improved compliance in taxpayer registration, pay tax and file returns are done on time as well as (vi) better services to taxpayers through educational, electronic and informative services. Furthermore, improvements have been initialized for the electronic tax services with an upgrade of ASYCUDA to ASYCUDA World; linkages of data between the two systems will be better identified and developed.

HR reforms have also been a significant focus with regards to the ISP mostly improving communications between MfR staff and the public which has shown emphasis on the performance of both individuals and specific business units. Continued investment in leadership training is necessary to support the development of the middle management level.

MfR continue to focus on the most important education material first, based on risks to the revenue and customer needs, particularly as new self-assessment and business tax systems are introduced in 2014. The suite of Income Tax returns is currently under review and guides will be developed to assist taxpayers complete the returns under the self assessment approach.

Enforcement, including the use of available powers and offences under the Tax Administration Act 2012, will remain a central theme of the IRS over the medium term. Improvements in the performance of the Audit & Investigations division is resulting in increased 'real debt' available to collect.

Short-term Actions:

3.9.1: The **legislative framework for tax administration** will be reviewed and amendments proposed and implemented including the consideration of presumptive tax for very small businesses. **Estimated timeframe: Dec 2016**

3.9.2: Continuous **capacity enhancements on tax policy advice, research and analysis** within the Ministry for Revenue. **Estimated timeframe: Ongoing**

3.9.3: Improved **procedures, systems and service functions for tax administration** in operation. This will include customer sub-segmentation and the introduction of account management for large taxpayers. **Estimated timeframe: Dec 2016**

3.9.4: Improved accessibility and quality of **information for tax payers** and the introduction of taxpayer education campaigns for specific industries and/or services e.g. online services. **Estimated timeframe: Jun 2015**

3.9.5: Continue implementation of the **Strategic IT Plan**. This will include improvements to the database systems through upgrade of RMS and planned linkages with ASYCUDA World. **Estimated timeframe: Dec 2016**

3.9.6: Improved **procedures and systems for tax and customs enforcement** including strengthened enforcement of offences. **Estimated timeframe: Dec 2015**

3.9.7: Strengthened systems will be developed for **monitoring and reporting on tax arrears and improved debt collection**. **Estimated timeframe: Jun 2015 for improved analysis and reporting; Dec 2015 for improved processes**

3.9.8: The **planning and monitoring of the tax audit programme** will be strengthened including the use of more sophisticated risk analysis with greater emphasis on evasion and avoidance. **Estimated timeframe: Ongoing**

3.9.9: Programme of staff development in place for the IRS including delivery of mentoring, training and leadership programmes and the introduction of comprehensive induction training for new recruits. **Estimated timeframe: Ongoing**

3.9.10: A functioning reconciliation system in place covering **tax assessments, amounts collected, arrears and transfers to MOF**. **Estimated timeframe: Dec 2016**

Medium-term :

- Strong synergies and linkages developed between IRS and the Customs Service systems, procedures and databases to facilitate quality delivery of services to taxpayers.
- Comprehensive information readily available to all tax payers with regular taxpayer education campaigns leading to a more positive attitude to payment of taxes.
- A more efficient system in place for taxpayer services with special attention to services for larger taxpayers and a reduction in the number of disputes
- The tax appeals system strengthened with an independent arbitration mechanism to ensure fair and transparent decision-making.
- A effective tax audit system in place with the audit programme based on risk profiling of taxpayers
- Relations developed with other tax administrations in the region and introduction of benchmarking of IRS performance against regional and international standards

3.10. External Audit

The Audit Office continues to make ongoing reforms after the success of its institutional strengthening project from 2006 to 2011 and additional capacity supplementation from 2013 to 2014 supported by PFM Reform phase I and II. Legislative changes have been recently passed to ensure greater audit independence, and to mandate delivery of financial statements to the audit office. Reforms are being made to strengthen further this independence by building a platform to prepare the Audit Office for financial independence. This is underscored in the completed Audit Office ten (10) year Strategic Plan.

The Audit Office will continue to give high attention to the training and professional development of its staff, for example capacity building in the form of special/fraud examination training.

Short-term Actions:

3.10.1: Submission of **Audit Reports to parliament within 8 months** of the end of the period covered. In the case of reports on the Public Accounts these will be submitted within 6 months from the end of the period covered: **Estimated Timeframe: Ongoing**

3.10.2: Expand **coverage of Government Ministries such that at least 100% of total expenditures are audited** annually including both revenue and expenditure. **Estimated Timeframe: Ongoing**

3.10.3: Improved evidence of **systematic follow-up on audit recommendations** including a standard requirement for a formal response from the entity concerned. **Estimated Timeframe: Ongoing**

3.10.4: Enhance **capacity for performance and IT audits** and will **undertake at least 2 performance audits and 2 IT audits** each year in 2014/15 and 2015/16. **Estimated Timeframe: June 2017**

3.10.5: Implement an **ongoing training/awareness programme for staff and stakeholders** on legislation and all developments under the ISP and the ongoing Capacity Supplementation Project, and will maintain an up to date succession planning system with mentoring and training/awareness activities. **Estimated Timeframe: Ongoing**

3.10.6: Implement an appropriate **Institutional restructuring** to further improve the effectiveness and efficiency of operation, management and performance of the Audit Office. **Estimated Timeframe: June 2017**

Medium-term :

- All Government Ministries are audited annually covering revenue, expenditure and assets/liabilities
- Audit reports are submitted to the legislature within 6 months of the end of the period covered or from the date of receipt of the public accounts.
- A system is in place for effective and timely follow up of all audit recommendations
- The Audit Office undertakes performance audits and IT audits on a regular basis and is seen to be contributing to improved effectiveness of public services and increased transparency and accountability.
- The introduction of an electronic working paper system to deliver high quality audits, standardised methodology, and improved recording and exchange of information with the AO.

- The legislation and human resource management arrangements governing the Audit Office are adjusted to strengthen its independence to ensure functional autonomy and effective oversight of public expenditure.

4. CAPACITY BUILDING FRAMEWORK

Key Issues to consider are:

- Human Capacity (professional cadres, succession planning, induction training etc)
- Institutional Arrangements (organisation structure, coordination, office infrastructure)
- Financial Administration and IT Networks (work process, electronic payments, communications, database systems)

4.1 CAPACITY BUILDING SUPPORT

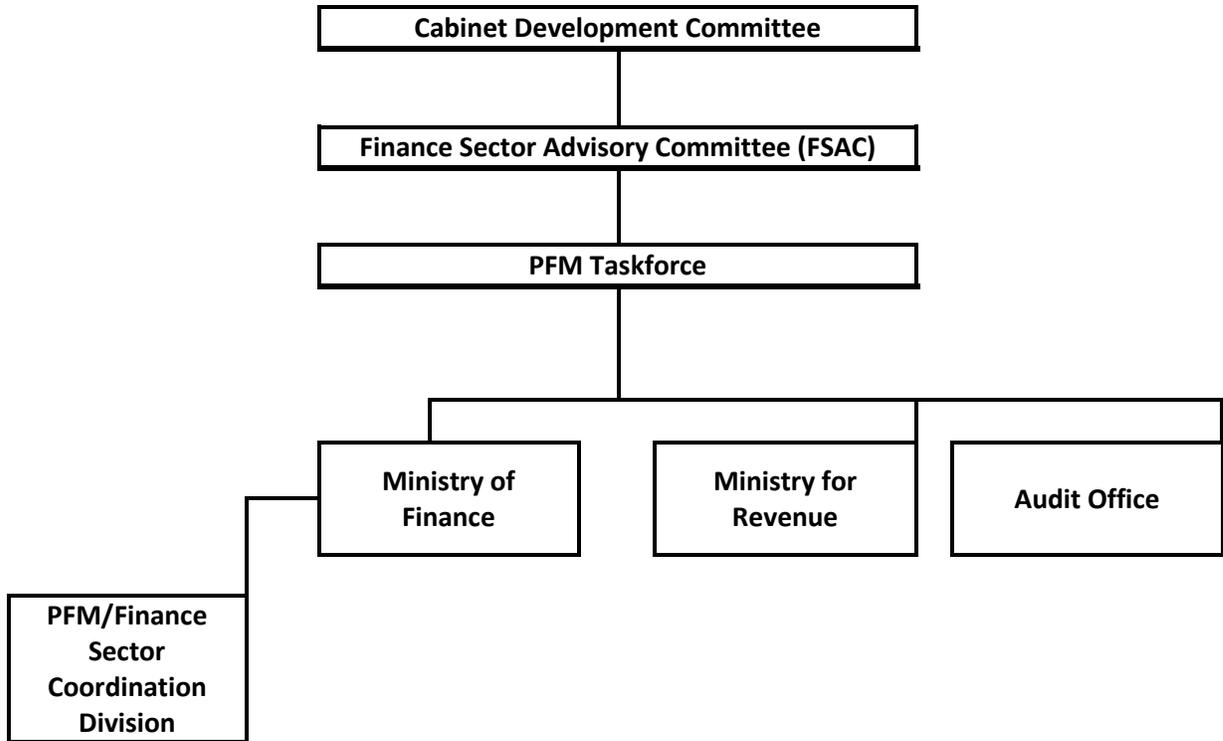
The table below provides a summary of the capacity building support provided (and to be funded) by development partners;

No.	Capacity Building Initiative	TA Support	Time Frames FYs
1. Planning and Performance Monitoring			
1.1	Intermittent TA to support upgrading of economic and financial modeling (SERF model), economic & project analysis.	PFTAC / ADB	ongoing
1.2	TA to assist with the Review of the Sector Planning Manual	TBC	2015
2. Improved Budgeting			
2.1	TA to strengthen non-tax revenue policy capacities / classification of non-tax revenue with chart of accounts / post implementation review of the reform	PFTAC / Australian Department of Finance and Deregulation	2015 – 2017
2.2	TA to review and further develop the system of forward estimates / MTEF and assist with forecasting capacities	TBC	2015 – 2016
2.3	TA to strengthen Revenue Policy capacity including revenue projections (Ministries) and revenue options analysis e.g. Excise, Stamp Duty etc.	TBC	2015 – 2016
2.4	Intermittent TA to support GFS training / running Fiscal Consolidation	TBC	2015 -2016
2.5	Installation of the Finance One Budget module, with training	TBC	2015 - 2016
3. Procurement			
3.1	Intermittent TA to support the capacity of the procurement division (trainings / appraisal techniques / setting up independent mechanisms)	TBC	2015 – 2017
4. Aid Coordination and Debt Management			
4.1	TA to explore possibility of CSDRMS interface with Finance One	TBC	2015 - 2017
4.2	Intermittent TA to further strengthen capacity in Debt Sustainability Analysis	PFTAC, WB	Ongoing

No.	Capacity Building Initiative	TA Support	Time Frames FYs
5. Accounting and Reporting (Accounts and Systems Support Divisions)			
5.1	TA to strengthen asset management policies, coordination and reporting in the Public Accounts.	TBC	2015 – 2017
5.2	Payroll systems expert to improve controls and linkages to the People One personnel system	TBC	Ongoing
5.3	TA to assist in the Government Financial Reporting Framework link in the new amendment of the PFM Act and IPSAS.	TBC	2015 – 2017
5.4	TA to assist with the revision of the Asset Policy, Asset Registration, etc.	TBC	2015 – 2017
6. Finance One Support			
6.1	Intermittent TA to further develop capacity of the Division and strengthen management of the Finance One software	Finance One	Ongoing
7. IT Infrastructure and Systems Support			
7.1	TA for training on database management and analysis of database hardware constraints	TBC	2015 - 2017
8. Internal Audit and Control			
8.1	TA support for further strengthening of the internal audit and investigations functions	ADB, PFTAC	2015 - 2017
9. Management of State Owned Enterprises (SOE Monitoring Division)			
9.1	TA to support the transitional change of SOEMD to Ministry of Public Enterprises	TBC	2015 - 2017
9.2	Performance (Organizational) Review of Development Bank of Samoa	Vinstar	2014 - 2015
10. Revenue Collection (MfR)			
10.1	Phase 2 of the institutional strengthening program for the IRS	NZ IRS	2013 – 2016
10.2	TA support for ASYCUDA World and capacity strengthening for the management and administration of the software. Would also explore possible linkages between RMS and ASYCUDA	UNCTAD	2013 - 2015
10.3	TA support to review/update VAGST legislation	NZIRS, PFTAC	2014 - 2015
11. External Audit (Audit Office)			
11.1	TA support for the implementation of the Capacity Supplementation Program.	Peter Dixon, Resdam Consulting, NZ Office of the Auditor General	2014 – 2015
11.2	TA support for the 10 year Audit Strategic Plan	TBC	2015 - 2024

5. **INSTITUTIONAL ARRANGEMENTS, MONITORING AND EVALUATION**

The Institutional Arrangement for implementation, monitoring and evaluation continues from the setup stated in PFM Phase II as illustrated below.



The FSAC and the PFM Taskforce is serviced by the PFM/Finance Sector Coordination Division located in the Ministry of Finance to support the coordination, planning, implementation, monitoring and evaluation of the PFM Reform Plan Phase III.

Quarterly update provided to the PFM Taskforce and annual reviews conducted in November every year as part of the Finance Sector Plan Annual Review. All key stakeholders, Government, Development Partners, Civil Society and Private Sector are invited. This also provides an open dialogue for lessons learnt and way forward.

The final progress report will be published in the MOF Website as part of its Communication Strategy.