



# Ministry of Finance

Government of Tonga



## Corporate Plan

**" GOD IS MY REFUGE AND MY FORTRESS "**

*Ko Sihova ko hoku talitau'anga*

**2020/21 – 2022/23**



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## Saame 91: Ko e 'Otua ko Hotau Malu'anga

- 1 Ko ia 'oku nofo 'i he toitoi'anga 'o 'Elioni, 'Oku mohe 'i he malumalu 'o Sātai—
- 2 Ko 'eku lau ē kia Sihova, Ko hoku hūfanga ia mo hoku talitau 'anga: Ko hoku 'Otua falala 'anga.
- 3 Tā ko e hele 'a e tulimanu te ne fakahaofi koe mei ai, Pea mei he mahaki faka'auha 'oku 'uakai mai.
- 4 Te ne 'ufi'ufi koe 'aki hono fulufulu, Pea te ke toi 'i hono lalo kapakau: Ko 'ene fai mo 'oni ko ho pā mo fakaū.
- 5 'E 'ikai te ke manavahē ki he nānunga 'o e pō, Pe ki he ngahau 'oku puna 'aho;
- 6 Ki he mahaki 'oku ha'ele 'i he ta'ehā, Ki he fakamate 'oku tu'usi ho'atā.
- 7 'E tō 'i ho tafa'aki ha toko afe, Mo e toko 'i mano 'i ho to'omata'u ē; Kae 'ikai ofi kiate koe.
- 8 Ngata pē te ke sio 'aki ho mata, 'O vakai 'a e totongi 'a e kau angahala.
- 9 He ko koe, 'Eiki, hoku hūfanga— Tā kuo ke fili 'a 'Elioni ko ho nofo'anga;
- 10 'E 'ikai fepaki mo koe ha kovi, Pea 'e 'ikai ofi ha tā ki ho tēniti.
- 11 He te ne kouna 'ene kau 'āngelo telia koe, Ke tauhi koe 'i ho hala fua pē.
- 12 Te nau fataki nima koe, Na 'a pākia 'i he maka ho va'e.
- 13 Ko e laione mo e ngata te ke mala ai; Ko e laione fita mo e tanini te ke molomoloki.
- 14 Ko e me'a 'i he 'ene tu'u kiate au 'ene 'ofa, Ko ia ai, te u fakahaofi ia: Te u 'ai ke ne mā'olunga Koe'uhi ā kuo ne 'ilo hoku hingoa.
- 15 Te ne ui kiate au, pea te u tali; Te u 'iate ia 'i he mamahi: Te u hamusi ia mo fakalāngilangi'i.
- 16 Te u 'ai 'a e mo'ui fuoloa ke ne topono ai, Pea te u tuku ke ne māta'i 'eku fakamo'ui.

## Psalm 91: God our Protector

- 1 Whoever goes to the LORD for safety, whoever remains under the protection of the Almighty,
- 2 can say to him, "You are my defender and protector. You are my God; in you I trust."
- 3 He will keep you safe from all hidden dangers and from all deadly diseases.
- 4 He will cover you with his wings; you will be safe in his care; his faithfulness will protect and defend you.
- 5 You need not fear any dangers at night or sudden attacks during the day
- 6 or the plagues that strike in the dark or the evils that kill in daylight.
- 7 A thousand may fall dead beside you, 10,000 all-round you, but you will not be harmed.
- 8 You will look and see how the wicked are punished.
- 9 You have made the LORD your defender, the Most High your protector,
- 10 and so no disaster will strike you, no violence will come near your home.
- 11 God will put his angels in charge of you to protect you wherever you go.
- 12 They will hold you up with their hands to keep you from hurting your feet on the stones.
- 13 You will trample down lions and snakes, fierce lions and poisonous snakes.
- 14 God says, "I will save those who love me and will protect those who acknowledge me as LORD.
- 15 When they call to me, I will answer them; when they are in trouble, I will be with them. I will rescue them and honor them.
- 16 I will reward them with long life; I will save them."

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# List of Abbreviations

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ADB	Asian Development Bank
AMP	Annual Management Plan
BCPD	Budget and Corporate Planning Divisions
BSFE	Budget Strategy & Fiscal Envelope
CEO	Chief Executive Officer
CoA	Chart of Account
COFOG	Classification of the Function of Government
CP	Corporate Plan
CSD	Corporate Services Division
CSDRMS	Commonwealth Secretariat Debt Recording Management System
CSFU	Central Support Fiduciary Unit
DCEO	Deputy CEO
EFPD	Economic and Fiscal Policy Division
FFD	Financial Framework Division
FS	Finance Section
GDL	Government Development Loan
GFS	Government Finance Statistics
GGF	Government General Fund
GPA	Government Priority Agenda
HoD	Head of Division
IAD	Internal Audit Division
ICTD	Information, Communications and Technology Division
IFMIS	Integrated Financial Management Information System
IPSAS	International Public Sector Accounting Standards
JD	Job Description
KPIs	Key Performance Indicators
LSSS	Logistical Support Service Section
MDAs	Ministries, Departments and Agencies
M&E	Monitoring & Evaluation
MOF	Ministry of Finance

MINOFA	Ministry of Foreign Affairs
NIIP	National Infrastructure Investment Plan
NPEDD	National Planning and Economics Development Division
OCEO	Office of the CEO
OoM	Office of the Minister
OPSC	Office of Public Service Commission
PAMD	Project and Aid Management Division
PD	Procurement Division
PFM	Public Finance Management
PFS	Performance Framework Section
PMO	Prime Minister Office
RRP	Reconstruction and Recovery Plan
SDGs	Sustainable Development Goals
SGGB	St George Government Building
SOPs	Standard Operation Procedures
TC	Tropical Cyclone
TD	Treasury Division
TDB	Tonga Development Bank
TOR	Term of Reference
TSDF II II	Tonga Strategic Development Framework

## Foreword from the Minister



The vision of the Ministry of Finance is to become the best and number one agency leading the provision of economic and financial advice to Government in order to achieve our national outcome of “A more progressive Tonga supporting higher quality of life for all”

Due to the onset of the COVID19 global pandemic, exacerbated by Tropical Cyclone Harold on 9<sup>th</sup> April 2020, the Ministry of Finance has to re-focus its Corporate Plan going forward to provide support across government and nationwide towards the global war against corona virus under the mandate and responsibilities of Ministry of Finance. This will be through policy development, resilience financing, corporate planning and budgeting, and accessing of new funding instruments through development cooperation.

In addition, the Ministry continues to complete the reconstruction and recovery from Tropical Cyclone Gita at the same time having to address financing needs towards reconstruction works in the outer islands following Tropical Cyclone Tino and the recent Tropical Cyclone Harold which caused major damages to critical infrastructure especially in Tongatapu, Ha’apai and ‘Eua.

The Ministry’s Corporate Plan (CP), 2020/21 -2022/23 outlines the Ministry’s operational plan to achieve its mandate, outputs and KPIs. The integrated Corporate Plan and Budget will help to deliver outputs in a more effective, efficient and affordable ways, and guide programs of performance improvement, while helping to ensure that the level of outputs are in balance with funds available.

The Government has set out 7 Priority Areas to focus its work towards for the next three years. These are: Illicit Drugs and National Security; Education; Health; Economic Development; Infrastructure (with priority on road improvement); Energy, Climate Change and Disaster Risk Reduction; and Public Sector Reform (including E-government). Health becomes the utmost priority with a focus on COVID19 to address this global pandemic which is a responsibility of the whole nation.

I have the confidence the Ministry will be able to respond to the expectations and lift the delivery of service by meeting its targets with quality.

I wish the CEO and all staff God’s guidance and blessings in the successful implementation, monitoring and evaluation of progress, creating a more efficient and effective Ministry of Finance, for the Government and the people of Tonga.

Respectfully,

  
\_\_\_\_\_  
Hon. Tevita Lavemaau  
Minister for Finance



## Message from the CEO



I am pleased to present the Corporate Plan and Budget Summary for the Ministry of Finance for the financial years 2020/21 to 2022/23 with a number one priority being accorded to combat the COVID19 global pandemic which had been exacerbated by Tropical Cyclone Harold on 9<sup>th</sup> April 2020.

The Ministry of Finance plays a vital responsibility in facilitating and promoting the integrated One Process toolkit for corporate Planning and budgeting working closely with the Planning Division of the Prime Minister's Office. MDAs are encouraged to align with the mechanisms of this One Process tool towards

becoming effective and efficient organizations who are better able to deliver services to the people of Tonga.

The Ministry of Finance, on the other hand continues to be a significant Central Agency of Government in setting direction and guidance for the operation of all MDAs. Also the Ministry operates as a line-ministry running its operations like all other MDAs.

The Corporate Plan outlines the main Outputs and Key Performance Indicators for each of the 10 main Divisions. The Divisions include: Corporate Services Division (CSD), Information Communications and Technology (ICT), Economic and Fiscal Policy Division (EFPD), Budget and Corporate Planning Division (BCPD), Project and Aid Management Division (PAMD), Financial Framework Division (FFD), Procurement Division (PD), and Treasury Division (TD), the Internal Audit Division, and the newly established Resilience Development and Financing Division.

The Divisions are in turn assigned a number of Outputs and Key Performance Indicators to ensure effective delivery of services to meet expectations of Government and all stakeholders. The Divisional Outputs are summarized in seventeen (19) Output Statements. These Output Statements are linked to the TSDF II organizational outcomes and National Outcomes, as illustrated in the Ministry's Results Map. The Ministry of Finance as a vital implementer of Government policies, will continue to pursue strategies working towards "A progressive Tonga supporting a higher quality of life for all".

I look forward to working closely with Heads of Divisions and Staff for a successful execution of this Corporate Plan.

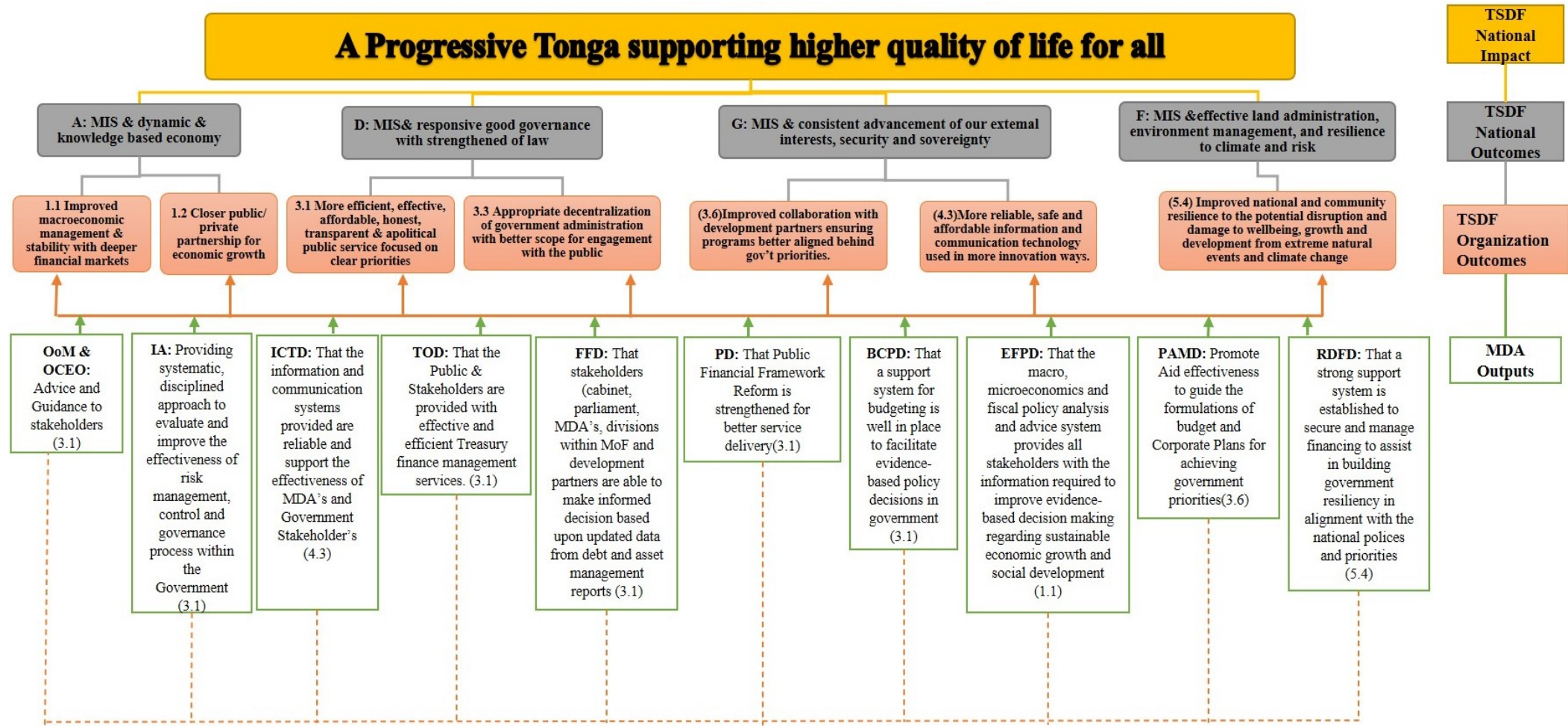
Respectfully,

A handwritten signature in blue ink, appearing to read 'Balwyn Fa'otusia', written over a horizontal line.

Balwyn Fa'otusia  
Chief Executive Officer for Finance



Figure 1: Ministry of Finance Result Map



# 1. Executive Summary

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## 1.1 Results Map

The Results Map indicates the various levels in the results chain for the Ministry and its relationship to the TSDF II. The Ministry supports 7 of the TSDF II organizational outcomes namely: (i) Improved macroeconomic management and stability; (ii) Closer public/ private partnerships for economic growth; (iii) More efficient, effective, affordable, honest, transparent and apolitical public service focused on clear priorities; (iv) Appropriate decentralization of government administration with better scope for engagement with the public; (v) Improved collaboration with development partners ensuring programs better aligned to government priorities; (vi) More reliable, safe and affordable information and communications technology used in a more innovative and inclusive ways; (vii) Improved resilience to natural disasters and impact of climate change. These in turn supports 4 of the national outcomes namely: A: More inclusive, sustainable, and dynamic & knowledge-based economy; D: More inclusive, sustainable and responsive good governance with strengthened rule of law; F: More inclusive, sustainable and effective land and environment management and resilience to climate and risk; and G: More inclusive, sustainable and consistent advancement of our external interests, security and sovereignty. These all contribute to the achievement of the National Impact, i.e., A progressive Tonga supporting higher quality of life for all.

The outputs are grouped by the relevant divisions responsible for them, indicated by the abbreviation of the division and its output number. The numbers relate to the TSDF II Organizational Outcome they directly support. Given the central nature of the Ministry, it also plays an important role in supporting all of the TSDF II outcomes.

The CP sets out how this Results Map is developed. The current document provides a Summary of the more detailed Budget document for the Ministry which supports the implementation of the Outputs in the Results Map.

## 1.2 Mandate

Ministry of Finance is a central agency with key obligations as mandated by the constitution, laws and international agreements. As such, MOF has many stakeholders, including Cabinet, all MDAs, public enterprises, the private sector, communities and the general public. The expectations of MOF are covered by a host of legislation and regulations as outline below with the Public Finance Management Act as its principal legislation that guides financial mandate. In addition to the requirements of the TSDF II, the mandate is also dependent on various sector plans and international agreements with development partners and other international agencies such as the 2030 Agenda with its Sustainable Development Goals (SDGs).

As a central agency, the Ministry operates at two levels: (i) it is a line-ministry running its operations like all other MDAs; and (ii) it is a central-ministry setting direction and guidance for the operations of all MDAs. These are important distinctions that need to be kept clear for the effective delivery of all its outputs. For example, the Ministry has internal outputs related to planning, budgeting, procurement etc. which are guided by the external outputs of the Ministry that set out the procedures and the support services related to the government wide planning, budgeting and procurement.

### 1.3 Key Legislation, policy decision and plans (Others)

- The Constitution of Tonga
- Government Act
- Public Finance Management Act
- Public Audit Act
- Public Service Act
- Appropriation Act
- Retirement Fund Board Act
- Pensions Act
- National Reserve Bank of Tonga Act
- Tonga Trust Fund Act
- Emergency Fund Act
- Remuneration Act
- Merged Retirement Fund Act
- Breton Woods Act
- Public Procurement Regulations
- Public Finance Administration (Accounts) Regulations
- Public Finance Administration (Public Funds) Regulations
- Public Finance Management Act Treasury Instructions
- Procurement Regulations
- Internal Audit Charter
- International Agreements
- Tonga Strategic Development Framework II
- Government Priority Agenda
- Public Financial Management Reform Roadmap
- Disaster Recovery Framework
- Emergency Management Act
- Tonga Climate Change Policy

Cabinet has approved to review all relevant Acts and Regulations for managing public funds particularly those that have not been reviewed for some time. The aim is to bring these Acts and Regulations to be in tandem with developments to date and to be conducive to positive economic and social growth.

### 1.4 Tonga Strategic Development Framework (TSDF II)

Ministry of Finance, as a central ministry of government, contributes to all of the National and Organisational Outcomes of the TSDF II 2015- 2025. The Ministry coordinated the development of the TSDF II which spans over 10 years prescribing the development priorities for the country. The Government Priority Agenda (GPA), on the other hand, sets out the immediate priorities of the government administration of the day which drives government's resource allocation every 4 years. The GPA is a subset of the TSDF II and highlights components for focused implementation.

The Ministry also supports the implementation of the TSDF II through more detailed plans and policy formulation including economic and policy analysis; preparation of the medium-term budgetary framework;

procurement and execution of the budget; management of national debt and fiscal conditions; projects and aid coordination; resilient and development financing and accounting for government's financial assets.

## 1.4.1 TSDF II National outcomes directly supported by Ministry of Finance

The Ministry makes significant contribution to four out of the seven TSDF II National Outcomes:

- A. More inclusive, sustainable and dynamic & knowledge-based economy;
- D. More inclusive, sustainable and responsive good governance with strengthened rule of law;
- F. More inclusive, sustainable and effective land and environment management and resilience to climate and risk; and**
- G. More inclusive, sustainable and consistent advancement of our external interests, security and sovereignty.

## 1.4.2 TSDF II organisational outcomes directly supported by Ministry of Finance

As a central part of government, including the management of the Government General Fund (GGF), the Ministry contributes to all of the TSDF II Organizational Outcomes. It provides particular support to:

### ***1.1: Improved macroeconomic management & stability with deeper financial markets***

Improved macroeconomic management and stability with the development of a stronger, deeper, more inclusive financial system to ensure sound macro-economic environment within which inclusive and sustainable business and social opportunities can be developed and pursued.

### ***1.2: Closer public/private partnerships for economic growth***

Closer, more effective public/private partnerships with business, consumers and other community groups across the Kingdom to help better identify and address constraints to more inclusive, sustainable and resilient economic growth.

### ***3.1: More efficient, effective, affordable, honest, transparent and apolitical public service focused on clear priorities***

A more efficient, effective, affordable, honest and transparent Public Service, with a clear focus on priority needs, working both in the capital and across the rest of the country, with a strong commitment to improved performance and better able to deliver the required outputs of government to all people.

### ***3.3: Appropriate decentralization of government administration with better scope for engagement with the public***

Appropriate decentralization of government administration and services at all levels providing better scope for active, participatory and inclusive engagement with the wider public, so that local needs can be addressed more quickly and efficiently both in urban and rural areas.

### ***3.6: Improved collaboration with development partners ensuring programs better aligned to government priorities***

Improved collaboration and dialogue with our development partners to ensure that their support is consistent with our needs and in line with the international standards set out in various international Declarations and Accords.

**4.3: *More reliable, safe and affordable information and communications technology used in more innovative and inclusive ways***

More reliable, safe and affordable information and communications technology used in more innovative and inclusive ways, linking people across the Kingdom and with the rest of the world, delivering key services by government and business and drawing communities more closely together.

**5.4 *Improved resilience to natural disasters and impact of climate change***

Improved national and community resilience to the potential disruption and damage to wellbeing, growth and development from extreme natural events and climate change, including extreme weather, climate and ocean events, with a particular focus on the likely increase in such events with climate change.

## 1.5 The Government Priority Agenda (GPA):

TSDF II sets out the overarching and long-term Development Plan for the country, outlining the development priorities for the period 2015-2025. Considering the importance to link the national development priorities to global development, the TSDF II goals and targets have been mapped to the international goals and targets of the Sustainable Development Goals (SDGs).

The TSDF II's national vision remains as '*A more progressive Tonga supporting a higher quality of life for all.*' The national vision is supported by prioritizing seven (07) selected key areas of priorities to focus implementation. These focus areas are further supported and implemented by MDAs through the Corporate Planning and Budgeting Process.

While there are strategic priority areas that has been approved for the Budget 2020/21 to guide the corporate planning and MTBF process for 2020/21 - 2022/23, **the COVID19 global pandemic becomes Tonga's first and foremost priority to combat the corona virus and reduce the risks for all Tongans.** As such, MOF believes that combating the spread of COVID19 is the prime and utmost priority of Government in its responsibilities to its citizens. Outlined below are the seven priorities that government approved earlier, where some of these areas should be downsized in terms of priorities as relevant to combating of COVID19. **Health is the number one priority in addressing corona virus.**

1. ***Health (COVID19)***
2. ***Illicit Drugs and National Security***
3. ***Education***
4. ***Economic Development***
5. ***Infrastructure—with priority on road improvement***
6. ***Energy, Climate change and Disaster Risk Reduction***
7. ***Public Sector Reform (including E-government)***

### 1.5.1 Budget Strategy 2020/21-21/23:

The Budget Strategy and Funding Envelope (BSFE) is the first for the current administration for the remaining two years before the next General election in November 2021. The BSFE outlines the strategic direction for the Budget 2020/21 and the proposed funding envelope for funding of the budget. The BSFE provides an overview of the country's economic performance over the past year, the global and regional movements and likely implications on the domestic economy. It also reflects Government's development interventions in the past year. The priorities and focus going forward will consider the remaining and ongoing works and activities from the past year as well as Government's focus on priority areas going forward to ensure effective implementation.

The 2020/21 budget will continue to support Government plans and initiatives for all people to improve their overall well-being and living standards. This is in line with the overall national vision as prescribed by the Tonga Strategic Development Plan (TSDF II). The areas of focus for the 2020/21 budget will continue efforts to maintain macroeconomic sustainability and enhancing growth in the primary sectors namely agriculture, fisheries and tourism. Equally important, work will continue towards establishing secure and affordable energy sources, preserving the environment, Government reforms to ensure efficiency of Government services, and continuing efforts to address serious and detrimental impacts of illicit drugs. Government will continue to prioritize Health and Education as the two critical sectors contributing to human development.

It is important to note the need for ongoing partnership and strong coordination and collaboration across Government and key stakeholders both within Government and outside Government, including the private sector, civil society organisations and development partners, to ensure effective implementation of Government priorities. This is critical in view of Government's limited financial capacity.

The BSFE builds on strategies developed for the Medium-Term Budget Framework (MTBF) 2020/21 - 2022/23, taking into account the resource envelope consistent with the progress made in 2019/20. Furthermore, the BSFE sets out the fiscal policy framework and strategy for the preparation of the budget, thereby providing Government and respective MDAs with reasonable resources to deliver their expected outputs within their respective corporate plans in support of the national outcomes in the TSDF II. The macroeconomic framework presented in the BSFE forms the basis for resource projections and indicative expenditure allocations for the upcoming Financial Year (FY) 2020/21.

In summary, the BSFE anticipates to guide MDAs in the formulation of their Corporate Plans and planned activities for the medium term, 2020/21-2022/23.

The above budget strategy was approved prior to the COVID19 global pandemic. As outlined in Section 1.1.2 above, government's prime and first priority now is to combat COVID19 and avoid the risk and the spread of the virus to Tongans. The budget strategy and the financial resources of government therefore needs to be re-aligned to this new priority.

### 1.5.2 Stakeholders

Ministry of Finance, as a Central Ministry, has a wide range of key stakeholders performing multiple roles. A thorough understanding of stakeholder needs and relationships with the Ministry provides an important basis of this Plan. Stakeholder needs drive the identification of outputs and associated reforms and their grouping into programs and sub-programs/divisions. This in turn justifies the associated allocation of budget (local and aid) supporting them. Delivery of service to customer-stakeholders, the purchase of goods and services from supplier-stakeholders, joint working with partner-stakeholders, and adherence to rules established by oversight-stakeholders. These are all important considerations in the formulation of the Ministry's Corporate Plan.

**Table 1: MOF Stakeholders and their relationship to the Ministry**

Stakeholders	Customer of MOF	Supplier to MOF	Partner with MOF	Oversight of MOF
Cabinet	x	x	x	x
Legislative Assembly	x	x	x	x
MDAs	x	x	x	
Public Enterprises	x	x	x	
Businesses and Private Sector	x	x	x	
Civil Society Organizations and Churches	x	x	x	
General Public	x	x	x	
Development Partners	x	x	x	

## 1.6 Main Programs

Given the Mandate of the Ministry of Finance and its broad range of key stakeholders, the Ministry is structured under five (5) main Programs as outlined below.

### **Program 1. Leadership and Policy Advice:**

This program relates to effective and efficient leadership and policy advice of the Ministry to be better able to deliver its outputs. These are managed through the Office of the Minister and Office of the CEO with support from the various Divisions.

### **Program 2. Economic & Fiscal Policy, Budget & Corporate Planning and Projects & Aid Management, Resilient Development and Financing**

This program relates to the wider policy formulation role of the Ministry. This includes policy analysis, setting strategic direction, promoting sound macroeconomic management with improved resource allocation covering both domestic and aid resources, and the international role related to effective management of our relations with development partners. These functions are managed through four divisions namely the (i) Corporate Plan and Budget Division (ii) Economic and Fiscal Policy Division; (iii) Projects and Aid Management Division, and **the newly set up division, namely the Resilience Development and Financing Division (RDFD).**

### **Program 3. Financial Framework, Procurement and Treasury Operations:**

This program relates to the support the Ministry provides to the execution of the budget. It covers core procurement and treasury functions, establishing of appropriate financial policy and frameworks and debt service and asset management. These are managed through three divisions namely the: (i) Procurement Division; (ii) Financial Framework Division; and Treasury.

### **Program 4. Government General Fund (GGF)**

The GGF are funds that are centralized and managed by Ministry of Finance under its Corporate Services Division on behalf of the whole of Government. The GGF does not relate directly to the operation of the Ministry. These relate to special payments in relation to MDA's outputs including benefits, technical assistance, subsidies, community development activities, special projects, equity payments, international subscriptions,

exemptions and contingency funds. Payments are processed by the Corporate Services Division, in consultation with relevant MDAs.

**Program 5. Debt Management:**

The above program relates to the implementation of the Debt Management Strategy particularly the management and payment of domestic and external debt. Debt Management is undertaken by the Debt Management Section within the Financial Framework Division.

## 1.7 Output Statements and Responsible Divisions

Table 2 below outlines the Ministry’s main Output Statements under its five main programs together with responsible divisions.

*Table 2: Ministry of Finance Output Statements*

Programs	Output Statements	Outputs	Responsible Division
1: Leadership & Policy Advice	That the Leadership and Policy Advice are in compliance with the PFM Act and other relevant Acts to facilitate high level decision making for Tonga’s development	<ol style="list-style-type: none"> <li>1. Strategic Policy Advice to Cabinet, Parliament and other key stakeholders</li> <li>2. Strategic Leadership guidance to CEO and Ministry.</li> </ol>	Office of the Minister
	That the management of the Ministry is in accordance with the PFM Act and other relevant Acts to facilitate effective and efficient service delivery	<ol style="list-style-type: none"> <li>1. Strategic policy advice to Minister, MDAs and other key stakeholders</li> <li>2. Operational guidance to Ministry of Finance</li> </ol>	Office of the CEO
	1. That a systematic, disciplined system is in place to evaluate and improve the effectiveness of risk management, control and governance processes within the Ministry	<ol style="list-style-type: none"> <li>1. Plan Audit Reports and Recommendations</li> <li>2. Special Audit Reports and Recommendations</li> <li>3. Risk Audit Matrix and Risk Based Audits with Recommendations</li> <li>4. Meeting Papers and Minutes of Audit Committee Meetings</li> <li>5. Audit M&amp;E Reports</li> <li>6. Quality Assurance Reports and Recommendations</li> <li>7. Minutes of Audit Committee Meetings</li> <li>8. Outreach and Awareness Program</li> </ol>	Internal Audit Division
	1. That the MOF and key stakeholders are provided with effective and efficient human resources, financial, logistical and property management support to	<ol style="list-style-type: none"> <li>1. Corporate Plan</li> <li>2. Annual Management Plan</li> <li>3. Communication Strategy</li> <li>4. Recruitment and Human Resource Development Plan</li> </ol>	Corporate Service Division

	<p>facilitate the effective and efficient management and operation of the Ministry</p>	<p>Performance Management System</p> <ol style="list-style-type: none"> <li>5. Emergency Response Plan</li> <li>6. Reform Management system</li> <li>7. Human Resource Development Committee</li> <li>8. Ministry’s Budget</li> <li>9. Procurement Proposal</li> <li>10. Fixed Asset &amp; Delivery</li> <li>11. Customer Service</li> <li>12. Filing Reconcile Management System</li> <li>13. Transport and Office Maintenance</li> <li>14. Monthly, Quarterly and Annual Reports</li> <li>15. MOF’s Standard Operating Procedures.</li> </ol>	
	<p>2. That an effective and efficient system is in place for the management of the Government General Fund</p>	<p>16. GGF Budget and Reports</p> <p>17. GGF Payment Register</p> <p>18. GGF Monthly Reports</p>	
	<p>3. That the St. George Government Building is well maintained and managed with an appropriate security system</p>	<p>19. SGGB Maintenance</p> <p>20. SGGB Security System</p>	
	<p>1. That the information and communication systems are reliable and support the efficiency and effectiveness of MOF, MDAs and Government’s key stakeholders</p>	<p>1.Improve yearly downtime of ICT services</p> <p>2.Roll-out e-Government Phone system</p> <p>3.Establish Outer-island Office link to Main Office at Nuku’alofa.</p> <p>4.Increase cloud computing and e-Government services use by MDAs.</p>	<p>Information and Communication Technology Division</p>
	<p>2. That information available from MOF facilitates the appropriate use of financial information in decision-making by MDAs and Government Stakeholders.</p>	<p>1.Development and strengthening of in-house applications.</p> <p>2.Roll Out IFMIS (Accounting &amp; Payroll) to outer island offices and overseas missions.</p> <p>3. Upgrade VMS to fully automate office process and cloud computing.</p> <p>4.IFMIS Upgrade and Strengthening</p>	

		5.No. of MOF services deliver to MDAs and Stakeholders.	
<p>2: Economic &amp; Fiscal Policy, Budget and Corporate Planning Project &amp; Aid Management; Resilient Development and Financing.</p>	<p>That the macro, micro-economics and fiscal policy analysis and advice system provide all stakeholders with the information required to improve evidence-based decision making regarding sustainable economic growth and social development.</p>	<ol style="list-style-type: none"> <li>1. 1.Macroeconomic and Fiscal Policy Framework</li> <li>2. Budget Strategy</li> <li>3. Budget Statement</li> <li>4. Periodic Economic Update Reports</li> <li>5. Policy Papers</li> </ol>	<p>Economic and Fiscal Policy Division</p>
	<p>That a strong support system for budgeting and corporate planning is in place to facilitate evidence-based policy in government</p>	<ol style="list-style-type: none"> <li>1. Budget Estimates</li> <li>2. Budget Briefing Notes</li> <li>3. Budget Strategy</li> <li>4. Budget Statement</li> <li>5. End of year Budget Review Report</li> <li>6. Mid-Year Budget Review Report</li> <li>7. Monthly Budget Performance Report</li> <li>8. Cabinet Submissions</li> <li>9. Budget Monitoring &amp; Evaluation (M&amp;E) Report</li> <li>10. Budget Consultations and Budget Trainings.</li> </ol>	<p>Budget and Corporate Planning Division</p>
	<p>To promote Aid Effectiveness policies to guide the information of Budgets and Corporate Plans for achieving government priorities.</p>	<ol style="list-style-type: none"> <li>1. Aid Management Policy</li> <li>2. PAD-CC Minutes and Submissions to Cabinet</li> <li>3. Project Steering Committee File Notes</li> <li>4. Development Budget Estimates</li> <li>5. Projects and Aid M&amp;E Reports (including EU and CSU)</li> <li>6. Joint Policy Reform Matrix (JPRM) and Budget Support</li> <li>7. GCF Accredited Entity</li> <li>8. AIIB Membership</li> <li>9. Financing and Resilient Capability (Climate Change Financing, Disaster Risk Financing, Ocean Financing, etc., and Coordination of Government Wide Resilient Agenda)</li> <li>10. Climate Change and Disaster Risk Financing Strategy.</li> </ol>	<p>Project and Aid Management Division</p>
	<p>2. That an efficient and effective Project Management mechanism is maintained and well placed to facilitate project planning and management (design,</p>	<ol style="list-style-type: none"> <li>1. Standard Operation Procedures</li> <li>2. Projects and Aid Management Information</li> <li>3. Outreach and Awareness Program</li> </ol>	

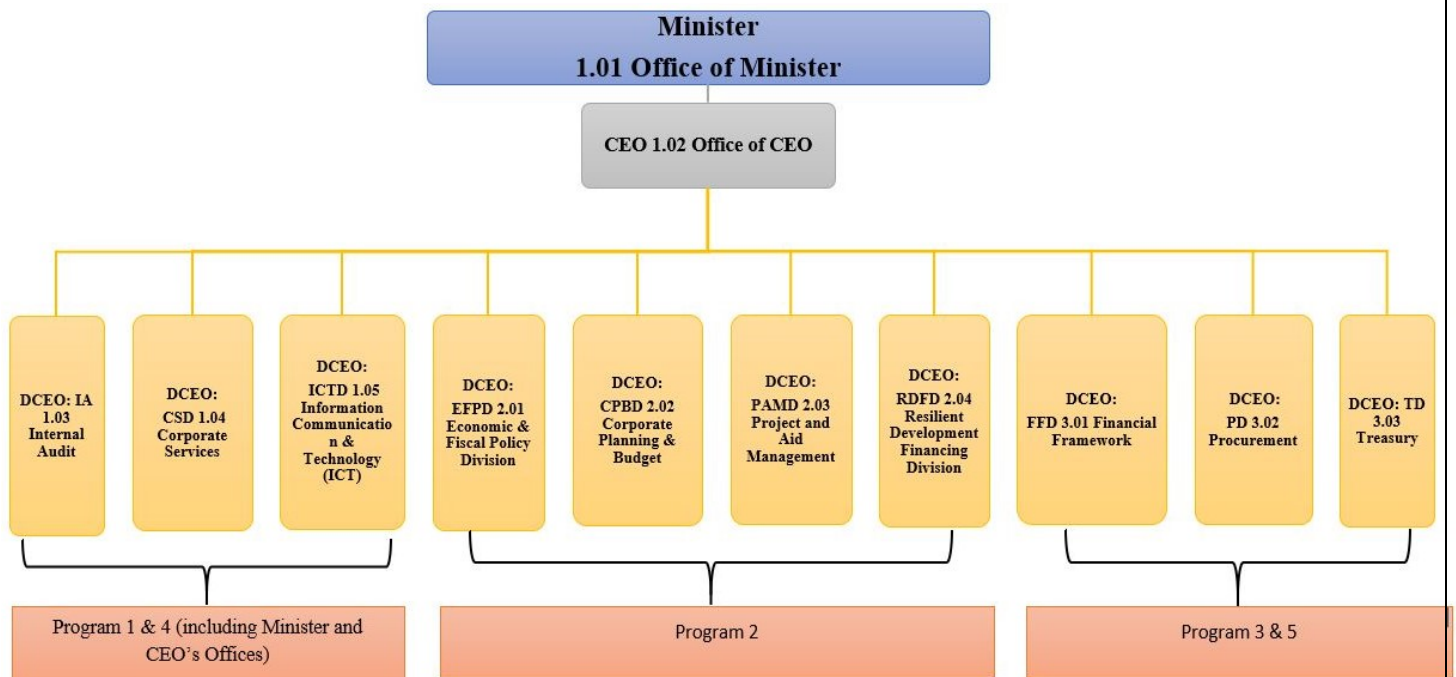
	appraisal, monitoring & evaluation)		
	1. That a strong support system is established to secure and manage financing to assist in building government resiliency in alignment with the national policies and priorities.	<ol style="list-style-type: none"> <li>1. Green Climate Fund Accredited Entry</li> <li>2. Adaptation and Accredited Entry</li> <li>3. Development of an Investment Strategy for Climate Change Trust Fund</li> <li>4. Resilient Project Briefing Notes, Reports and Reviews</li> <li>5. Coordination of Government Resilient Agenda – Climate, Disaster, Environment, Ocean Financing</li> <li>6. Outreach and Awareness Program</li> <li>7. Project Proposal Assessment.</li> </ol>	Resilient Development and Financing Division
3: Financial Framework, Procurement and Treasury Operations	1. That an effective and efficient Asset Management System is maintained to facilitate informed decisions by government and key stakeholders	<ol style="list-style-type: none"> <li>1. Asset Management Framework</li> <li>2. Asset Management Reports</li> </ol>	Financial Framework Division.
	That the Public Financial Framework Reform is strengthened for better service delivery through updated policy guidance and instructions	<ol style="list-style-type: none"> <li>1. PFM Road Map</li> <li>2. PFM Regulatory Review</li> <li>3. PEFA Monitoring Report</li> <li>4. Treasury Instructions Updated</li> <li>5. Financial Management System Administration</li> <li>6. Grant Framework</li> <li>7. Outreach and Awareness Program</li> </ol>	
	1. Efficient and Effective Government Procurement rules and procedures	<ol style="list-style-type: none"> <li>1. Procurement Policy</li> <li>2. Internal Review</li> <li>3. Capacity Development and Training.</li> </ol>	Procurement Division
	2. Efficient and Effective Government procurement services.	<ol style="list-style-type: none"> <li>1. Procurement Monitoring</li> <li>2.. Procurement methods</li> <li>3. Procurement Planning.</li> </ol>	
	1. That Government and stakeholders are provided with effective and efficient Treasury financial management services	<ol style="list-style-type: none"> <li>1. Payment processing</li> <li>2. Payroll management</li> <li>3. Cash management implementation of Cash Management Policy</li> <li>4. Government mandatory Financial Reports (cash basis)</li> </ol>	Treasury Operation Division

		5. Customer service management system 6. Capacity building and training 7. Outreach and Awareness Program	
n 5: Debt Management	That an updated Debt Management System is in place to facilitate informed decisions by government and key stakeholders	Debt Management Strategy Debt Management Reports	Financial Framework Division

### 1.8 Ministry of Finance Organization Structure

MOF adopts the structure in Figure 1 below in order to deliver the outputs allocated to each division. The Minister provides overall leadership while the CEO provides overall management. Each Deputy CEO (DCEO) manages a Division (with its associated sub-program) reporting to the CEO who reports to the Minister.

Figure 2: Organizational and Functional Structure: Ministry of Finance



### 1.9 Planned Major Reforms and Initiatives

As mentioned earlier, the COVID19 global pandemic has now diverted the priorities of government and therefore the same applies to the planned major reforms and initiatives of Ministry of Finance in relation to the seven priority areas earlier approved by Cabinet where Health (COVID19) becomes the number one priority. As such,

the Ministry's ongoing reform program for the period of this Corporate Plan 2020/21 – 2022/23 is outlined below.

### 1.9.1 Support towards the Government Strategic Focus

The Ministry will give priority towards facilitating and implementation of the Government Priority (GPA) as outlined in Section 1.1.2 above within the Ministry's mandate and available resources with a special and dedicated focus on COVID19. This will be addressed through the medium-term budgetary framework (MTBF), better coordination and collaboration with MDAs and key stakeholders nationwide and mobilization of relevant aid and technical assistance through development cooperation.

The Ministry is directly involved in supporting the GPAs through the following: -

- **Health** – with the COVID19 global pandemic, MOF's first priority will be dedicated in all aspects within its mandate and responsibilities to address as best as it can to avoid the risk of spreading the virus and its impact on Tongans and the national economy. This will be through policy development, resilience development and financing, reallocation of the budget (COVID19), identification of new financing, monitoring of COVID19 budget; and strong collaboration with COVID19 key stakeholders.
- **Infrastructure development** – through careful consideration of essential assistance to priority infrastructure development particularly on road maintenance;

Lead the policy work to facilitate a conducive environment and a level playing field for economic development;

Identify development funds for the GPAs through aid programming missions (ADF and IDA);

Take the overarching leading role across government's resilient agenda including climate financing, disaster risk financing (adaptation & mitigation), and ocean financing;

Take the leading role on Public Sector Reform through the Joint Policy Reform Matrix as linked to Development Policy Operations and through the central agency for the E-Government project;

### 1.9.2 Disaster Preparedness: Immediate Response & Recovery

#### Framework (DRF)

Government needs to have all the relevant frameworks in place for disaster preparedness in terms of readiness, immediate response and long-term recovery given that Tonga is the second most vulnerable country in the world to natural disasters.

Following Tropical Cyclone (TC) Gita in February 2018, Phase 1 on Immediate Relief has been completed as well as Phase 2 on Short Term Recovery. Phase 3 of TC Gita Disaster Recovery Framework (2019/20-2021/22) is currently under implementation and will continue to be a priority under the planning period. This includes the School Reconstruction Program; the House Reconstruction Program; and the Upgrading of the Nuku'alofa Energy Network.

**TC Tino** caused major damages to most of the economic infrastructure in the Outer Islands of Tonga particularly the Ha'apai Group in January 2020. Recently, in the month of April 2020, **TC Harold** also brought extensive damages to Tongatapu, 'Eua and Ha'apai coastlines causing significant destructions to key economic infrastructures, such as the Nafanua Wharf, the Foa causeway, and major roads in Ha'apai and 'Eua. All tourism resorts on the Western Coastal areas were completely gone.

Ministry of Finance will take the lead to identify relevant assistance and financing towards the rehabilitation of these economic infrastructures in Tongatapu and including Ha'apai, the Niuas, Vava'u and 'Eua. This will be through potential frontloading and reallocation of existing aid portfolios and through future aid programming.

The **Government's Housing Policy** has been approved by Cabinet and priority will be given to implementation of the policy and will be reviewed in the future to ensure the Policy remains relevant.

**Post Disaster Framework Contracts** is critical for disaster preparedness and work is currently ongoing to identify priority areas to establish these frameworks in place such as water treatment, clearance of debris and so forth. This is part of the Joint Policy Reform Matrix to trigger budget support by December 2020 to promote resilience against climate change and disaster risk reduction in a cost-effective manner.

**Disaster Grant Frameworks** should also be ready and in place to expedite grant agreements in times of disaster. This is to avoid spending time after a disaster in designing these agreements and thus jeopardizing immediate response especially restoring basic services and people's livelihoods back to normalcy.

Work is currently being undertaken with the World Bank to develop a **Disaster Risk Financing Strategy** for Government. This is in view of the fact that there is always a financing gap following a disaster and therefore a strategy needs to be in place to assist in mobilizing financing for immediate response and reconstruction. This will involve considering all the existing financing instruments that Government has and other potential instruments. Existing instruments include the National Emergency Fund (NEF); the CERC components under development projects; the PACRAFI Insurance Scheme; and the Pacific Disaster Resilience Facility funded by ADB. Plans are underway for Government to become part of the World Bank's contingent financing facility known as the Catastrophe Deferred Drawdown Operation (CATDDO).

Government is also working together with the World Bank to come up with options for insurance of Government's assets. This will obviously involve a lot of ground work including the valuation of Government's assets as a prerequisite to coming up with an insurance product.

### **Resilient Development and Financing Division**

A new Division is been set up in the current financial year in recognition that Tonga faces unique and increasing challenges from climate change and disasters. It is also clear that climate related events are affecting the country more intensely than in the past and causing relatively higher losses. While financial resources are increasingly being made available to address such challenges, accessing and managing the multiple sources of these funds remains a major difficulty to Tonga with limited human resources and infrastructure capabilities.

A significant proportion of the Development funding had been directed towards projects in relation to activities to support preparedness towards climate change and disasters, and also support communities adversely affected by disasters. However, the complexity of the global financing architecture from both bilateral and multilateral agencies have made Tonga eligibilities quite challenging.

For the past years, it had been noted that there are resources that flow into the country from Donor partners which are not recorded in the national system and substantial resources globally available but not accessible.

This situation had prompted the need to set up the Division to identify resources that are already being made available as well as what actions remain to be taken so that the international community can best support Tonga's effort in building resilient not strictly to climate and natural disaster, but to others such as the current outbreak of the Corona Virus. The Division will also be responsible for coordinating and disseminating relevant resources to the appropriate community projects and recipients.

### 1.9.3 Improved Management, M&E and Communications

**All Divisions:** MOF will focus on addressing weaknesses in internal management in between and amongst all divisions. This includes ensuring that the CP correctly aligns with the results-based framework of the One Process tool of corporate planning and budgeting. Clear format and procedures for AMP with enhanced M&E needs to be addressed. The management outputs required from all Divisions, based on the requirements of the various OPSC and MOF Instructions has to be clarified. This includes associated KPIs both for the Divisions and the DCEOs performance as part of better links between outputs, JDs and staff performance management system.

Improved management includes a focus on improved communications both within the Ministry and with its stakeholders. A Communication Strategy is being developed to assist the Ministry to better identify the needs of its many stakeholders and how to better communicate with them. This will include improved sharing of information and better responding to queries, issues and concerns.

Given the COVID19 health challenge, MOF will need to prioritize establishing of a communication strategy to allow working from home with a skeleton number of staff to work in the office to undertake essential tasks that cannot be performed remotely.

#### **Corporate Services Division (CSD):**

The Corporate Service Division coordinates the Ministry's Major Activities contributing to the delivery of its Outputs. These major activities include the Corporate Plan, Budget, Annual Management Plan and Annual Report. Given the importance of this role, the Division plans to significantly improve its performance effectively and efficiently through enhanced internal processes and staff structure that can be achieved through the flow-charting activities. COVID19 is a major consideration in the major tasks to be undertaken by CSD.

### 1.9.4 Integrated Financial Management Information System (IFMIS) and E-Government

#### **Information, Communication and Technology Division (ICTD):**

The Sun System had been upgraded to the latest 6.1 version to cater for additional financial management requirements which is inclusive of new modules on Project Budgeting and Forecasting to better facilitate the Corporate Planning and Budgeting process. While the system upgrading has been completed and the additional modules are yet to be completed, the system still does not meet the government's requirement in terms of integration of main elements such as budgeting, payroll, aid, forecasting, financial reporting, and so forth. As such, priority will be given to identify a TA to assist the Ministry to review the existing sun system together with recommendation on options for a new modern system that will meet the needs of Government. Discussions have taken place to this effect with development partners. ICTD at the same time will give priority to ensure linking the system to the revised Chart of Account.

Following CD No. 1112 dated 23<sup>rd</sup> November, 2018, the Ministry as the EA/IA for E-Government, will establish a Project Implementing Unit (PIU) with staff recruitments to implement the Tonga Digital Government Support Project for 2019-2024, which is currently in the process of recruitment of its staff. Counterpart staff will also be set up from the ICTD and Aid Division to work together with the PIU.

An additional capability (Chief Engineer) under ICTD has been established to assist in advising the CEO and the Minister on communication infrastructure, connectivity and redundancy options such as cables, satellites, and so forth. A free satellite back up is planned to be established in St George as one of the options.

ICTD is to also take charge on behalf of the Ministry to monitor the NICT Project signed on behalf of Government by MEIDECC and TCC as part of the E-Government's Strategy. This is particularly with ensuring that service delivery is satisfactory in relation to the financial commitment to the project.

**Financial Framework Division (FFD):**

The ongoing revision of the current Chart of Accounts (CoA) in the Government's accounting system needs to be completed. FFD, in liaison with all relevant Divisions, will lead the implementation of the revised CoA in a phased approach, which will include clear mapping of data to permit the accurate and timely production of budget data in the formats required by government, Government Finance Statistics (GFS), Classification of the Function of Government (COFOG) and other standards.

The revision to the CoA needs to link to the decision to return to a cash basis Government Financial Reporting while disclosing all accrual transactions instead of the adoption of a modified approach in the preparation of the Public Accounts. This is critical especially if government is to move into a more modern IFMIS.

**Project and Aid Management Division (PAMD):**

A reformed structure of the management of Aid Projects has been approved by Cabinet on 7<sup>th</sup> January 2020 to better facilitate and strengthen the oversight and implementation of development projects. This reformed structure involves designating the Cabinet Development Coordination Committee (CDCC) into what is titled the Projects, Aid and Development Coordination Committee (PAD-CC). The PAD-CC is chaired by the Prime Minister and members comprise of the Minister for Finance (Deputy Chair) and selected Ministers and CEOs. The Project Steering Committees (PSCs) are now chaired by the respective Ministers of the Implementing Agency and members are relevant stakeholders including Ministry of Finance. The PSCs report to PAD-CC who in turn reports to Cabinet. The Division will be responsible for rolling out this reformed structure going forward.

**Budget and Corporate Planning Division (CPBD)**

The Division has updated the Budget templates to incorporate Phase 1 of the revision of the Chart of Account. This comprises of the removal of non-economic items from the economic segment of the Chart of Account and has been rolled out to MDAs together with training programs on the new templates as part of budget consultations. It is planned going forward that the templates will be revised going forward to reflect further revisions of the Chart of Account which links to the upgrading of the SUN System.

The budget timeframe has been moved forward with the submission of the budget strategy prior to end of December and this earlier budget timeline will be maintained going forward. The aim is to reduce the pressure of working long hours into the night and to provide balance between work and family.

With COVID19, the budget framework has to be focused on this major health challenge going forward until the issue is resolved worldwide.

## 1.9.5 Improved Compliance and Enforcement

**Internal Audit Division (IAD):**

Reprioritizing risks and reviewing audit plan focusing on the top risks to the Ministry now faces will be the focus of the Division. Since COVID-19 crisis is unprecedented in its scope and speed with which it has spread. The internal auditors must refocus their energies towards helping management tackle the most pressing issue which is maintaining continuity of government, as well as assisting with issues arising from the pandemic itself. As the Ministry of Finance adapt to the crisis, internal auditors have a critical role to play in advising management on emerging risks and the implications on internal controls. With emergency cash payments and funds being distributed by government to different groups in the economy, internal auditors need to review the control processes to ensure funds are not being wasted.

The Internal Audit Division will continue to give priority to Risk-Based-Auditing which is well supported going forward given the limited capacity both in terms of human and financial resources. Additionally, Internal Auditors will continue to enhance compliance with International Standard for Professional Practice of Internal Auditors 2017 and the Internal Audit Charter which is reviewed yearly. Monthly training of staff within the Division is ongoing to ensure compliance and further enforcement of relevant rules and regulations within the Ministry.

#### **Treasury Division (TD):**

The priority areas are capacity building, streamlining treasury processes and improved financial reporting. The capacity building program will focus mainly on upgrading staff skills on knowledge in order to drive the Cash Management Reforms. The Cash Management Policy recently approved by Cabinet is to be implemented immediately and maintain going forward especially ensuring that there is a comfortable cash buffer for government's operation.

Of equal importance, the government's financial reporting framework will now reverse to adopting of a full Cash-Basis going forward in full compliance with IPSAS. Meantime, a Full Accrual Financial Reporting Framework needs to be established with an Implementation Plan step by step in a consequential order with a specified timeframe.

The streamlining of current treasury processes to ensure effective and efficient management of Public Funds (including electronic payments) is planned to be carried out including the following:

- a. EFTPOS payments to large Ministries
- b. Roll-out Cheque Payments to outer Islands
- c. Improve current Treasury Checklist (strategic approach)

#### **Financial Framework Division (FFD):**

The agile Public Expenditure Financial Accountability (PEFA) Assessment was successfully conducted in November 2019 with Tonga as the first country to carry out this agile assessment. The objective of the Tonga PEFA assessment is to measure the current performance of public financial management (PFM) systems using an objective, internationally-recognized standard. This assessment, together with a supplementary gender responsive budgeting (GRB) assessment, identifies the key weaknesses in PFM and the main underlying causes. It also tracks PFM performance against the most recent formal PEFA assessment in accordance with the PEFA Secretariat's guidance.

The assessment identified areas of PFM strength where Government achieved good ratings. At the same time, priorities are to be given to areas where we have received a D/D+ rating. These are in the areas of Budget Reliability (Pillar 1); Transparency of Public Finances (Pillar 2); Management of Assets and Liabilities (Pillar 3); and Pillar 5: Predictability Control in Budget Execution. Efforts are to be built in to all PFM initiatives with a view to improve PFM performance going forward.

The assessment has also provided country officials with experience in using the PEFA to build country capacity to periodically conduct our own self-assessments and will also feed into the formulation of a new PFM Road Map.

A revision of the Public Financial Management Act (PFMA) and relevant regulatory reforms is a priority during this planning period. This is in view of the need to bring up the PFM Act into a modern version from the 2002 Act and its amendments including in areas such as budget, accounting and reporting, internal audit, external oversight and transparency. Other relevant acts that regulate public funds will also need to be revised.

In addition, accounting policies, as documented in the PFM Act, Treasury Instructions and Financial Manual, need to be updated. With short term TA, the division will review and update both documents to help clarify government's accounting practices in line with cash basis International Public Sector Accounting Standards (IPSAS). Increased capacity to the division has been provided to support the administration of the financial system as well as build the policy side. If the necessary policies are in place, MDAs are more likely to make better informed decisions in relation to their financial resources which will improve usage of government resources.

The Division will further work with TAs to implement the recommendations coming out of the Asset Management Framework recently approved by Cabinet. This work links to the need to fully account for all the assets that belong to government and having to reflect this valuation in the public financial statements. This is also a prerequisite for insuring any of government's assets.

#### **Procurement Division (PD):**

Procurement of COVID19 related purchases will be given priority over other activities.

Work has commenced towards the implementation of the revised Public Procurement Regulations which became effective at the beginning of 2020. This is after revision was made to the Treasury Instructions to facilitate the implementation of the amended regulations. The amendment addressed concerns mainly with the threshold and bidding timelines as well as reviews necessary to mitigate fiduciary risks.

A CEO Forum was conducted by Ministry of Finance in January 2020 which included an awareness session on the amended procurement regulations. This includes increasing the shopping threshold from below \$7,500 to below \$20,000 and delegating the corresponding authority to line Ministries. The new regulations and relevant procedures need to be fully embedded. The Division will continue to make compliance improvements, and to build and raise awareness through more targeted training.

The implementation of the new procurement tracking database continues and identification of a number of compliance and performance indicators as well as associated targets will be publicly disseminated.

### **1.9.6 Improved Corporate Planning, Budgeting, Economic**

#### **Analysis & Forecasts**

##### **Economic and Fiscal Policy Division (EFPD):**

Priority and special focus will be given to policy development to address the health challenge on COVID19 with ongoing monitoring to ensure policy implementation is achieving the expected results.

The Division will continue to strengthen its economic analysis, forecasts and providing policy advice through research of the global, regional and domestic economies. The division will continue to work together with IMF missions during staff visits and Article IV Consultations in relation to surveillance of the status of the domestic economy. Additionally, the Division will liaise closely with the Statistics Department and other relevant stakeholders to provide accurate and timely information for economic analysis and forecast. The regular updates and information on the current economic situation and forecasts are provided by the division in periodic reports to the senior management including Cabinet and the public in ministry's website.

Going forward, the division greatly promotes the development of the budget strategy, the budget statement periodical reports and policy papers both in terms of quality and timeliness.

### **Projects and Aid Management Division (PAMD)**

The Division will give priority to work together with development partners to access new instruments to provide **new financing to address the COVID19 health challenge**.

The Aid Division will also work closely to implement the new cycle of the Joint Policy Reform Matrix (JPRM) which aims at Policy development towards enhancing Tonga's economic development. The new cycle is well on track with its 1<sup>st</sup> year operation with the achievement of 98 percent of its policy triggers which is focused on JPRM thematic areas. Negotiations and disbursements of budget support are anticipated to occur earlier prior to end of the financial year. The policy triggers for the 2<sup>nd</sup> operation for FY21 has been established under the same thematic areas and the JPRM instrument is expected to continue going forward during the IDA19 period.

### **Budget and Corporate Planning Division (BCPD):**

Since the planning function has been transferred to the Prime Minister's Office, the role of the Ministry has been confined only to the relevant elements of the integrated One Process for planning and budgeting. The Budget Division uses this opportunity and the resources released by the transfer of Components 1-6 to PMO to focus upon improving the quality and accuracy of the Budget Estimates and also improve the management of Monitoring and Evaluation of MDAs' delivery of Output and Performance as per their respective approved budget.

### **Establish a new Public Financial Management (PFM) Road Map:**

The outcome of the agile PEFA assessment is to inform the preparation of a new PFM Road Map following the expiration of the last Road Map. The Ministry plans to request technical assistance from development partners to assist with establishing the new Road Map. Once the PFM Road Map is endorsed, priority will be given to implementation in collaboration with relevant MDAs. Ongoing monitoring and evaluation of the implementation of the Road Map will be given priority to ensure good progress. DFAT has offered assistance towards the PFM Road Map through their Economic and Governance Program.

## **1.10 Major Changes in Recurrent Budget Allocations**

*Major changes are attributed to:*

### **MOF OPERATIONS BUDGET**

#### *New Initiatives and additional Budget*

- Increase in the MOF Operation Budget are the Staffs' Performance Management System (PMS)
- TOP 126K for COVID19 related expenditure
- TOP 74K for SGGB Maintenance, landscaping and contract services
- TOP 116K for Electricity & Water Bills due to increase in staff number
- TOP 40K for Health awareness programs
- TOP 45K Operational Expenditure for the new Resilient Development and Financing Division

### **MOF GOVERNMENT GENERAL FUND BUDGET**

#### *New Initiative and Additional Budget*

- TOP 4.82M for COVID19 related expenditure
- TOP 1M for Office Rental for Ministry of Education and Ministry of Lands and Survey

- TOP 600K increase in Social Welfare Scheme
- TOP 600K increase in allowances to the Vulnerabilities
- TOP 600K service fees for the Government Development Loan (GDL)
- TOP 500K contribution to the Fanga`uta Bridge Project
- TOP 500K contribution to the Climate Change Trust Fund
- TOP 350K new subsidy for `Eua outer-island Shipping
- TOP 118K Contribution to the ADB new vaccine program with MOH
- TOP 5.8m increase in Public Debt Principal Repayment of China Loan Repayment.

**Removed from Government General Fund:**

- TOP 2M Critical Posts Pool Fund
- TOP 1M Other Special Project
- TOP 100K Consultants & Technical Assistant.

## 1.11 Budget and Staffing

The overall budget for the Ministry is summarized in Table 3.

**Table 3: Ministry Budget by Recurrent, Development and item (cash & in-kind) (\$ millions)**

**Recurrent Budget**

Expenditure Item (\$m)	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj. 1	2022/23 Proj 2
Established Staff (10xx)	4.91	5.67	5.70	5.66	5.73	5.71
Unestablished Staff (11xx)	0.19	0.18	0.25	0.29	0.29	0.29
Travel and Communication (12xx)	0.54	0.57	0.37	0.48	0.48	0.48
Maintenance and Operations (13xx)	0.17	0.20	0.25	0.32	0.44	0.21
Purchase of Goods and Services (14xx)	1.08	0.77	1.04	1.38	1.16	1.16
Grants & Prices				0.02	0.02	0.02
**Assets (20xx)	0.26	0.30	0.30	0.32	0.31	0.31
<b>Total Operation Recurrent</b>	<b>7.25</b>	<b>7.80</b>	<b>7.92</b>	<b>8.47</b>	<b>8.41</b>	<b>8.13</b>
<b>Government General Fund Recurrent</b>						

Established Staff (10xx)	5.00	2.43	4.75	2.33	2.32	2.32
Unestablished Staff (11xx)	0	0	0.05	0.76	0.76	0.76
Travel and Communication (12xx)	0	0	0.08	1.01	0.51	0.51
Maintenance and Operations (13xx)	0.20	0.10	0.11	0.60	0.10	0.10
Purchase of Goods and Services (14xx)	4.25	2.68	7.71	12.40	5.32	5.33
Grants and Transfers (15xx)	38.05	39.02	19.26	16.81	16.81	16.81
Development Duties Expenditure (16xx)	3.52	3.04	2.75	3.37	2.75	2.75
Contingency Fund (18xx)	1.50	1.00	5.00	5.00	5.00	5.00
Pension and Gratuity (19xx)	5.50	5.50	5.50	5.50	5.50	5.50
Assets (20xx)	1.50	1.00	4.52	4.43	4.13	4.13
Equity Payment (21xx)	0.40	0.40	0.40	0.40	0.40	0.40
Private Sector Development (22xx)	5.00	0	0	0	0	0
<b>Total Government General Fund</b>	<b>94.09</b>	<b>97.24</b>	<b>50.14</b>	<b>51.9</b>	<b>42.92</b>	<b>42.93</b>
<b>Debt Management (17xx)</b>			<b>38.9</b>	<b>46.54</b>	<b>42.08</b>	<b>41.21</b>
<b>Total Expenditure Recurrent</b>	<b>101.35</b>	<b>105.05</b>	<b>96.97</b>	<b>106.93</b>	<b>93.41</b>	<b>92.27</b>

**Notes:**

1. 'Established and Unestablished staff' are all expenditures under CATs 10 and 11
2. 'Ministry Operational Costs' are for Programs 1, 2 and 3; all expenditures under CATs 12, 13, 14.
3. 'Assets' is expenditures under CAT 20.
4. 'Services on behalf of the Government' includes all Expenditures under Program 4 – General Fund, Program 5 – Debt Management and all expenditures from CATs 15, 16, 17, 18, 19, 21, and 22.

**Table 4: Ministry's Total Staff by Key Category**

Category	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 1	2022/23 Proj 2
<b>Established Staff</b>						
Executive Officer (Level 0 to2)	11	11	11	12	12	12

Professional Staff (Level 3 to 9)	114	114	119	115	115	115
Other Staff (Level 9A to 14A)	70	70	64	71	71	71
<b>Total Established Staff</b>	<b>192</b>	<b>194</b>	<b>194</b>	<b>196</b>	<b>196</b>	<b>196</b>
Unestablished Staff	12	12	17	19	19	19
<b>Total Staff</b>	<b>204</b>	<b>206</b>	<b>212</b>	<b>215</b>	<b>215</b>	<b>215</b>
<b>Total Recurrent Cost (\$m)</b>	<b>4.73</b>	<b>5.16</b>	<b>5.96</b>	<b>5.95</b>	<b>6.02</b>	<b>6.01</b>

## 2. Ministry of Finance: Programs and Sub-programs

This section provides additional information on each Division/sub-program grouped by programs.

### 2.1 Program 08.1: Leadership and Policy Advice

The office of the Minister provides overall leadership for the Ministry and high-level policy advice to key stakeholders particularly Cabinet and Parliament. This program groups leadership, management, and central service technical support of the Ministry. The summary budget and staffing for the Program is shown in Table 5.

*Table 5: Summary of Program 08.1: Budget and Staff*

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 1	2022/23 Proj 2
Salary & Wages (Cat 10 & 11)				1.81	1.87	1.87
Operation				1.62	1.54	1.28
<b>Total =Recurrent (\$m)</b>	1.39	2.08	2.24	3.43	3.41	3.15
Total Established Staff	48	55	55	56	56	56
Executive Staff	5	5	5	4	4	4
Professional Staff	24	28	28	30	30	30
Other Staff	19	22	19	23	23	23
Total Established Staff	48	55	55	57	57	57

Unestablished	2	11	12	12	12	12
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### 2.1.1 08.1.01 Office of the Minister (OoM)

*i. Office of the Minister Outputs and KPIs*

To operate well the ministry needs clear, consistent leadership from the Minister with a clear division of Labour between the roles of the Minister (leadership) and the CEO (management) in accordance to relevant Legislations. This requires setting the direction of the ministry and helps support the management of the Ministry and creates a sound enabling environment encouraging professionalism and good governance within which the staff can perform efficiently and effectively.

MOF has a central role in providing policy advice, financial/development directions, guidance and assistance to a wide range of stakeholders. The OoM is the conduit for the overall distribution of these, in particular to the high-level policy stakeholders such as Cabinet, Legislative Assembly, Heads of Mission/Development Partners, regionally and internationally. This work is supported by the OCEO plus all divisions who act as conduits for this information at their appropriate levels.

The OoM is delegated one output that delivers the above requirements, listed with relevant KPIs in Table 6.

**Table 6: Office of the Minister Outputs and KPIs**

Output Statement 1: 'That the Leadership and Policy Advice are in compliance with the PFM Act and other relevant Acts and Regulations'						SDG/TSDF II	
Outputs	KPIs	2019/20	2020/21	2021/22	2022/23	Targets #	Indicators #
Budget Statement & Estimates	Number of days before due date of Minister's Budget Statement and Estimates submitted to Parliament.	3	3	4	5	8.5	8.5.1
Public Account	Number of days before due date of Public Accounts submitted to Audit	3	5	5	5	8.5	8.5.1

*ii. Office of the Minister: Budget, Staff and Projects*

**Table 7: Budget, Staff and Projects.**

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 1	2022/2023 Proj 2

Salary & Wages (Cat 10 & 11)			0.77	0.24	0.24	0.29
Operation			0.13	0.20	0.20	0.20
<b>Total =Recurrent (\$m)</b>	0.15	0.77	0.91	0.44	0.44	0.44
<b>Development (\$m)</b>	-	-	-	-	-	-
<b>Executive Staff</b>	1	1	1	2	2	2
<b>Professional Staff</b>	1	2	2	1	1	1
<b>Other Staff</b>	2	2	2	1	1	1
<b>Total Established Staff</b>	4	4	4	4	4	4
<b>Unestablished Staff</b>	1					

## 2.1.2 08.1.02 Office of the CEO (OCEO)

### *i. Office of the CEO Outputs and KPIs*

The top-level management of the ministry is critical to its overall performance. The OCEO provides the strategic management oversight and direction. It is responsible to:

- Ensure a sound management and administrative system is in place to effectively and efficiently implement the policy choices of the Minister and government.
- manage, with the Head of Divisions Team, the clarification of the mandate of the ministry, establishing its outputs, the delegation of these outputs to a viable and logical organizational structure, with clear identification of the resources required to deliver the outputs;
- support the negotiations with the central MOF and OPSC for the available resources and staff, and the setting of outputs and their KPIs consistent with these resources: ensuring the planned outputs and the available resources are in balance;
- supervise, monitors and supports the HODs in the delivery of the outputs they have been delegated, consistent with the resources they have been allocated;
- Set the overall tone for good management, a strong commitment to learning and building of capacity, and a positive, inclusive and supportive culture within which staff can perform well.

MOF has a central role in providing strategic policy advice, financial/development directions, guidance and assistance to a wide range of stakeholders. After the OoM, the OCEO is the main conduit for the overall distribution of these, in particular to high level management and stakeholders such as CEO Forums, Heads/staff of Mission/Development Partners, business and community, regionally and internationally. This work is supported by all divisions who act as conduits for this information at their appropriate levels providing the information required by the OCEO.

The OCEO is delegated the following outputs to deliver the above requirements with relevant KPIs in Table 8.

**Table 8: Outputs and KPIs**

<b>Output Statement 1: 'That the management of the Ministry is in accordance to the PFM Act and other relevant Acts and Regulations.'</b>						<b>SDG/TSDF II</b>	
<b>Outputs</b>	<b>KPIs</b>	<b>2019/20 (Baseline)</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Targets #</b>	<b>Indicators #</b>
Corporate Plan	Submit the CP Document by the due date.	yes	yes	yes	yes	8.a	8.a.1
Annual Management Plan	Complete the AMP Document by the due date (31 July)	yes	yes	yes	yes	8.5	8.5.1
Cabinet submissions	Number of Cabinet Papers signed.	12	12	12	12	16.7	16.7.2*

*ii. Office of the CEO Budget, Staff and Projects*

**Table 9: Office of the CEO Budget, Staff and Projects**

<b>Description</b>	<b>2017/18 budget</b>	<b>2018/19 budget</b>	<b>2019/20 budget</b>	<b>2020/2021 budget</b>	<b>2021/2022 Proj 1</b>	<b>2022/2023 Proj 2</b>
<b>Salary &amp; Wages (Cat 10 &amp; 11)</b>			0.13	0.16	0.16	0.16
<b>Operation</b>			0.13	0.15	0.15	0.15
<b>Total =Recurrent (\$m)</b>	0.14	0.13	0.26	0.31	0.31	0.31
Executive Staff	1	1	1	1	1	1
Prof Staff	1	1	1	1	1	1
Other Staff	1	1	1	1	1	1
<b>Total Established</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

## 2.1.3 08.1.03 Internal Audit Division (IAD)

### i. Internal Audit Division Outputs and KPIs

The Division operates within the Ministry of Finance to provide recommendations for improved processes, compliance, management, and risk reduction, which help improve performance of the Ministry. Reports are submitted to the Chief Executive Officer of Finance and response of Management is tracked.

The Division is delegated the following outputs with relevant KPIs listed below.

**Table 10: Outputs and KPIs**

Output Statement 1: Providing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the Government.						SDG/TSDF II	
Outputs	KPIs	Baseline 2019/2020	2020/2021	2021/2022	2022/2023	Target #	Indicator #
Output 1: Plan Audit	<b>KPI 1.1</b> Annual Percentage of Plan audits completed versus actual audits.	50%	60%	70%	80%	16.6, 10.4	16.6.2*, 10.4.1
	<b>KPI 1.2</b> Number of Risk Based Audits completed annually.	1	2	2	2		
	<b>KPI 1.3</b> International Professional Practices Framework (IPPF) – the internal audit standards are adopted for all Audits.	0	1	1	1		
Output 2: Special Audits (Ad-hoc)	<b>KPI 2.1</b> Percentage of special audits (ad-hoc) accepted by the IAD, completed within the agreed due date.	90%	95%	95%	95%	16.3	16.3.2
Output 3: Follow up Reports	<b>KPI3.1</b> Percentage of accepted Internal Audit Division (IAD) recommendations implemented by the Government within agreed timeframe annually.	50%	60%	60%	60%	16.3, 16.6	16.3.2, 16.6.2
		70%	80%	80%	80%		
	<b>KPI3.2</b> Percentage of recommendations assessed by the IAD for implementation progress annually.						

Output 4: Risk Matrix	<b>KPI 4.1</b> The IAD's Risk matrix updated with Government wide consultations annually.	1	1	1	1	16.6	16.6.2
Output 5: Staff levels and Develop ment	<b>KPI 5.1</b> Percentage of staff members who attain 40 hours of professional development annually.	90%	90%	90%	90%	8.2, 8.6	8.2.1, 8.6.1
	<b>KPI 5.2</b> Percentage of staff with IAD related postgraduate qualification.	33%	17%	17%	33%		
	<b>KPI 5.3</b> Number of established staff.	7	6	7	8		
Output 6: Quality Assuranc e	<b>KPI 6.1</b> Percentage of positive response to IAD's performance in customer satisfaction survey annually.	80%	80%	80%	80%	16.6	16.6.2*
	<b>KPI 6.2</b> Percentage of clients surveyed for audit satisfaction annually.	50%	100%	100%	100%		
Output 7: Annual documen tation	<b>KPI 7.1</b> Annual review of audit manual, audit charter and audit guide performed.	1	1	1	1	16.3	16.3.2
	<b>KPI 7.2</b> Annual plan, annual AMP and annual report, Strategic Plan, PMS provide within required time frame	90%	90%	90%	90%		
Output 8: Audit Committ ee meetings	<b>KPI 8.1</b> Number of Audit Committee meetings annually.	0	1	2	2	8.5, 10.6	8.5.1, 10.6.1
	<b>KPI 8.2</b> Audit Committee reviews IAD's Annual Report, Strategic Plan and Annual Plan Annually.	0	1	1	1		
	<b>KPI 8.3</b> Progress of Government in addressing issues in the Audit recommendations register is reviewed by Audit Committee annually	0	1	1	1		

ii. *Internal Audit Division: Budget, Staff and Projects*

Table 11: Internal Audit Budget

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 1	2022/2023 Proj 2
Salary & Wages (Cat 10 & 11)			0.23	0.22	0.22	0.22
Operation			0.08	0.08	0.08	0.08
<b>Total = Recurrent (\$m)</b>	0.23	0.21	0.31	0.31	0.31	0.31
Executive Staff	1	1	1	1	1	1
Professional Staff	5	5	5	5	5	5
Other Staff		1	1	1	1	1
<b>Established Staff</b>	6	7	7	7	7	7
<b>Unestablished Staff</b>						

## 2.1.4 08.1.04 Corporate Services Division (CSD)

i. *CSD Outputs and KPIs*

The Division is responsible to help the CEO with the overall management of the Ministry and assisting other Divisions to operate effectively and efficiently. It covers all the standard administrative functions of the ministry, financial management, human resources management, asset management, records and files management, vehicle logistics and management of St George Government Building (SGGB). With the current outbreak of the COVID19 pandemic, the Corporate Services Division takes up the necessary precautionary work to ensure staff are well prepared to compact impacts of the disease. CSD also takes the lead in coordinating the COVID19 Emergency Plan and ensure the operation of the Ministry is not adversely impacted while keeping the safety of the staff in high consideration.

CSD is comprised of the following sections:

- a. **Performance Framework Section (PFS): assist the CEO and HoDs with overall planning, staff management and M&E of the Ministry, with overall responsibility for compiling and providing support to:**
  - formulate the Ministry CP, AMP, Annual Report and Emergency Response Plan;
  - ensure staff have up-to-date JDs consistent with the CP/AMP;
  - recruit staff with appropriate skills and aptitudes, ensuring they are in the appropriate posts and grade levels;

- staff management;
  - develop a Communication Strategy;
  - facilitate M&E of progress against KPIs in the CP/AMP and staff Performance Management System;
  - formulate an Occupational Health and Safety Program (with consideration to the current COVID19 global pandemic).
- b. Finance Section (FS): assist the CEO and HODs with overall budgeting and financial management of the Ministry, with overall responsibility for compiling and managing:**
- the Ministry’s budget, accounts, procurements, and asset;
  - The Government General Fund.
- c. Logistical Support Services Section (LSSS): assist the CEO and HoDs with overall logistics services for the operation of the Ministry, with overall responsibility for the management of:**
- stocks and supplies;
  - filing systems and record management;
  - phone answering services;
  - Transport services.
- d. Property Management Team: assist the CEO with the overall responsibility for management of the SGGB including:**
- the security system, including the surveillance cameras and access to St Georges Government Building;
  - establish security processes, practices and policy to reduce risks with appropriate communication technology for security team;
  - Establish an emergency plan for SGGB staff and customers with drill(s.);
  - assess and mitigate security related risks;
  - manage SGGB assets to ensure continuity of services;
  - office maintenance and cleaning;
  - Cleaning of the grounds, including garden and landscaping.

**Table 12: Corporate Services Outputs and KPIs**

Output Statement 1. ‘That the MOF and stakeholders are provided with the human resources, financial, logistical support and property management.’						<b>SDG/TSDf II</b>	
Outputs	KPIs	2018/19 (Baseline)	2019/20	2020/21	2021/22	Targets #	Indicators #
1. Recruitment						8.5	8.5.1, 8.5.2

	<p>1. Percentage of MOF quarterly vacancies filled during the quarter</p> <p>2. Monthly Induction Program for new Recruits</p>	Above 80	90	100	100		
			12	12	12		
2. Performance Management System (PMS)	<p>3. PMS Quarterly Traffic Lights Criteria from PSC.</p> <p>4. Completion of Half Year and Annual PMS Report according to due date (January and August). No. of days before due date</p>	Above 80	85-95	95-100	95-100	8.5	8.5.1, 8.5.2
		0	2	3	5		
<p><b>3.a) HR Capacity Development Programs.</b></p> <p>b) Occupational Health and Safety Program (OH&amp;S)</p>	<p>3 a) Establish a HR Development Framework</p> <p>b) Establish a Health and Safety Program.</p> <p>6. Complete Annual Training Plan according to due date (September) No. of days before due date.</p> <p>7. Percentage of the Planned Programs conducted.</p>	0	3	4	5	16.6	16.6.2*
		Non-monetary incentive established	80	90	100		

<p>4. Corporate Plan, Annual Management Plan and Annual Report, Emergency Response Plan</p>	<p>8. Number of days before due date submitted to CEO.</p> <p>9. Number of Revisions to Document</p> <p>Corporate Plan Draft – Last week January</p> <p>Corporate Plan to LA</p> <p>-Third week April</p> <p>Corporate Plan final</p> <p>-Last week August</p> <p>AMP Final</p> <p>-Last week August</p> <p>Annual Report</p> <p>-30<sup>th</sup> September</p>	<p>0</p>	<p>3</p> <p>2</p>	<p>5</p> <p>1</p>	<p>5</p> <p>1</p>	<p>8.2</p>	<p>8.2.1</p>
<p>5. Process Mapping of SOPs</p>	<p>10 Complete Process Mapping of all Division SOPs by June 2020</p>		<p>100%</p>	<p>100%</p>	<p>100%</p>	<p>8.1, 8.2</p>	<p>8.1.1, 8.2.2</p>
<p>6. Ministry’s Budget and Financial Reports</p>	<p>11. Average Number of days before due dates delivered Ministry of Finance budget to CEO (22 February)</p> <p>12. Complete monthly financial report first week of every month</p> <p>13a) Complete financial reports and financial information to CEO as and when required by due date. (number of</p>	<p>2</p> <p>12</p> <p>0</p>	<p>2</p> <p>12</p> <p>0</p>	<p>2</p> <p>12</p> <p>0</p>	<p>2</p> <p>12</p> <p>0</p>	<p>8.1, 8.2</p>	<p>8.1.1, 8.2.2</p>

	<p>days before due date)</p> <p>b) Provide a monthly report on the COVID19 Expenditure Vote.</p>						
7. Procurement	<p>14. Complete Annual Procurement Plan</p> <p>31 July (Number of days before due date)</p> <p>COVID19 Procurement Monitoring</p> <p>15. Percentage of Procurement Proposals in Compliance to Regulations</p>	0	2	3	3	8.5	85.1
8. Fixed Assets & Inventory	<p>16. Quarterly Update Report of Fixed Assets and Inventory</p> <p>17. Annual FA Register Update</p> <p>31 July</p> <p>(number of days before due date)</p>	2	4	4	4	8.2	8.2.1
9. Customer Service	<p>18. Quarterly Customer Survey Report</p> <p>19. Percentage of people responded to customer survey are</p>	60	4	4	4	8.1, 8.2	8.1.1, 8.2.2
			90	90	100		

	satisfied with the service.						
	20. Develop Communication Strategy. (Percentage completion)						
10. Filing & Records Management	21. Effective Filing System.  Number of complaints on documents filing/ missing (per quarter).	0	<5	0	0	8.8, 10.4	8.8.2*, 10.4.1
11. Transport and Vehicle Maintenance.	22. Provide Monthly Motor Vehicle Maintenance Report.	0	12	12	12	10.1	10.1.1
Output Statement 2: 'That the Government General Fund is effectively managed.'						SDG/TSDF II	
<b>Outputs</b>	<b>KPIs</b>	<b>2018/19 (Baseline)</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Targets #</b>	<b>Indicators #</b>
12.GGF Budget	1. Number of days before Budget is due, budget is submitted to CEO.	0	2	3	5	8.5	8.5.1, 8.5.2
13. GGF Payments	2. Number of days to process payments	>5	3	2	2	8.5	8.5.1, 8.5.2
14.GGF Monthly Report	3. GGF Monthly Report is complete and accurate, and due first week of the month.	0	2	3	3	8.5	8.5.2

	Number of days before due date (first week of the month), Report is submitted to CEO.						
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Output Statement 3: 'That the St George Government Building is well maintained and managed with the appropriate security systems'						SDG/TSDf II	
Outputs	KPIs	2018/19 (Baseline)	2019/20	2020/21	2021/22	Targets #	Indicators #
<b>15. SGGB Maintenance</b>	Percentage of Cleaning & Maintenance Programme Completed.  (With the outbreak of COVID19 – the cleanliness of the Workplace is essential.)	70	90	100	100	8.5	8.5.1, 8.5.2
<b>16.SGGB Security</b>	Percentage of Security Programme completed.	75	85	90	100	8.5	8.5.1,8.5.2

ii. CSD: Budget and Staffing

Table 13: Corporate Services Budget

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 1	2022/2023 Proj 2
Salary & Wages (Cat 10 &11)			0.75	0.82	0.88	0.88
Operation			0.79	1.15	1.07	0.81
Total = Recurrent (\$m)	0.62	0.74	1.54	1.97	1.95	1.69
Executive Staff	1	1	1	1	1	1
Professional Staff	9	11	13	13	13	13
Other Staff	14	16	13	13	13	13
Established Staff	24	28	27	27	27	27

Unestablished Staff		9	12	15	15	15
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## 2.1.5 08.1.05 Information Communications and Technology Division (ICTD)

### *i. ICTD Outputs and KPIs*

The core function of the division is the comprehensive implementation of Information Technology in MOF. By implementing a well-designed ICT system which promotes the organization's mission, as well as serving, enhancing and boosting co-operation within the organization's divisions in achieving MOF's outputs.

ICTD has provides secure access and usage of ICT infrastructure and services to authorized stakeholders and MDAs. ICTD ensures effective communication of government policies and programs in its promotion of national ideology for socio and monetary economic transformation, particularly the Integrated Financial Management Information System (IFMIS). Drawing MOF and MDAs more closely together and acts as one of the key leaders in of the delivery of the Tonga Digital Government Framework (e-Government)

The division has three main units –

- A. Application. This unit leads in analyzing and defining business processes and addressing them through information systems and applications which are either in-house developed or off-the-shelf purchased. They evaluate work procedures and processes and work towards transforming manual processes to systematic automation and appropriate work around.
- B. Infrastructure Unit is charged with capturing, analyzing and diagnosing technical problems in MOF's complex computer systems. It maintains and provides support to the MOF's IT Infrastructure including its Data Centre, network and backups.
- C. Helpdesk/Support Unit assists and supports the overall ministry's use of IT resources by monitoring daily activity through an incident management system, identifying gaps and challenges in day to day operations.

The Division is delegated the following outputs that deliver the above requirements with relevant KPIs below in Table 14

**Table 14: Outputs and KPIs**

Output Statement 1: <i>'That the information and communication systems provided are reliable and support the efficiency and effectiveness of MDAs and Government Stakeholders.'</i>						SDG/TSDF II	
Outputs	KPIs	2019/20	2020/21	2021/22	2022/23	Targets #	Indicators #
Output 1: Improve yearly downtime of ICT services	KPI 1: Hours of Downtime and Uptime of ICT services in a year	1/2	1/2	1/2	1/2	8.2	8.2.1
Output 2: Roll-out e-Government Phone system	KPI 2: Percentage Completion	3	5	5	5	8.5	8.5.1

	(mobile and Extension)						
Output 3: Establish Outer Island Office link to Main office at Nuku'alofa	KPI 3 No. of MOF Office from outer islands connected with redundant backup	0	1	2	3	10.b	10.b.1
Output 4: Increase cloud computing and e-Government services use by MDAs	KPI 4: No. services delivered from Government Data Center (Strategic Backup/Restore)	1	2	6	10	8.1,8.2	8.1.1,8.2.1

<b>Output Statement 2: 'That information available from MoF facilitates the appropriate use of financial information in decision-making by MDAs and Government Stakeholders.'</b>						<b>SDG/TSDF II</b>	
<b>Outputs</b>	<b>KPIs</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Targets #</b>	<b>Indicators #</b>
Output 1: Development and strengthening of in-house applications	KPI 1: Percentage of systems and features implemented and strengthened	40 %	50%	60%	80%	8.2	8.2.1
Output 2: Rollout FMIS (Accounting & Payroll) to outer island offices and overseas missions	KPI 2: Percentage Completion	30 %	60%	80%	100%	8.5	8.5.1
Output 3: Upgrade VMS to fully automate office process and cloud computing	KPI 3 No. of MOF Office from outer islands connected with redundant backup	0	1	2	3	8.1,8.2	8.1.1,8.2.1
Output 4: FMIS upgrade and strengthening	KPI 4: Upgrade completion percentage according to Project Plans & Schedules	10 %	40%	75%	85%	8.1,8.2	8.1.1,8.2.1
Output 5: No. MOF services deliver to MDAs and Stakeholders	KPI 5 percentage of services deliver and enables two ways support features	20 %	40%	60%	70%	8.2	8.2.1

ii. *ICTD: Budget and Staffing*

**Table 15: Information Communications and Technology (ICT) Budget**

<b>Description</b>	<b>2017/18 budget</b>	<b>2018/19 budget</b>	<b>2019/20 budget</b>	<b>2020/2021 budget</b>	<b>2021/2022 Proj 1</b>	<b>2022/2023 Proj 2</b>
<b>Salary &amp; Wages (Cat 10 &amp; 11)</b>			0.36	0.37	0.37	0.37
<b>Operation</b>			0.44	0.05	0.05	0.05
<b>Total = Recurrent (\$m)</b>	0.34	0.36	0.41	0.42	0.42	0.42
Executive Staff	1	1	1	1	1	1
Prof Staff	10	10	10	10	10	10
Other Staff	2	2	2	2	2	2

<b>Total Established</b>	13	13	13	13	13	13
Unestablished						

## 2.2 Program 08.2: Economics & Fiscal Policy, Budget, Aid and Resilience Development & Financing

The following divisions are grouped under this Program: Economic and Fiscal Policy Division (EFPD), Budget and Corporate Planning Division and Project and Aid Management Division (PAMD). The summary budget and staffing for the Program is shown in Table 16.

*Table 16: Summary of Program 08.2: Budget and Staff*

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2022 021 budget	2021/2022 Proj 1	2022/23 Proj 2
<b>Salary &amp; Wages (Cat 10 &amp; 11)</b>			1.20	1.41	1.41	1.40
<b>Operation</b>			0.25	0.32	0.29	0.29
<b>Total = Recurrent (\$m)</b>	1.08	1.20	1.45	1.73	1.70	1.69
Executive Staff	3	3	3	4	4	4
Prof Staff	33	30	31	35	35	35
Other Staff	2	2	2	4	4	4
<b>Total Established</b>	<b>37</b>	<b>35</b>	<b>35</b>	<b>43</b>	<b>43</b>	<b>43</b>
<b>Unestablished</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Major Projects: UNDP funded Climate Change Risk mainstreaming project						

### 2.2.1 08.2.01 Economic and Fiscal Policy Division (EFPD)

#### *i. EFPD Outputs and KPIs*

Government decisions are more likely to be effective when based on sound evidence and analysis. This requires clearer, better presented and timelier reporting on current conditions, progress with results, and realistic forecasts, at macro and micro sector levels, with better informed gap/policy/solution analysis, including the production of the relevant sections for Ministry's core functions as presented in documents like the Budget Strategy and Budget Statement.

This division is now focus its fundamental roles more on macroeconomic and microeconomic issues, continue to work in collaboration with IMF technical assistance to improve the GFS framework to include the provision of GFS Yearbook 2014/15-2016/17 and to incorporate the Public Enterprise's financial statements in GFS to provide better policy and explanatory statements to support improved decision making. The division will continue its new arrangement with two work streams macro and micro. In addition to general economic issues, each work stream will provide particular focus to fiscal policy at their respective levels.

The Division is delegated one output that delivers the above requirements, listed with relevant KPIs below in Table 17.

**Table 17: Economic Fiscal Policy Division Outputs and KPIs**

Key Output Statement: 'That the macro, micro- economics and fiscal policy analysis and advice system provide all stakeholders with the information required to improve evidence-based decision-making regarding sustainable economic growth and social development.'					SDG/TSDF II	
Outputs	KPIs	2019/20 baseline	2020/21 target	Medium term target	Targets #	Indicators #
Output 1: Macroeconomic and Fiscal Policy Framework	<b>1: (GDP Forecasting)</b> Timely completion of a sound GDP forecasting round  [number of round per annum, July 2019, January 2020]	2	2	2	8.1	8.1.1
	<b>KPI 2: (Policy analysis and review paper)</b> Number of evidence based policy analysis – macro-micro and fiscal – provided to management  [percentage of policy working paper provided per annum]  Planned List of policy papers: <ul style="list-style-type: none"> <li>● Government Subsidy – Ha'apai &amp; 'Eua Sea Transport</li> <li>● Cost Structure Outer Islands</li> <li>● MA60-Y12 – Real Tonga (NATF)</li> <li>● Outer Islands Ports Transfer to PAT</li> <li>● Tonga Forest Product</li> <li>● Tano'a International Hotel</li> </ul>	6	6	6	8.1, 8.5	8.1.1, 8.5.1

	<ul style="list-style-type: none"> <li>• Analysis of the Benefits for 80+ elderlies to be increased to TOP100</li> <li>• Government’s Assistance to NGOs/CSOs</li> <li>• Review of Tax Exemptions and implications</li> <li>• Review of CT and implications</li> <li>• Review of Insurance (Health &amp; Infrastructure)</li> <li>• Review of Maintenance (Infrastructure)</li> <li>• Debt to be written-off</li> <li>• Budget Strategy (Q2)</li> <li>• Budget Statement (Q3)</li> </ul>					
	<p><b>KPI 3:</b> Timely submission of a macro-fiscal impact analysis of a <i>new</i> policy proposal provided during the budget preparation</p> <p>[number of days prior due date] – as per the budget timeline</p>	5	5	5	8.2	8.2.1
	<p><b>KPI 4:</b> Timely completion of the Government Finance Statistics (GFS) data and reporting at the Budget Statement, periodic economic updates and other relevant forums where necessary (Macroeconomic Committee, IMF Article IV, PFTAC and other key stakeholders)</p> <p>[number of days prior due date] – right on time as per the budget timeline and as per requested deadline</p>	0	0	0	8.5	8.5.1
Output 2: Budget Strategy	<p><b>KPI 5:</b> Timely provision of a sound overview of Macroeconomic Framework for the Budget Strategy as per approved Budget Timeline</p>	0	0	0	8.5	8.5.1

	<p>[number of days prior due date] – clear timeline</p> <p>Coordinate Inputs from various divisions</p> <ul style="list-style-type: none"> <li>- B/Strategy due to Cabinet (end-Feb/as per the Budget Timeline)</li> <li>- All inputs by various division (1<sup>st</sup> week Feb/as per the Budget Timeline)</li> </ul> <p>Guidelines for Budget Strategy (3rd week Jan 2020)</p>					
	<p><b>KPI 6:</b> Timely submission of the Budget Strategy to Cabinet as per approved Budget timeline</p> <p>[number of days prior due date] – on time</p>	1	1	1	8.5	8.5.1
Output 3: Budget Statement	<p><b>KPI 7:</b> Timely provision of a sound overview of Macroeconomic Framework for the Budget Statement as per approved budget timeline</p> <p>[number of days prior due date] –</p> <ul style="list-style-type: none"> <li>- B/Statement due to LA (13<sup>th</sup> March 2020 as per the Budget Timeline)</li> <li>- B/Statement (English version) due to Cabinet (end- Feb/as per the Budget Timeline)</li> <li>- Receive all inputs from various division (1<sup>st</sup> week of Feb/as per the Budget Timeline)</li> </ul> <p>Distribute guidelines (proposed structure) for Budget Statement to the CEO/ Minister (January 2020)</p>	10	10	10	8.5	8.5.1
	<p><b>KPI 8:</b> Timely completion of Translation of the Budget</p>				8.5	8.5.1

	Statement as per approved budget timeline	10	10	10		
	- internal (division) due date [number of days prior due date]	7	7	7		
	- Receive all inputs from various divisions (by mid-April 2020 after Cabinet/as per the Budget Timeline) [number of days prior due date]	0	0	0		
	- B/Statement due to LA (end of April 2020/as per the Budget Timeline) [number of days prior due date]					
	<b>KPI 9:</b> Timely submission of Final Budget Statement to Cabinet and LA as per approved budget timeline (Due dates: mid-April to Cabinet, end of April 2020 to LA)[number of days prior due date) – on time	0	0	0	8.5	8.5.1
Output 4: Periodic Economic Update Reports	<b>KPI 10:</b> Ratio of completed and published, on ministry’s website, of the monthly, quarterly, half-yearly economic update [ratio of eco. update, completed and published once clear by senior management]	11/11	11/11	11/11	8.5	8.5.1
Output 5: Generic	<b>KPI 11:</b> Timely submission of divisional inputs towards ministry’s CP, AMP and AR to the ministry’s CSD [Number of days prior to due date] – right on time	0	0	0	8.2, 8.5	8.2.2, 8.5.1
		0	0	0		
	<b>KPI 12:</b> Timely submission of the division’s staff JDs as per the revised outputs in the CP, AMP and AR to the ministry’s CSD for further conveyance to	0	0	0		

	PSC [Number of days prior to due date] – right on time					
	<b>KPI 13:</b> Timely submission of the division’s PMS form to the ministry’s CSD for further conveyance to PSC [Number of days prior to due date] – right on time					

*ii. EFPD Budget, Staff and Projects*

There has been progress in the set up and structure of this division. Capacity will be further increased to respond to the growing systems need of the ministry and MDAs. The resources available to the division are shown in Table 18.

**Table 18: Economic and Fiscal Policy Division Budget and Staffing**

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 1	2022/2023 Proj 2
Salary & Wages (Cat 10 & 11)			0.33	0.38	0.38	0.38
Operation			0.07	0.08	0.08	0.08
<b>Total = Recurrent (\$m)</b>	0.27	0.31	0.40	0.46	0.46	0.46
Executive Staff	1	1	1	1	1	1
Prof Staff	10	7	7	7	7	7
Other Staff	1	1	1	1	1	1
Total Established	12	9	9	9	9	9
Unestablished						

## 2.2.2 08.2.02 Budget and Corporate Planning Division (BCPD)

*i. BCPD Outputs and KPIs*

The budget and corporate planning process is central to good management of government resources and improved efficiency within a sustainable fiscal environment. This needs to be based on better developed fiscal policies. The process requires clearer budget policy and systems with results-based guidance and templates supported by a better managed process for the formulation of the integrated three-year medium-term budget (covering all sources of funding) in balance with better articulated corporate plans by MDAs. These CPs need to be consistent with the TSDF II and other priorities of Government including the 7 Priorities of Government. The whole process must abide by the requirements of the Constitution and related legislation.11

Once a good system is in place, there needs to be strong more effective compilation of budgets with improved monitoring, management and reporting on their status. This should help MDAs better design and implement their budgets, with regular monitoring of progress to better deliver the level of outputs agreed in their corporate plans consistent with the agreed budgets.

The Division is delegated the following outputs that deliver the above requirements listed with relevant KPIs below in Table 19

**Table 19: Budget and Corporate Planning Division Outputs and KPIs**

Output Statement 1: 'That a support system for budgeting is well in place to facilitate evidence-based policy decision in government.'							SDG/TSDF II	
Outputs	KPIs	2018/19 (Baseline)	2019/20	2020/21	2021/22	2021/23	Targets #	Indicators #
1. Budget Estimates	1. Timely submission of Budget Estimates document to Parliament for proper scrutiny and approval	Was due on 27th of April 2018 to Parliament	Was due last week of April	Due last week of March	Due last week of March	Due last week of March	8.9, 8.a, 8.b,	8.9.1, 8.9.2, 8.a.1, 8.b.1
	2. Improve the percentage (%) of MDA budget submissions' alignment to corporate plans	50	Timeline revise to due in first week of February 2020.	70	80	80	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
	3. Implementation of the revised Chart Of Accounts	NIL	60%	80%	90%	90%	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
2. Budget Briefing Notes	4. Timely and quality submission of Budget Briefing notes to management for budget deliberation.	Due last week of May	Was due in April 2019.	Due in March	Due in March	Due in March	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
3. Budget Strategy	5. Percentage of variations between the final approved fiscal forecast (budget envelope		15% variation	12%	10%	10%	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1

	baseline) and the projections included in the previous year's approved budget.							
4. Budget Statement.	6. Submission of recurrent budget figures and narrations.  7. Clear mapping of GPA in the budget estimates	Feb 2018		Timeline ss  Quality	Timeline ss  Quality	Timeliness  Quality	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
5. End of Year Review Report.	8. Timely and quality submission of End of Year review report to management for decision making within the first half of the next FY	Dec 2018	Nov 2019	Oct 2020	Oct 2021	Nov 2022	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
6. Mid- year review Report	9. Timely and quality submission of End of Year review report to management.	Feb 2019	Feb 2020	Feb 2021	Feb 2022	Feb 2023	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
7. Monthly Budget Performance Report.	10. Timely and quality submission of Cash Flow Forecast for Expenditure and Revenue from MDAs to Budget Officer.	Second week of every month	First week of every month	First week of every month	First week of every month	First week of every month	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
	11 Timely and quality submission of staff list from budget officers for consolidation	Third week of the month	Second week of every month	Second week of every month	Second week of every month	Second week of every month	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1

	12. Timely and quality submission of MDAs' Monthly Budget Performance Review from Budget Officer to management	Last week of the month	Third week of the month	Third week of the month	Second week of the month.	Second week of the month.		
8. Preparation of Cabinet Submissions	13. Timely and quality Cabinet Submissions to management	60% of Cabinet Submissions are submitted on time and approved	80% of Cabinet Submissions are submitted on time and approved	85% of Cabinet Submissions are submitted on time and approved	85% of Cabinet Submissions are submitted on time and approved	90% of Cabinet Submissions are submitted on time and approved	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
9. Budget Monitoring, Evaluation (M&E) and Report	14. Increase budget credibility through reduced percentage (%) of budget transfers that are related to normal budgetary operations	More than 50% increase in number of budget transfers.	70% decrease in number of budget transfers	75% decrease in number of budget transfers	80% decrease in number of budget transfers	85% decrease in number of budget transfers	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
10. Budget Consultations and Budget Trainings	15. Quarterly Performance Consultations.  16. Budget Consultations	N/A	Upon requests during budget preparation.  Commencement of Budget Timeine	Upon requests during budget preparation.  Commencement of Budget Timeine	Upon requests during budget preparation.  Commencement of Budget Timeine	Upon requests during budget preparation.  Commencement of Budget Timeine	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1

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ii. *BCPD Budget and Staffing*

*Table 20: Budget and Corporate Planning Division Budget, Staff and Projects*

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2	2022/2023
Salary & Wages (Cat 10 & 11)			0.56	0.65	0.65	0.65
Operation			0.12	0.13	0.12	0.13
<b>Total = Recurrent (\$m)</b>	0.48	0.56	0.68	0.78	0.77	0.78
Executive Staff	1	1	1	1	1	1
Prof Staff	11	15	16	16	16	16
Other Staff						
Total Established	<b>12</b>	<b>16</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>
Unestablished	1	1	1	1	1	1

### 2.2.3 08.2.03 Project and Aid Management Division (PAMD)

i. *Project and Aid Management Division (PAMD) Outputs and KPIs*

The division is responsible for the coordination of all aid development projects both cash and in-kind invested into the country, and contribute to the core outputs of the Ministry of Finance, which is the Government Budget Estimates as mandated under Part III of the Public Finance Management Act 2002 and the Budget Statement.

The Project and Aid Management Division is tasked along with the Aid Policy 2010 to ensure:

- That international development aid effectiveness to Tonga is managed according to clear measures of sustainability in line with the TSDF II and all other international agreements;
- That a clear project management cycle is developed, executed, monitored and evaluated for the whole of government;
- Provide strategic advice on aid management to Government and Development Partners and delivering quality services to all stakeholders.

The Division is delegated the following outputs that deliver the above requirements, listed with relevant KPIs below in Table 21.

**Table 21: Project and Aid Management Division (PAMD) Outputs and KPIs**

Output Statement1: 'Promote Aid effectiveness policies to guide the formulations of budget and corporate plans for achieving government priorities.'							SDG/TSDF II	
Output	KPIs	208/19 (Baseline)	2019/20	2020/21	2021/22	2021/23	Targets #	Indicators #
1 Aid Management Policy reviewed	1. Review every 2 years [desired = 1]	2018 version	Every 2 years		Every 2 years		17.5	17.5.1
2. Cabinet submissions on PAD-CC meeting outcomes	Number of meetings facilitated [desired = 10]	12	10	14	14	14	8.5	8.5.1
	Number of cabinet submissions [desired = quarterly]		3	2	2	2		
3. Project Steering Committee meeting outcomes	Number of meetings facilitated [desired = 2 x per sector]]		2x per sector	2x per sector	2x per sector		8.5	8.5.1
	At least participated in the number of Technical Working Group committees (TWGC) led by Implementing Agencies [desired = attend to represent MOF]			6	6	6	8.5	8.5.1
4. Produce the development budget estimates	Timely submission as required by the Budget Timeline	Accurate and reliable	Accurate and reliable	Accurate and reliable	Accurate and reliable	Accurate and reliable	17	17

(Tongan and English)								
5. Produce Development sections for Budget Strategy and Budget Statement	Timely submissions as required by the Budget Timeline	Accurate and reliable	Accurate and reliable	Accurate and reliable	Accurate and reliable	Accurate and reliable	17	17
6. PAMD development budget M&E review report	Submission to CEO/Minister for endorsement [desired = quarterly]	4	4	4	4	4	8.5	8.5.1
	At least one bilateral / multilateral meeting with per donor each year [desired 7/10]	8	7	7	7	7	8.5	8.5.1
	At least one Financing Agreement facilitated for negotiation [desired = upon Minister approval]		1	1	1	1	13	13
	At least one Donor Forum meeting	1	1	1	1	1	8.5	8.5.1
	At least participated in one of High Level consultations attended and participated and followed up on the outcomes [desired – upon invitation and/or direction from CEO]	1	1	1	1	1	16.3, 16.7	16.3.2, 16.7.1
	At least participated in a number of Donor conferences and workshops and provided the outcome for follow up [desired - upon	5	5	5	5	5	8.5, 16.7	8.5.2, 16.7.1

	invitations and/or required by CEO]							
	At least attended a number of Regional Development Meetings attended and followed up on matters arising [desired = upon CEO approval]	2 per region	2 Per region	2 Per region	2 Per Region	2 Per Region	16.7	16.7.1
	At least attended to number of Project Missions cleared [desired = upon approval by CEO] Note – black out period [Feb to April] and followed up on matters arising from aide memoires, provided feedback		2 per month	2 per month	2 per month	2 per month	8.5, 16.7	8.5.2, 16.7.1
	At least a number of Project Proposals assessed and submitted for recommendations to CDCC [desired = 5]		3	3	3	3	16.6	16.6.2*
	Number of Evaluations Panels participated [desire = upon direction from CEO]		3	3	3	3	17.7	17.7.1
	Number of Project Documents Reviewed [desire = upon direction from CEO]		5	5	5	5	17.8	17.8.1
	Meet deadline of Acquittals by facilitation to donors [desire = accurate and reliable]		5	5	5	5	8.5	8.5.2
	Meet deadline of Audited Financial Statements of		5	5	5	5	8.2, 8.5	8.2.1, 8.5.2

	Projects by facilitation [desire = accurate and reliable]							
EU NAO Office progress reports	Provide quarterly updates through Project Steering committee	4	4	4	4	4	10.7	10.b.1
CSU progress reports	Provide monthly update through Technical working group committee		12	12	12	12	8.8	8.8.2*
GCF Accreditation progress reports	Provide monthly update	12	4	4	4	4	8.5	8.5.1
7. Standard Operation Procedures updated	Standard Operation Procedures documented [desire = accurate and reliable]	Accurate and reliable	Accurate and reliable	Accurate and reliable	Accurate and reliable	Accurate and reliable	8.2	8.2.1
Process Mapped Documents	Meet deadline of the Process Mapping Exercise [desire = accurate and reliable]		Accurate and reliable	Accurate and reliable	Accurate and reliable	Accurate and reliable	8.5	8.5.1
Aid and Project Management Information Files	Update regularly [desire = accurate and reliable]		Accurate and reliable	Accurate and reliable	Accurate and reliable	Accurate and reliable	8.5	8.5.1
<b>9. Generic Contributions</b>							8.9	8.9.1*
9.1 PMS assessment	Meet PMS deadline [desired = > rating 3]		5	5	5	5	8.5	8.5.1
9.2 Annual Management Plan	Meet AMP deadline [desired = achieved]		1	1	1	1	8.5, 8.6	8.5.1, 8.6.1
9.2 Annual Report	Meet Annual report deadline English and Tongan version [desired = achieved]		1	1	1	1	8.5	8.5.1
9.3 Corporate Plan	Meet Corporate Plan deadline English and		1	1	1	1	8.5	8.5.1

	tongan version [desired = achieved]							
9.4 Fixed Asset Management	Meet Fixed Asset Management deadline [desired = achieved]		1	1	1	1	8.5	8.5.1
9.5 Job Descriptions updated to align to AMP	Meet deadline for Job Descriptions [desired = achieved]		1	1	1	1	8.5	8.5.1
9.6 Staff Training Needs	Meet deadline for Staff Training needs [desired = achieved]		1	1	1	1	8.2	8.2.1

ii. *PAMD Budget, Staff and Projects*

There has been an increase in professional staff reflecting the need to ensure the division is able to meet its outputs.

*Table 22: Project and Aid Management Division Budget, Staff and Projects*

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 1	2022/2023 Proj 2
<b>Salary &amp; Wages (Cat 10 &amp; 11)</b>			0.32	0.37	0.37	0.37
<b>Operation</b>			0.06	0.08	0.08	0.08
<b>Total = Recurrent (\$m)</b>	0.33	0.33	0.38	0.45	0.45	0.45
Executive Staff	1	1	1	1	1	1
Prof Staff	7	8	8	8	8	8
Other Staff	1	1	1	1	1	1
Total Established	9	10	10	10	10	10
Unestablished	1	1	1	1	1	1

## 2.2.4 08.2.04 Resilient Development and Financing Division.

i. *Resilient Development and Financing Division Outputs and KPIs*

The division will ensure that climate and disaster risks are addressed as an integral part of development in Tonga, and will also be responsible for the coordination and securing of financing to support government's resilience building agenda.

The Resilient Development and Financing Division deliverables are premised on the government 2010 Aid Policy and the current regional resilience initiatives, and the Framework of Resilience Development in the Pacific (FRDP). These are to ensure:

- a. That resilience is integrated into government development plans, policies, systems and process.
- b. That accessibility to all forms of resilience financing is strengthened including climate, disaster and ocean financing.
- c. Provide strategic advice on climate and disaster financing to Government, Development Partners and other stakeholders.

The Division is responsible for delivering the following outputs, listed with relevant KPIs articulated in Table 23 below.

**Table 23: Resilient Development and Financing Division Outputs and KPIs**

Output Statement 1: ‘To facilitate the strengthening of governance mechanisms for mainstreaming of resilience into national budget plans, systems and processes.’						SDG/TSDF II	
Output	KPIs	2019/20 (Baseline)	2020/2021	2021/22	2022/23	Targets #	Indicators #
1 Work-plan with other agencies detailing the requirements to effectively address resilience considerations in connection with their respective mandates developed.	Timely development and approval by Minister within 2 years of establishment				Review every 2 years	9.a	9.a.5
						13.2	13.2.4
						14.2	14.2.5
						15.1	15.1.5
2. The provision of advice and support to enable the mainstreaming of risk and resilience considerations within relevant policies, systems and processes facilitated.	Number of policy proposals provided and accepted		5	10	25	13.3	13.3.4
						13.b	13.b.5
						14.2	14.2.1
						15.1	15.1.4

3. Resilience capacity building training program for MoF and planners designed and delivered.	Number of MoF staff and sector planners trained		3	3	5	13.2	13.2.5
						13.3	13.3.5
4. M&E of implementation progress against the work plan is prepared, reported and communicated simply for better understanding of resilience activities.	M&E framework is developed and executed		1	1	1	13.2	13.2.5
						13.b	13.b.4
						13.3	13.3.5
						14.2	14.2.5
						14.3	14.3.5
5. Coordination meetings with other agencies related to resilience building is undertaken.	Number of meetings arranged and participated led by the division		10	15	25	3.d.5	3.d.5
	At least a number of Project Proposals assessed and submitted for recommendations to CDCC[desired = 5]		3	3	3	16.6	16.6.2
	Number of Project Documents Reviewed [desire = upon direction from CEO		5	5	5	17.8	17.8.1
6. Knowledge products highlighting developments and the learning of the implementation activities is developed and shared.	Number of knowledge products developed and circulated within government and outside too, including meetings etc		2	3	4	3.d	3.d.5
7. Outreach program and activities to raise awareness on the importance	Number of meetings attended and shared, including TV and radio programs or any appropriate means of		2	3	4	9.1	9.1.5

of resilience building is conducted.	communication acceptable by government.						
Output statement 2: To enhance the ability of the country to access directly to and effectively manage of climate financing.							
1.The accreditation process for the MoF to be a NIE to the Adaptation and Green Climate Funds is completed.	Provide monthly update and to be completed within 2 years  Number of related GCF/AF meetings attended and provide update on the progress		12	12	12	13.a	13.a.5
2.Advice where to improve in the system, process and institutions to meet the accreditation requirements is provided.	At least one policy advice taken into account the system reform or inclusive of policy proposal in the PFM reform roadmap		2	2	2	13.a	13.a.5
3.Consultation and conversation on the identification and preparation of a bankable projects for submission to the GCF and AF or others is facilitated.	Frequent consultation with relevant ministries and stakeholders on the project, and one meeting with partners and 3 meetings with key ministries held and Cabinet paper is drafted. This work should be aligned to the accreditation processes.		3,2,3	3,2,3	3,2,3	8.10 13.a	8.10.5 13.a.5
Output 3 Statement: To enhance the ability of the country to access directly to and effectively manage of disaster risk financing							
1.Provide oversight and support for the development of National Disaster Risk Financing Strategy	Develop a National Disaster Risk Financing Strategy with the assistance of a Technical Assistance and ensure Cabinet endorsement is secured		1	1	1	1.5 2.4 3.d 4.7 11.5 11.b 14.2	1.5.1 2.4.1 3.d.5 4.7.5 11.5.5 11.b.5 14.2.5
2.Review the NDR strategy and provide advice on	Review every year once the NDR is effective.					1.5	1.5.1

priorities accompanying with implementation plan and budget.							
<b>Generic</b>							
1. Conducting PMS assessment for the division staff	Meet PMS deadline [		2	2	2	8.4	8.4.1
2. Developing a divisional Annual Management Plan	Meet AMP deadline		1	1	1	8.4	8.4.1
3. Contributing to the Ministry Annual Report	Meet Annual report deadline English and Tongan version		1	1	1	8.4	8.4.1
4. Contributing to the Ministry's Corporate Plan	Meet Corporate Plan deadline English and Tongan version		1	1	1	8.4	8.4.1
5. Responsible for the management of the divisional fixed assets.	Meet Fixed Asset Management deadline		1	1	1	8.4	8.4.1
6. Responsible for developing of divisional staff Job Descriptions and update to align to the AMP	Meet deadline for Job Descriptions		1	1	1	8.4	8.4.1
7. Identify and develop Staff training needs	Meet deadline for Staff Training needs		1	1	1	8.4	8.4.1

*ii. RDFD Budget, Staff and Projects*

There has been an increase in professional staff reflecting the need to ensure the division is able to meet its outputs.

*Table 24: Resilient, Development and Financing Division Budget, Staff and Projects*

Description				2020/2021 budget	2021/2022 Proj 1	2022/2023 Proj 2
Salary & Wages (Cat 10 & 11)				0.01	0.01	0.01
Operation				0.03	0.0	0.03
<b>Total = Recurrent (\$m)</b>				0.04	0.04	0.04
Executive Staff				1	1	1
Prof Staff				3	3	3
Other Staff						
<b>Total Established</b>				4	4	4
Unestablished						

## 2.3 Program 08.3: FFD, Procurement and Treasury Operations

The major customers of Program 3 are MDAs who require accounting, procurement guidance and support services, without which they are unable to operate. Program 3 also serves other major stakeholders outside government who supply goods to government, depend on payments from government and pay taxes, fees and charges to government.

Financial Framework Division (FFD), Procurement Division (PD) and Treasury Division are grouped under this program. The summary budget and staffing for the Program is shown in 25.

*Table 25: Program 08.3 Summary Budget and Staff*

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 1	2022/2023 Proj 2
Salary & Wages (Cat 10 & 11)				2.73	2.73	2.73
Operation				0.56	0.56	0.56

<b>Total = Recurrent (\$m)</b>	2.50	2.45	2.51	3.29	3.29	3.29
Executive Staff	3	3	3	3	3	3
Prof Staff	47	54	58	54	54	54
Other Staff	39	47	42	46	46	46
<b>Total Established</b>	<b>89</b>	<b>104</b>	<b>103</b>	<b>103</b>	<b>103</b>	<b>103</b>
Unestablished			3	4	4	4

### 2.3.1 08.3.01 Financial Framework Division (FFD)

A better articulated PFM Reform Program, with clear roadmap and implementation process is important for a stronger PFM contributing to a more efficient, effective and affordable public service. This reform program will provide improved sector guidance to all the divisions of the Ministry, and to other related MDAs, contributing to improved collaboration between MDAs for better PFM reform. This will be clearly linked to the wider cross government reform process. Direct leadership to a number of specific reform areas is also required from FFD.

Sustainable debt is critical for long term fiscal sustainability. This requires clear strategies supported by more accurate and timely reports of historical and forecast transactions, consistent with domestic and international requirement and ratios which informs policy makers. Some debt is also on lent to third parties. Payment of debt needs to be regular and on time. Assets are usually expensive, careful use and management of them also requires clear strategies and mechanisms.

#### *i. FFD Outputs and KPIs*

The Division is delegated the following outputs that deliver the above requirements, listed with relevant KPIs below in Table 26.

**Table 26: FFD Outputs and KPIs**

Output Statement1: 'That the updated Debt and Asset Management Reports are being used by the stakeholders (cabinet, parliament, MDAs, divisions within MOF and development partners to make informed decisions.'						SDG/ TSDF II	
Outputs	KPIs	2018/19 (Baseline)	2019/20	2020/21	2021/22	Targets #	Indicators #
1. Debt Management Report	1. MTDS revised and published on MOF's website on 3 <sup>rd</sup> quarter of the financial year.	1	1	0	0	10.6, 16.7	10.6.1, 16.7.1
	2. Number of Quarterly Debt Status Report completed within the following month.	4	3	3	3	8.5	8.5.2*

	3. Annual Debt Report completed within the first quarter.	1	1	1	1	16.7	16.7.7, 16.7.2*
2. Asset Management Report	1. An Asset Management Framework Developed.	1	1	1	0	16.6	16.6.2*
	2. Number of MDAs with Updated Asset Register.	29	29	29	29	8.10	8.10.2
	3. Asset Management Report completed within first quarter.	0	1	1	1	8.5	8.5.2
	4. Fixed Asset Module in operation	0	1	0	0	16.7	16.7.1
Output Statement 2: That the Public Financial Framework Reform is strengthened for better service delivery through updated policy guidance and instructions							
3. PFM Reform	1. Percentage of PFM roadmap implementation tracker revised and followed up	50	75	90	100	17.3	17.3.1*
	2. Number of PFM Steering Committee held	2	2	2	2	8.5, 8.6	8.5.1, 8.6.1
	3. Number of PFM Technical Committee held	2	2	2	2	8.6	8.6.1
4. Treasury Instructions Review	1. Ratio of TI to be revised by end of Financial Year	100	100	0	0	10.6	10.6.1
	2. PFMA reviewed	n/a	1	1	1	8.2	8.2.1
	3. Financial Manual developed	n/a	1	1	1	8.1, 8.2	8.1.1, 8.2.1
	4. Number of Treasury Circulars issued	10	15	10	10	8.8	8.8.2*
5. Financial Management System Administration	1. Number of Sub-Treasuries connected to and trained in Sun System.	0	3	0	0	10.6, 16.7	10.6.1, 16.7.1
	2. Number of MDAs trained in Sun Systems and Vision Reporting Tool	29	29	29	29	8.5, 8.6	8.5.1, 8.6.1
	3. Revision of the CoA Phase 3 Undertaken	50	3	3	3	8.6	8.6.1
	4. Number of Trainings held on Revised CoA	1	4	4	4	8.6	8.6.1
6. Grant Framework	1. Grant Framework Developed	0	1	0	0	8.5	8.5.1
	2. Number of Grants administered during the financial year	20	100	50	50	8.2, 8.6	8.2.1, 8.6.1

	3. Number of Acquittals received and checked during the financial year.	20	50	25	25	8.5	8.5.1
7. PEFA	1. Agile PEFA conducted	N/A	1	0	0	8.5	8.5.1
	2. Gender Assessment					10.6	10.6.1

ii. *FFD Budget, Staff and Projects*

**Table 27: Financial Framework Division Budget, Staff and Projects**

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 1	2022/2023 Proj 2
<b>Salary &amp; Wages (Cat 10 &amp; 11)</b>				0.44	0.44	0.44
<b>Operation</b>				0.12	0.12	0.12
<b>Total = Recurrent (\$m)</b>	0.28	0.39	0.41	0.56	0.56	0.56
Executive Staff	1	1	1	1	1	1
Prof Staff	7	11	12	13	13	13
Other Staff	2	2	1	1	1	1
<b>Total Established</b>	10	14	14	15	15	15
Unestablished			1	1	1	1
Major Projects: Asset Management Framework (PFTAC)						

### 2.3.2 08.3.02 Procurement Division (PD)

Sound procurement systems, policies and procedures are an integral part of good resource management and thus contribute to good governance. This helps ensure value for money and protects Ministries, Department and Agencies (MDAs) officials from accusations of favoritism and corruption. It is thus essential to have overarching legal framework in place to drive good procurement policies and rules and to enhance and promote compliance and adherence with set practice. The procurement system is organized into a partial decentralized system where MDAs who have a Procurement Unit and procurement capacity are responsible for the proceedings up to 20K

while the Central Procurement Unit (CPU) is mandated to conduct proceedings for all procurement valued 20K+. There needs to be considerations given to particular country factor and to balance good practice with timely processing of procurements.

Not all MDAs are able to implement a more decentralized procurement process. In such case, the CPU is thus required to manage their procurements above threshold so that their procurements needs are met on a timely basis, consistent with the established rules and policies.

*i. Procurement Operations Division Outputs and KPIs*

The Division is delegated the following outputs that deliver the above requirements, listed with relevant KPIs below in Table 28.

**Table 28: Procurement Operations Division Outputs and KPIs**

Output Statement 1: 'Efficient and Effective Government Procurement rules and Procedures.'						SDG/TSDF II		
Outputs	KPIs	FY 18/19	Baseline 2019/20	2020/21	2021/22	2022/23	Targets #	Indicators #
1. Procurement Policy	Ratio of Ministries using the framework contract	18/27	25/27	26/27	27/27	27/27	16.5 16.6	16.5.1, 16.6.1
2. Internal Review	Percentage of Procurement Plan Processed.	44*	35%	40%	45%	50%	16.6	16.6.1
3. Capacity Development and Training	Number of suppliers group provided awareness training	2	3	3	4	4	16.6	16.6.2

*\*estimated based on available data now, will be further revised*

Output Statement 2: 'Efficient and Effective Government procurement services.'						SDF/TSDF II		
Outputs	KPIs	FY 18/19	Baseline 19/20	2020/21	2021/22	2022/23	Targets #	Indicators #
1. Procurement Monitoring	Percentage of Procurement Requests that meet full compliance	70%	72%	75%	78%	80%	16.5, 16.6	16.5.1, 16.6.1

2.Procurement Methods	Percentage of procurements using competitive methods	37%	40%	45%	47%	50%	16.5, 16.6	16.5.1, 16.6.2
3.Procurement Planning	Percentage of recurrent cost procured against total budget.	48%	50%	50%	55%	60%	16.6	16.6.1

ii. Procurement Division: Budget, Staffing and Projects

Table 29: Procurement Division Budget, Staff and Projects

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 1	2022/2023 Proj 2
Salary & Wages (Cat 10 & 11)				0.38	0.38	0.38
Operation				0.08	0.08	0.08
<b>Total = Recurrent (\$m)</b>	0.36	0.38	0.37	0.46	0.46	0.46
Executive Staff	1	1	1	1	1	1
Prof Staff	9	9	10	10	10	10
Other Staff	3	3	2	2	2	2
<b>Total Established</b>	13	13	13	13	13	13
Unestablished						

### 2.3.3 08.3.03 Treasury Division (TD)

In the past few years, Treasury have managed to build its capacity, by increasing the number of staff (both at professional and clerical level). However, we are now facing a new challenge in terms of staff retention and incentives.

Moving forward, it has been determined that these issues will be a priority area to address, being mindful that our core responsibilities will not be jeopardized, nor compromised. Our intention is to focus on Training opportunities, such as short-term attachment programmers (within the division including outer islands branches), overseas training and further academic certifications. These are deemed to be catalysts for increased staff retention, improved staff performance thus increased efficiency on Treasury services.

Other on-going reform plans include the following;

- Improve compliance of financial reporting to IPSAS- Accrual (with the assistance from PFTAC);
- Streamlining Treasury Processes
- Introducing EFTPOS to major Revenue collections MDAs
- Decentralization of some of the financial management functions to the MDAs, including the outer islands.

#### *i. Treasury Outputs and KPIs*

The Treasury Division (TD) plays an important role in providing support to effective public financial management through the efficient delivery of its many Treasury services, which stems from compliance checking of proposed payments and revenue collection, cash management up to financial reporting, thus providing similar services at the outer islands. A robust and well-run information financial system and strong updated accounting policies in place are critical for TD to perform its role, thus achieving accountability and transparency, leading to sound financial decision making.

**Table 30: Treasury Services Outputs and KPIs**

Output Statement 1: That Government and stakeholders are provided with effective and efficient Treasury financial management services.						SDG/TSDF II	
Outputs	KPIs	2018/19 (Baseline)	2019/20	2020/21	2021/22	Target #	Indicators #
1) Payment Processing	1) Percentage of expenditure vouchers (excluding payroll) processed within 3 days (meeting conditions).	70	80	85	90	8.5	8.5.1
	2) Average percentage of complaints on payments over total vouchers submitted monthly	20%	18%	15%	10%	8.1, 8.5	8.1.1, 8.5.1, 8.5.2
	3) Percentage of completed monthly vote reconciliation as submitted from active cash projects.	70	80	90	90	1.a, 2.1	1.a.2, 2.1.1

2) Payroll Management	4) Number of compliant, accurate and timely payroll vouchers paid.	110	130	140	150	8.1, 8.5	8.1.1, 8.5.1
	5) Average number of queries from MDAs on payroll payments per month	30	20	15	15	16.5, 16.6	16.5.1,
3) Cash Management	6) Submission of Weekly Cash flow Report within 2 working days from end of the week.	30	35	40	45	2.1, 16.5, 16.6	2.1.1, 16.5.1*
	87 Number of Monthly Revenue Reconciliations, with all relevant MDAs, completed within 2 weeks of close of the month	15	15	10	10	16.5, 16.6, 16.7	16.5.1*, 16.6.2*, 16.7.1
	8). Percentage of bank accounts reconciled within 4 weeks from end of the month end.	80	80	90	90	16.6, 16.7	16.6.2, 16.7.1
	9)) Bank accounts with overdraft balances at end of the month	5	4	3	2	2.1	2.1.2
	10). Develop Cash Management Policy ( Plus Investment Options) by Dec 2019					16.3, 2.1	2.1.2, 16.3.2
4) Government Mandatory Financial Reports	11). Number of financial returns submitted from the Sub-Treasuries and TDB within 2 weeks.	102	90	90	90	8.5	8.5.1
	12). Number of Quarterly Summaries of Receipts & Payments sent within a month of close of the quarter to Audit.	1	3	3	3	8.5, 16.6	8.5.1, 16.6.2*
	13) Number of months after the close of the year last Financial Statements sent to Audit.	6	5	5	4	8.5, 16.6	8.5.1, 16.6.2*

	14). Number of Treasury related External Audit queries on last audited annual financial statements.	18	18	15	10	8.5	8.5.1
5) Customer Service Management System	15) Turn-around time for addressing Treasury Queries/enquiries.	2-3 days	Within 5 days	Within 4 days	Within 3 days	8.2, 8.5	8.2.1, 8.5.1
6) Capacity Building and Training	16). Number of trainings provided to staff and stakeholders per quarter	2	2	3	4	8.6, 8.8	8.6.1, 8.8.2*

ii. *TD: Budget, Staffing and Projects*

**Table 31: Treasury Budget Staffing and Projects.**

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 2	2022/2023 Proj 2
Salary & Wages (Cat 10 & 11)				1.90	1.90	1.90
Operation				0.36	0.36	0.36
<b>Total = Recurrent (\$m)</b>	1.84	1.67	1.73	2.26	2.26	2.26
Executive Staff	1	1	1	1	1	1
Prof Staff	32	35	36	32	32	32
Other Staff	31	40	39	42	42	42
<b>Total Established</b>	64	76	76	75	75	75
Unestablished	1		2	3	3	3

## 2.4 Government General Fund

There are many customers of Program 4: MDAs, communities, people with disabilities, private businesses and others. The Finance Section of the Corporate Services Division, manages payments under the Government General Fund (GGF) that covers special and cross government items under the direct control of MOF.

The items under this Program are shown in Table 30.

Table 32: Summary of Program 08.4: Budget and Staff

Government General Fund						
Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 1	2022/2023 Proj 2
<b>Total = Recurrent (\$m)</b>	64.92	55.17	50.15	51.92	42.92	42.93
<b>4.01 Benefits</b>						
Recurrent (\$m)	7.54	6.44	7.57	7.67	7.67	7.67
<b>4.02 Consultant &amp; Technical Assistant</b>						
Recurrent (\$m)	0.10	0.00	0.10	0.00	0.00	0.00
<b>4.03 Subsidies</b>						
Recurrent (\$m)	3.08	2.58	5.24	5.59	5.59	5.59
<b>4.04 Community Development</b>						
Recurrent (\$m)		19.03				
<b>4.05 Special Project</b>						
Recurrent (\$m)	40.91	19.75	22.21	25.06	17.18	17.18
<b>4.06 Equity Payment</b>						
Recurrent (\$m)	0.40	0.40	0.40	0.40	0.40	0.40
<b>4.07 Subscription</b>						
Recurrent (\$m)	1.25	1.25	3.05	3.04	3.04	3.04
<b>4.08 Exemption &amp; other payments</b>						
Recurrent (\$m)	5.14	4.71	6.56	5.15	4.04	4.04
<b>4.09 Contingency Fund</b>						
Recurrent (\$m)	1.50	1.50	5.00	5.00	5.00	5.00

Output for all subprogram 08.04.01 to 10 requires timely and accurate payment of all items, consistent with relevant guidelines. The following are the key items under each category:

**4.01:** Insurance, Transfer Value, Pensions & Gratuities

**4.02** Consultant & Technical Assistant

**4.03:** Subsidies

**4.05:** Salary revision, national events, rental, bank fees, electoral boundaries commission, remuneration authority operational funds, grants for sport, grants to the vulnerable, social welfare scheme, ID Card, new building and other special projects.

**4.06:** Equity Payments

4.07: Contributions to Organizations

4.08: Maintenance of computer services, licenses, cost of development project cost

4.09: Contingency Fund

## 2.5 Program 08.5: Debt Management

The major creditors for Government are our foreign and domestic lending creditors (including purchasers of government bonds), in addition to those who have taken loans from government. Program 5 is managed by the Debt Unit of the Financial Framework Division.

*Table 33: Summary of Program 08.5.01: Budget*

5.01 Debt Management						
Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 budget	2021/2022 Proj 1	2022/23 Proj 2
Recurrent (\$m)	29.18	42.08	38.91	46.54	42.08	41.21
Output for all subprogram 08.05.01 timely and accurate payment of all loan repayment under sub programs, consistent with relevant guidelines for the payments						

### 3 Ministry of Finance Timeline for Generic Outputs and KPIs 2020/2021

*Table 34: The table below summaries the generic outputs for all the Divisional Outputs with due dates. These are the contributions that are made from respective divisions that are coordinated by other divisions.*

	<b>Generic Outputs/ Reports/ Activities</b>	<b>Coordinating Division</b>	<b>Reporting To Agency/ Ministry/Division</b>	<b>Due Dates</b>	<b>Divisions to Contribute</b>	<b>Due Dates for Divisional Contributions</b>
1.	Budget Strategy	EFPD/BCPD	Cabinet & Legislative Assembly	Dec Week 2	Budget, PAMD, FFD, Treasury	Nov Week 2
2.	Budget Statement Guidelines	EFPD/Budget	ALL MDAs	Dec Week 2	EFPD/Budget	Nov Week 2
3.	Budget Statement	EFPD/Budget	Cabinet  Legislative Assembly	Dec Wk 2  Apr Week 2	Budget, PAMD, FFD, Treasury	Feb Week 1
4.	Budget Estimates	BCPD	Cabinet  Legislative Assembly	Mar Week 4  Apr Week 2	PAMD, FFD, Treasury, Procurement, CSD-Finance	Feb Week 3
5.	Ministry Budget Estimates	CSD – Finance	MOF Budget Division	Jan Week 4	ALL Divisions	Jan Week 3
6.	Ministry Budget Briefing Notes	CSD - Finance	MOF Budget Division and CEO	Apr Week 4	BCPD	Apr Week 3
7.	Corporate Plan Draft 1 to PMO	CSD - PFS	PMO	Jan Week 3	ALL Divisions	Dec Week 2
8.	Corporate Plan Draft 2 to LA (With Tongan Version)	CSD - PFS	PMO and LA	Apr Week 2	ALL Divisions	Mar Week 2

9.	Corporate Plan Final	CSD - PFS	PMO	Aug Week 4	ALL Divisions	July Week 1
10.	1. Annual Procurement Plan (APP) Draft 1	CSD – Finance	MOF – Budget and CPU	Feb Week 4	ALL Divisions	Feb Week 2
	2. APP Final	CSD - Finance	CPU	July 31	ALL Divisions	July Week 2
11.	Annual Management Plan (AMP)	CSD - PFS	CEO and Minister	Aug Week 4	ALL Divisions	Aug Week 1
12.	Annual Report (With Tongan Version)	CSD - PFS	LA	Sept 30	ALL Divisions	Aug Week 1
13	Training Plan (Annual)	CSD- HR	PSC	Aug Week 2	ALL Divisions	July Week 4
14	Overseas Travel Report (Quarterly)	CSD - HR	PSC	Jan Wk 1, Apr Wk 1, Jul Wk 1 and Oct Wk 1	ALL Divisions	Travel Form once approved, send to CSD HR
15	Division Quarterly Reports (Performance against KPIs)	CSD -PFS	CEO	Jan Wk 2, Apr Wk 2, Jul Wk 2, Oct Wk 2	ALL Divisions	Jan Wk 1, Apr Wk 1, Jul Wk 1, Oct Wk 1
16	PMS – Mid Year Assessment	CSD - HR	PSC	Jan Week 4	ALL Divisions	Jan Week 2
	<b>Generic Outputs/ Reports/ Activities</b>	<b>Coordinating Division</b>	<b>Reporting To Agency/ Ministry/Division</b>	<b>Due Dates</b>	<b>Divisions to Contribute</b>	<b>Due Dates for Divisional Contributions</b>
17	PMS – Annual Assessment	CSD - HR	PSC	Aug Week 3	ALL Divisions	Aug Week 1
18	PMS Quarterly Report	CSD - HR	PSC	Jan Wk 1, Apr Wk 1, Jul Wk 1, Oct Wk 1	CSD - HR	End of each Quarter
19	Staff List Update – Bi Annual (6 monthly)	CSD - HR	PSC	Jan Week 2 Jul Week 1	CSD-HR	Dec, June
20	PEFA Assessment	FFD	CEO and Minister	By end of June 2021	ALL Divisions	

21	Process Mapping of SOPs	CSD	CEO and Minister	End of Quarter update to CSD	ALL Divisions	Quarterly Update / Complete by 30 June
22	Job Re-Evaluation of JDs	CSD	PSC	Nov Week 4	ALL Divisions	Oct Week 1

## 4 Conclusion

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The Ministry's Corporate Plan has a 3-year timeframe from 2020/2021 to 2022/2023 and it is subject to be reviewed from time to time depending on the situation going forward especially in relation to the COVID-19 pandemic. The Ministry's Annual Management Plan for 2020/2021 will be developed to align to this Corporate Plan.

The Ministry is fully committed to implement both its Corporate Plan and Annual Management Plan for the above period with the available resources at hand.