



Ministry of Finance

Summary Corporate Plan and Budget

2019/20 - 21/22



“Our Country Our People”

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List of Abbreviations

ADB	Asian Development Bank
AMP	Annual Management Plan
BCPD	Budget and Corporate Planning Division
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 Tonga Strategic Development Framework

Foreword from the Minister



The Ministry of Finance continues to pursue its Vision to be a high performing Ministry, leading in the provision of economic and financial advice to Government and working to provide a better Tonga tomorrow.

Last year had been a challenging year for the Ministry in pursuing the Theme: “Recovery with greater resilience”. The Ministry led the reconstruction and recovery after the damage brought by the Tropical Cyclone (TC) Gita, at Category 4. This responsibility still continues to the new financial year as some of the recovery projects are yet to be completed

The Ministry’s Corporate Plan (CP), 2019/20 -2021/22 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 9 Priority Areas to focus its work towards for the next three years. They are: Public Sector System Reform; Development of the Informal Sector; Combat and address the impacts of illicit drugs; Improve Beautification programme; Support Energy Sector; Digital Government Framework; Health (NCDs, CDs and Universal Health Coverage; Quality Education; and Land Administration System. The Ministry is involved in all the Working Groups to ensure there is efficient implementation of the necessary strategies effecting the 9 Priority Areas.

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.

 29/04/19.
Hon. Dr Pohiva Tui'onetoa FCA (ANZ)

Fellow Chartered Accountant of Australia and New Zealand
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 2019/20 to 2021/22.

The Ministry's amended mandate was gazetted during the current financial year, to be confined only to Ministry of Finance, and the National Planning function was transferred to the Prime Minister's Office in November 2018. Further, the Ministry of Finance still plays a vital responsibility in facilitating and promoting the integrated One Process toolkit working closely with the Planning Division from the Prime Minister's Office. MDAs are encouraged to align with the mechanisms of the One Process towards becoming effective and efficient organisations, 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 11 main Divisions. The Divisions include: Office of the CEO (OCEO), 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). There is also the Internal Audit Division, independent of the operations and management of the Ministry which reports directly to the Hon. Minister.

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 summarised in seventeen (17) Output Statements. These Output Statements are linked to the TSDF organisational outcomes and National Outcomes, as shown in the Ministry 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".

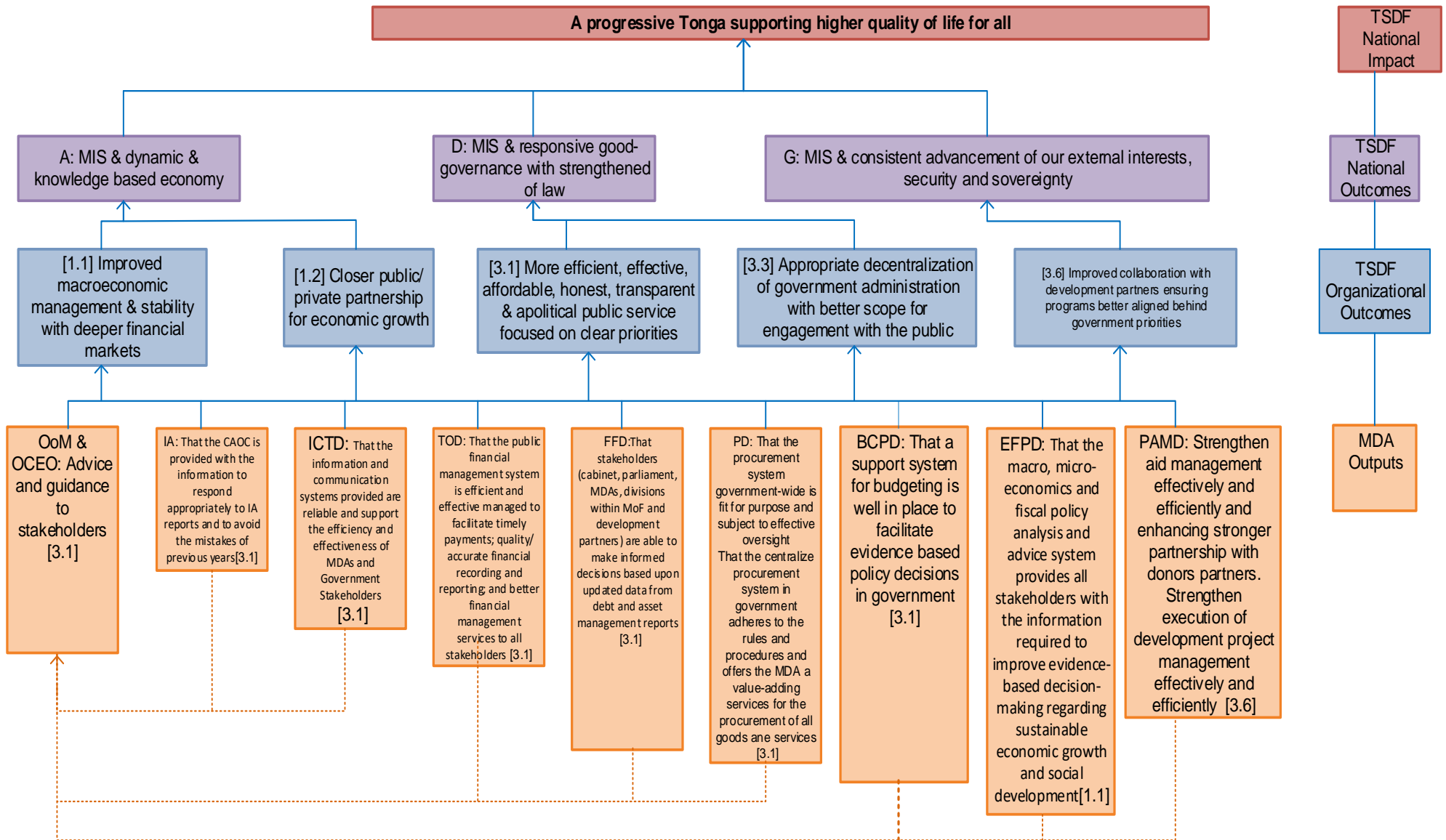
I look forward to working closely with Heads of Divisions and Staff for a successful execution of this Corporate Plan.

Respectfully


Balwyn Fa'otusia
Chief Executive Officer
Ministry of Finance



Ministry of Finance Result Map



1. Executive Summary

Results Map

The Results Map for the Ministry indicates the various levels in the results chain for the Ministry and its relationship to the TSDf. These support the TSDf Organizational Outcomes directly supported by the Ministry, feeding up to the relevant National Outcomes and ultimately the TSDf Impact.

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

Mandate

MOF is a central agency with key obligations as mandated by the constitution, laws and international agreements. As a result it 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. In addition to the requirements of the TSDf, 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.

1.1.1. Key Legislation, policy decision and plans

- 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
- Internal Audit Charter
- International Agreements
- Tonga Strategic Development Framework II
- Government Priority Agenda
- Public Financial Management Reform Roadmap
- Disaster Recovery Framework

1.1.2. Tonga Strategic Development Framework (TSDF)

The MOF, as a central ministry of government, contributes to all of the National and Organisational Outcomes of the TSDF II 2015- 2025. The Ministry guided the development of the TSDF II to cover 10 years setting out the development priorities for the country while the GPA sets out the immediate priorities of the government administration of the day which will drive the government's resource allocation every 4 years. This Priority Agenda spot lights certain parts of TSDF and other plans, of particular importance during the current administration.

The Ministry also supports the implementation of the TSDF through more detailed plans; formulation of the budget consistent with these plans covering recurrent and development funds, taking into account the national debt and fiscal conditions; management of development partners' programmes; executing the budget, providing financial management and procurement services, and reporting to the rest of government.

1.1.2.1. TSDF National outcomes directly supported by MOF

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

- A. More inclusive, sustainable and dynamic & knowledge based economy;
- D. More inclusive, sustainable and responsive good governance with strengthened rule of law; and
- G. More inclusive, sustainable and consistent advancement of our external interests, security and sovereignty.

1.1.2.2. TSDF organisational outcomes directly supported by MOF

As a central part of government, including the management of the Government General Fund (GGF), the Ministry contributes to all of the TSDF 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.

1.1.3. The Government Priority Agenda (GPA):

Cabinet has approved the GPA and Strategic Focus (SF) for 2019/20-2021/22 to guide the corporate planning and medium term budgetary framework process as follows:-

- 1) Public Sector System Reform;
- 2) Development of the Informal Sector;
- 3) Combat and address the impacts of illicit Drugs;
- 4) Improve Beautification program (roads and infrastructure development);
- 5) Support Energy Sector;
- 6) Digital Government Framework (E-government)
- 7) Health Non Communicable Diseases (NCD), Communicable Diseases (CDs), and Universal Health Coverage (UHC);
- 8) Quality Education;
- 9) Land Administration Management System.

The identification of the above GPA was an outcome of discussions by Cabinet Ministers, with the details outlined in the Government Priority Setting 2019/20-2021/22 Document.

The GPA continues to support the Government's plans and initiatives in achieving its development aspirations to raise the living standards of all people. This in line with the Government national vision prescribed by the Tonga Strategic Development Framework (TSDF) II.

1.2.4 Budget Strategy 2019/20-21/22:

The Budget Priorities and Strategies for 2019/20 are driven by the priority areas reflected in the GPA 2019/20-21/22. The theme of the budget, “*Our Country Our People*”, reflects the need for all stakeholders including communities to work together to improve the livelihoods of all the people of Tonga through a higher quality of life for all.

Working Groups were also approved by Cabinet to drive the coordination and implementation of respective programs under the 9 Strategic Focus areas. MOF leads the Working Group on Digital Government Framework (E-government). MOF will do its best within its means to support the endeavours of MDAs to advance the 9 Strategic Focus areas.

The Budget Strategy 2019/20-2021/22 also provides guiding principles to guide the CP and Budget process for the period which include the followings:-

- a. Establish fiscal rules for considering a more sustainable and resilient budget, including the management of fiscal pressures as a result of natural disasters such as TC Gita and other emerging social issues such as drugs;
- b. Ensure that the wage bill is contained so that fiscal sustainability is not compromised, including any threat posed by increases in the wage bill to other sectors of the economy;
- c. Improve the cycle of the budget process to improve budget efficiency and effectiveness;
- d. To improve revenue administration, enforcement and compliance to enhance revenue collection;

1.2.5 Stakeholders

As a central Ministry, MOF has many stakeholders, each playing multiple roles. These are summarized in a detailed analysis of the complex and interrelated stakeholders and their roles, is core to the development of the MOF Corporate Plan.

The 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-stakeholder, the purchase of goods and services from supplier-stakeholders, joint working with partner-stakeholders, and adherence to rules established by oversight-stakeholders are all important considerations in the formulation of the Ministry’s CP.

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 Organisations and Churches	X	X	X	
General Public	X	X	X	
Development Partners	X	X	X	

Ministry Outputs Grouped into Programs and Sub-Programs

Ministry of Finance is operated under five (5) Programs summarise below:

Program 1. Leadership and Policy Advice: relates to the effective leadership and policy advice of the MOF 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 and Fiscal Policy, Budget Corporate Planning and Project and Aid: relates to the wider policy formulation role of MOF. This includes policy analysis, setting strategic direction, promoting sound macroeconomic management with improved resources 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 three divisions including Corporate Plan and Budget Division, Economic and Fiscal Policy Division and Project and Aid Management Division.

Program 3. Financial Framework, Procurement and Treasury Operations: relates to the support that MOF provides to the execution of the budget. It covers core treasury and procurement functions, establishing of appropriate financial policy and frameworks and debt service and asset management. These are managed through three divisions including Treasury Division, Financial Framework Division and Procurement Division.

Program 4. Government General Fund Program (GGF): relates to a range of special payments managed by MOF and are recorded as services on behalf of Government. Some of the GGF relates to outputs delivered by other MDAs.

GGF is not part of the costs of running the Ministry. They include benefits, TAs, subsidies, community development activities, special projects (covering a wide range of items), equity payments, international subscriptions, exemptions and contingency funds. All payments are made by the Corporate Services Division, in consultation with relevant MDAs.

Program 5. Debt Management: relates to payment of interest and principle on domestic and foreign debt. Payments are managed by the Debt Unit within FFD.

The Ministry is delegated the following Outputs and KPIs amongst its major Programs and Divisions to ensure effective delivery of the above requirements.

Table 2: Ministry of Finance Outputs

Programs	Output Statements	Outputs/ Activities	Responsible Division
Program 1: Leadership & Policy Advice	1. That the Leadership and Policy Advice are in compliance with the PFM Act and other relevant Acts and Regulations	Provide Leadership and Policy Advice for the Ministry and other relevant stakeholders, including Cabinet and Parliament.	Office of the Minister
	1. That the management of the Ministry is in accordance to the PFM Act and other relevant Acts and Regulations.	Providing strategic policy advice, financial/development directions, guidance and assistance to a wide range of stakeholders	Office of the CEO
	1. Providing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the Government.	1. Plan Audit 2. Special Audits (Ad-hoc) 3. Follow up Reports 4. Risk Matrix 5. Staff levels and Development 6. Quality Assurance 7. Audit Committee meetings	Internal Audit Division
	1. That the MOF and stakeholders are provided with the human resources, financial, logistical support and property management	1. Recruitment 2. Performance Management System 3. HR Capacity Development Programs 4. Corporate Plan, Annual Management Plan, Annual Report 5. Process Mapping of SOPs 6. Ministry's Budget and Financial Report 7. Procurement 8 Fixed Asset and Inventory 9. Customer Service 10. Filing/ Record Management 11 Transport and Office Maintenance Services	Corporate Service Division
	2. That the Government General Fund is effectively managed	12. GGF Budget 13. GGF Payments 14. GGF Monthly Report	
	3. That the St. George Government Building is well maintained and managed with the appropriate security systems	15. SGGB Maintenance 16. SGGB Security	
	1. That the information and communication systems provided are reliable and support the efficiency and effectiveness of MDAs and Government Stakeholders.	1. Downtime and Uptime of ICT services in power outage 2. Upgrade FMIS and D/emp 3. Maintain phone system E-gov 4. Supporting 5. Development of Procurement Database and publish the Procurement KPI on the Website	Information and Communication Technology Division
	2. That information available from MoF facilitates the appropriate use of financial information in decision-making by MDAs and Government Stakeholders.	6. Development of payroll for disabilities 7. Include outer Islands connection to Sun system 8. Retirement access to Micropay 9. Register Daily Labour Database	

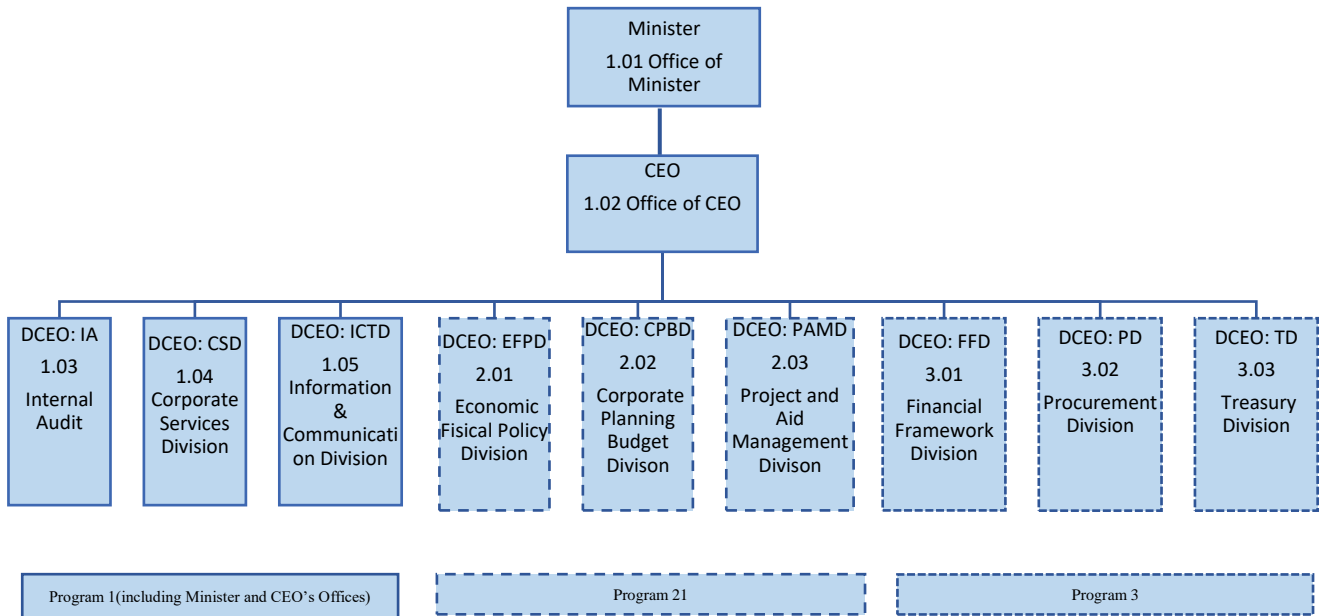
		10. Upgrade website capacity to meet CSU request, include others	
Program 2: Economic/Fiscal Policy, Budget/Corporate Plan and Project and Aid Divisions	1. That the macro, micro-economics and fiscal policy analysis and advise system provides all stakeholders with the information requires to improve evidence-based decision-making regarding sustainable economic growth and social development	1. Macroeconomic and Fiscal Policy Framework 2. Budget Strategy 3. Budget Statement 4. Periodic Economic Update Reports 5. Generic	Economic and Fiscal Policy Division
	1. That a support system for budgeting is well in place to facilitate evidence-based policy in government	1. Budget Estimates 2. Budget briefing notes 3. End of year review report 4. Mid-Year review report 5. Monthly budget performance report 6. Preparation of Cabinet Submissions 7. Budget monitoring evaluation (M&E) and Report 8. Budget Strategy and Budget Statement.	Budget and Corporate Planning Division
	1. Promote Aid effectiveness policies to guide the formulations of budget and corporate plans for achieving government priorities	1. Aid Management Policy reviewed 2. Cabinet submissions on CDCC meeting outcomes 3. CDCC submission on Sector based Project Steering Committee meeting outcomes 4. Produce the development budget estimates (Tongan and English) 5. Produce Development sections for Budget Strategy and Budget Statement 6. PAMD development budget M&E review report • EU NAO Office progress reports • CSU progress reports • GCF Accreditation progress reports	Project and Aid Management Division
	2. Effective and efficient information management system to formulate, appraise, approve and monitor projects	7. Standard Operation Procedures updated • Process Mapped Documents • Aid and Project Management Information Files 9. Generic Contribution 9.1 PMS assessment 9.2 Annual Report 9.3 Corporate Plan 9.4 Fixed Asset Management 9.5 Job descriptions updated to align to AMP 9.6 Staff Training Needs	
Program 3: FFD, Procurement and Treasury Operations.	1. That the updated Debt and Asset Management Reports are being used by the stakeholders (cabinet, parliament, MDAs, divisions within the MOF and development partners to make informed decisions	1. Debt Management Report. 2. Asset Management Report	Financial Framework Division.
	That the Public Financial Framework Reform is strengthened for better service delivery through updated policy guidance and instructions	3. PFM Reform 4. Treasury Instructions Review 5. Financial Management System Administration 6. Grant Framework 7. PEFA	

	1. Efficient and Effective Government Procurement Rules and procedures.	1. Policy Review 2. Capacity Development and Awareness 3. Internal Review 4. GPC Matters 5. Complaint Management	Procurement Division
	2. Efficient and effective Government procurement services.	6. Procurement Planning 7. Market Research 8. Procurement monitoring 9. Procurement methods 10. Procurement Timeline 11. File Management 12. Customer Management	
	1. That Government and stakeholders are provided with effective and efficient Treasury financial management services	1. Payment processing 2. Payroll management 3. Cash management 4. Government mandatory Financial Reports 5. Customer service management system 6. Capacity building and training	Treasury Operation Division
Program 4: Government General Fund	1. That the MOF and stakeholders are provided with the human resources, financial, logistical support and property management	1. Recruitment 2. Performance Management System 3. HR Capacity Development Programs 4. Corporate Plan, Annual Management Plan, Annual Report 5. Process Mapping of SOPs 6. Ministry's Budget and Financial Report 7. Procurement 8. Fixed Asset and Inventory 9. Customer Service 10. Filing/ Record Management 11. Transport and Office Maintenance Services	Corporate Service Division
	2. That the Government General Fund is effectively managed	12. GGF Budget 13. GGF Payments 14. GGF Monthly Report	
	3. 3. That the St. George Government Building is well maintained and managed with the appropriate security systems	15. SGGB Maintenance 16. SGGB Security	
Program 5: Debt Management	1. 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.	1. Debt Management Report	Financial Framework Division

1.4 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. The DCEO Internal Audit also reports directly to the Minister on their outputs.

Figure 1: Organizational and Functional Structure: Ministry of Finance



1.5 Planned Major Reforms and Initiatives

In addition to the nine priority areas approved by Cabinet, the Ministry has an ongoing reform program set out in the PFM Reform Roadmap 2015-2020.

1.5.1 Support towards the Government Strategic Focus

The Ministry will give priority towards facilitating and implementing the 9 GPS and Strategic focus of Government within the Ministry's mandate and available resources. The Ministry is a member of all the 9 Working Groups tasked with prioritizing activities of the relevant MDAs to ensure the GPS are effectively implemented. MOF is the leading Ministry for the working group on GPA- SF 6 Digital Government Framework (E-Government) as well as the Implementing Agency (IA) for the E-government project co-funded by the World Bank and ADB.

1.5.2 Disaster Recovery Framework (DRF)

The Disaster Recovery Framework (DRF) was endorsed by Cabinet in June 2018 to guide the recovery works following the destruction caused by TC Gita in February 2018. The DRF is divided into three phases: 1 = Immediate Relief, 2= Short Term Recovery (July 2017- June 2019), 3 = Medium Term Recovery (2019/20-2021/22). Phase 1 has been completed and Phase 2 is expected to be completed by end of June 2019. The Ministry will continue to oversee the implementation of Phase 3 of the DRF and any remaining activities. This will include the reconstruction of classrooms and Government buildings as well as the Upgrading of the Nuku'alofa Energy network.

1.5.3 Improved Management, M&E and Communications

All Divisions: Weaknesses in internal management had been identified as a key cross cutting constraint. The CEO is focusing on addressing this. This started with ensuring that the CP correctly aligns with the results based framework of One Process. One Process is being extended to include clear format and procedures for AMP with enhanced M&E. The management outputs required from all Divisions, based on the requirements of the various OPSC and MOF Instructions has been 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 is including 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.

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.

1.5.4 Integrated Financial Management Information System (IFMIS)

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 funded by ADB and DFAT. This includes new modules on Project Budgeting and Forecasting to better facilitate the Corporate Planning and Budgeting process. The ICTD will give priority to ensure smooth and ongoing implementation of the system upgrade and its link to the revised Chart of Account.

Following CD No. 1112 dated 23rd 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.

Financial Framework Division (FFD):

The current Chart of Accounts (CoA) in the Government's accounting system (SUN System) needs to be updated. 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. This is a critical first step before setting up the IFMIS using a modern relevant CoA. The Division will also ensure that SUN System and Commonwealth Secretariat Debt Recording Management System (CSDRMS) are consistent with each other. Development partner support will continue to assist with these works. The Division will also improve its outreach capacity, including a stronger help desk, to support MDAs especially with the introduction of the revised CoA in executing the budget.

Project and Aid Management Division (PAMD):

A reformed structure of the management of Aid Projects has been approved by Cabinet to better facilitate and strengthen the oversight and implementation of development projects. This reformed structure involves elevating the Cabinet Development Coordination Committee (CDCC) and the Project Steering Committees (PSCs) to Ministerial level. The sector based PSCs are chaired by the Minister for Finance in his role as the Minister for the Executing Agency. The Division will be responsible for rolling out of this reformed structure going forward.

The Aid Division will 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 will consider to ensure appropriate timing of disbursements of the budget support and determination of a phased and sequenced approach within the next cycle. Decisions on the new cycle particularly the policy triggers which will be elevated to Ministerial level. The Ministerial Reform Task Force will be kept abreast of the progress of the new cycle of the JPRM.

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. This 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.

1.5.5 Improved Compliance and Enforcement

Internal Audit Division (IAD):

Internal Auditors will continue to enhance compliance with the International Standard for Professional Practice of Internal Auditors (ISPPA) issued by the Institute of Internal Auditors, Internal Audit Charter which is reviewed yearly, in addition to the existing Audit Manual and the Audit Practice Guide. Internal Auditors will also continue to conduct weekly training on International standards, Audit Manual, Audit Guide and other relevant rules and regulations to ensure compliance and further enforcement within the Ministry of Finance.

Treasury Division (TD):

Due to the ongoing delays in the updating and revision of a number of key Instructions and policies, such as the Treasury Instructions (TI), Diplomatic Polices, PFMA 2002, TD is facing a lot of issues at operational level, especially in the assessment of compliances of payments.

Another major challenge is the payments of *non-compliance expenditure* vouchers, such as those not aligning to existing policies, but predominantly the Procurement Regulations. In the meantime, there is no clear policy or instructions to mandate way forward with these non-compliances. TD and other related divisions are trying to manage these non-compliances through awareness programs and training. FFD is currently taking the lead in reviewing our outdated TI. Going forward a TA maybe required to assist in this area.

In terms of financial reporting, it is stated in the PFMA that the preparation of the financial statements shall follow generally accepted accounting practice, however there is no formal policy as to how the Act shall be implemented. Government has also set a general policy to adopt the International Public Sector Accounting Standards (IPSAS), yet a more realistic plan to ensure full adoption is still not yet confirmed, thus affecting the preparation of the of the Government Financial Statements every year. PFTAC did assist in the past, but due to our capacity in this area there is a great need for a TA to assist further. Designing a Financial Reporting Framework will greatly assist us in this area.

Financial Framework Division (FFD):

The Public Financial Management Act (PFMA) needs a full revision. A number of cabinet decisions to update the current PFMA has been received. From reviewing the number of reform activities that have taken place and are being proposed, the legislation has not been recently updated. It is critical that planned reforms are supported by an updated legislation to incorporate modern elements of public financial management in areas such as budget, accounting and reporting, internal audit, external oversight and transparency.

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), and to make better use of the improved IFMIS. 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 Goisystem and 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.

Further, a PEFA Assessment is overdue. The last PEFA was conducted in 2010. The methodology has since changed. A Pre-PEFA or PEFA self- assessment is scheduled with assistance from PFTAC to create awareness of the 2016 PEFA methodology with Finance staff. This should help the Ministry to identify the required evidence for PEFA scoring. This could then be used to prepare documentation for a full PEFA with a report in 2021.

The Division will work with a TA to review the current status of Government's Asset Register and to develop an Asset Management Framework and associated procedures for use by all MDAs, including roll out and training of MDA staff.

Procurement Division (PD):

Work will commence to review the Public Procurement Regulations as approved by Cabinet in February, 2019. This review will address concern with the threshold and the bidding timelines as well as to review other relevant regulations necessary to mitigate fiduciary risks. Procedures and regulations are in place but not fully embedded. The Division will continue to make compliance improvements, and to build and raise awareness through more targeted training. The implementation of a new procurement tracking database continues and identification of a number of compliance and performance indicators and associated targets will be publically disseminated.

1.5.6 Improved Corporate Planning, Budgeting, Economic Analysis & Forecasts

Budget and Corporate Planning Division (BCPD):

Based on the identified process gap, the Division had been bringing its instructions to MDAs back into better alignment with the integrated One Process for planning and budgeting. Budget Division staff were provided intensive training in the use of One Process. However, Cabinet have made a decision in November 2018 to move Corporate Planning to Prime Minister's Office and responsible for integrating the Government's overall planning process and ensuring of production of high quality Corporate Plans by MDAs. The management of the One Process System has also changed, as the Components 1-6 of the 8 Components are transferred and managed from the PMO. Budget Division use this opportunity and the resources released by the transfer of Components 1-6 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.

Economic and Fiscal Policy Division (EFPD):

The Division will continue to strengthen its economic analysis and forecasts 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.

Central Service Unit (CSU): Under the overall responsibility of the MOF, the CSU will provide services related to: (i) project preparation and implementation, and (ii) capacity building. For project preparation and implementation, the role of the CSU would be to provide both implementation and advisory services in the common fiduciary functions such as Procurement, Financial Management (FM), Safeguards, Monitoring and Evaluation (M&E) and contract management. The CSU would provide such services to all World Bank financed projects, particularly IDA financed projects prepared under IDA 18, and possibly forthcoming projects under IDA 19. For the capacity building function, the CSU would play a significant role in capacity building of national staff and consultants in the different ministries/ agencies involved in World Bank projects in Tonga.

Implementation of PFM Road Map:

Priority is to be given to the Implementation of the PFM Road Map following the stock take that was carried out during the PFM Symposium held in September, 2018. This is in view of the duration of the roadmap which is up to the year 2020. Determination needs to be made regarding a new timeframe for the new PFM Road Map which needs to be based on a review of the current one. The Ministry will develop a Term of Reference (TOR) and seek relevant technical assistance to undertake this review.

1.6 Major Changes in Recurrent Budget Allocations

Major changes are attributed to:

MOF OPERATIONS BUDGET

- Increase in the MOF Operation Budget are the Staffs' Performance Management System (PMS)

MOF Government General Fund Budget

- Increase the Insurance by TOP 1.1m (500k Civil Servant Medical Referral, increase payment for PACRAFI, payment for AIIB)
- Increase 500k for Installation and maintenance of Streetlight
- New Subsidy 360k for Haapai Outer Island Shipping
- Increase in Subsidy for Lifeline by 400k
- 1m from MIA for Development Sport transfer to GGF (Grant for Sport)
- 150k allocated for World Bank Office Space Rental at the National Reserve Bank
- 2m pool fund from MDAs vacancies to GGF
- 4m for Tonga Side School New Classroom
- The 1.9m Other Special Project (500k Commission for Passports, 500k Commission for 2016 Riot, 687k Anti-Corruption, 300k Hawiiki Submarine Cable Ltd, 150k Chief Justice Salary)
- Decrease budget for the Sports construction of Teufaiva almost complete there is TOP 660k for Teufaiva Media Centre/ Fences Utilities and the Salary for Sport Adivser
- Removal of TC Gita Recovery
- Centralize all telephone and Internet from MDAs \$2.5m to GGF for E Government
- Increase in Capacity Employee for Micro pay System \$300k
- Increase in Subscription to Organization \$1m for IBRD - 2018 General and Selective Capital Increase Agreements
- Decrease in Debt Management due to deferring payment of principal of China Loan

1.7 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 proj. 1	2021/2022 Proj 2
Established Staff (10xx)	4.91	5.67	5.70	5.70	5.70
Unestablished Staff (11xx)	0.19	0.18	0.25	0.25	0.25
Travel and Communication (12xx)	0.54	0.57	0.37	0.37	0.37
Maintenance and Operations (13xx)	0.17	0.20	0.25	0.25	0.25
Purchase of Goods and Services (14xx)	1.08	0.77	1.04	1.04	1.04
**Assets (20xx)	0.26	0.30	0.30	0.30	0.30
Total Operation Recurrent	7.25	7.80	7.92	7.92	7.92
Government General Fund Recurrent					
Established Staff (10xx)	5.00	2.43	4.75	4.75	4.75
Unestablished Staff (11xx)	0	0	0.04	0.04	0.04
Travel and Communication (12xx)	0	0	0.08	0.08	0.08
Maintenance and Operations (13xx)	0.20	0.10	0.10	0.10	0.10
Purchase of Goods and Services (14xx)	4.25	2.68	7.71	7.71	7.71
Grants and Transfers (15xx)	38.05	39.02	19.28	19.28	19.28
Development Duties Expenditure (16xx)	3.52	3.04	2.75	2.75	2.75
Debt Management (17xx)	29.18	42.08	38.91	39.17	35.22
Contingency Fund (18xx)	1.50	1.00	5.00	5.00	5.00
Pension and Gratuity (19xx)	5.50	5.50	5.50	5.50	5.50
Assets (20xx)	1.50	1.00	4.52	4.52	4.52
Equity Payment (21xx)	0.40	0.40	0.40	0.40	0.40
Private Sector Development (22xx)	5.00	0	0	0	0
Total Government General Fund	94.09	97.24	89.06	99.53	102.43
Total Expenditure Recurrent	101.35	105.05	6.98	107.49	110.41

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 proj. 1	2021/2022 Proj 2
Established Staff					
Executive Officer (Level 0 to2)	11	11	11	11	11
Professional Staff (Level 3 to 9)	114	114	119	119	119
Other Staff (Level 9A to 14A)	70	70	64	64	64
Total Established Staff	192	194	194	194	194
Unestablished Staff	12	12	17	17	17
Total Staff	204	206	212	212	212
Total Recurrent Cost (\$m)	4.73	5.16	5.96	5.96	5.96

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, central service technical support and internal audit outputs of the Ministry. The overtime allocation for all divisions are centralized under the Minister's office. 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 proj. 1	2021/2022 Proj 2
Total =Recurrent (\$m)	1.39	2.08	2.24	2.24	2.24
Executive Staff	5	5	5	5	5
Prof Staff	24	28	31	31	31
Other Staff	19	22	19	19	19
Total Established	48	55	55	55	55
Unestablished	2	11	12	12	12

2.1.1 08.1.01 Office of the Minister (OoM)

2.1.1.1 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.

The 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	
Outputs	KPIs	2018/19 (Baseline)	2019/20	2020/21	2021/22	Targets #	Indicators #
Budget Statement & Estimates	Number of days before due date of Minister's Budget Statement and Estimates submitted to Parliament.	1	2	3	4	8.5	8.5.1
Public Account	Number of days before due date of Public Accounts submitted to Audit	2	3	4	5	8.5	8.5.1

2.1.1.2 Office of the Minister: Budget, Staff and Projects

Table 7:

Description	2017/18 budget	2018/19 budget		2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2
Total =Recurrent (\$m)	0.15	0.77		0.77	0.77	0.77
Development (\$m)	-	-		-	-	
Established Staff	4	4		5	5	5
Executive Staff	1	1		1	1	1
Professional Staff	1	2		3	3	3
Other Staff	2	2		1	1	1
Unestablished Staff	1					

2.1.2 08.1.02 Office of the CEO (OCEO)

2.1.2.1 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.

The 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

Output Statement 1: <i>'That the management of the Ministry is in accordance to the PFM Act and other relevant Acts and Regulations.'</i>						SDG/TSDf	
Outputs	KPIs	2018/19 (Baseline)	2019/20	2020/21	2021/22	Targets #	Indicators #
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*

2.1.2.2 Office of the CEO Budget, Staff and Projects

Table 9: Office of the CEO Budget

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2
Total =Recurrent (\$m)	0.14	0.13	0.13	0.13	0.13
Executive Staff	1	1	1	1	1
Prof Staff	1	1	1	1	1
Other Staff	1	1	1	1	1
Total Established	3	3	3	3	3

2.1.3 08.1.03 Internal Audit Division (IAD)

2.1.3.1 Internal Audit Outputs and KPIs

The Division provides Internal audits of MOF operations, with recommendations for improved processes, compliance, management, and risk reduction, which help improve performance of MOF. Reports are submitted to the Hon. Minister of Finance and the 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	
Outputs	KPIs	Baseline 2018/2019	2019/2020	2020/2021	2021/2022	Target #	Indicator #
Output 1: Plan Audit	KPI 1.1 Annual Percentage of Plan audits completed versus actual audits.	50%	60%	70%	80%	16.6, 10.4	16.6.2*, 10.4.1
	KPI 1.2 Number of Risk Based Audits completed annually.	1	2	2	2		
	KPI 1.3 International Professional Practices Framework (IPPF) – the internal audit standards are adopted for all Audits.	0	1	1	1		
Output 2: Special Audits (Ad-hoc)	KPI 2.1 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	KPI3.1 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
	KPI3.2 Percentage of recommendations assessed by the IAD for implementation progress annually.	70%	80%	80%	80%		
Output 4: Risk Matrix	KPI 4.1 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 Development	KPI 5.1 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
	KPI 5.2 Percentage of staff with IAD related postgraduate qualification.	33.3%	30%	38%	38%		
	KPI 5.3 Number of established staff.	6	7	8	8		
Output 6: Quality Assurance	KPI 6.1 Percentage of positive response to IAD's performance in customer satisfaction survey annually.	80%	80%	80%	80%	16.6	16.6.2*
	KPI 6.2 Percentage of clients surveyed for audit satisfaction annually.	100%	100%	100%	100%		
Output 7: Annual documentation	KPI 7.1 Annual review of audit manual, audit charter and audit guide performed.	1	1	1	1	16.3	16.3.2
	KPI 7.2 Annual plan, annual AMP and annual report, Strategic Plan, PMS provide within required time frame	90%	90%	90%	90%		
Output 8: Audit Committee meetings	KPI 8.1 Number of Audit Committee meetings annually.	0	1	2	2	8.5, 10.6	8.5.1, 10.6.1
	KPI 8.2 Audit Committee reviews IAD's Annual Report, Strategic Plan and Annual Plan Annually.	0	1	1	1		
	KPI 8.3 Progress of Government in addressing issues in the Audit recommendations register is reviewed by Audit Committee annually	0	1	1	1		

2.1.3.2 Internal Audit Division: Budget, Staff and Projects

Table 11: Internal Audit Budget

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2
Total = Recurrent (\$m)	0.23	0.21	0.23	0.23	0.23
Established Staff	6	7	7	7	7
Executive Staff	1	1	1	1	1
Professional Staff	5	5	5	5	5
Other Staff		1	1	1	1
Unestablished Staff					

2.1.4 08.1.04 Corporate Services Division (CSD)

2.1.4.1 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). CSD is comprised of the following sections:

i. 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 and annual AMP and Annual Report;
- 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

ii. 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.

iii. 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:

- office maintenance and cleaning;
- stocks and supplies;
- filing systems and record management;
- phone answering services;
- Transport services.

iv. St George Government Building (SGGB) 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;
- 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.’						SDG/TSDF	
Outputs	KPIs	2018/19 (Baseline)	2019/20	2020/21	2021/22	Targets #	Indicators #
1. Recruitment	1. Percentage of MOF quarterly vacancies filled during the quarter	Above 80	90	100	100	8.5	8.5.1, 8.5.2
	2. Monthly Induction Program for new Recruits		12	12	12		
2. Performance Management System (PMS)	3. PMS Quarterly Traffic Lights Criteria from PSC.	Above 80	85-95	95-100	95-100	8.5	8.5.1, 8.5.2
	4. Completion of Half Year and Annual PMS Report according to due date (January and August). No. of days before due date	0	2	3	5		
3. HR Capacity Development Programs.	5. Establish a HR Development Framework.					16.6	16.6.2*
	6. Complete Annual Training Plan according to due date (September) No. of days before due date.	0	3	4	5		
	7. Percentage of the Planned Programs conducted.						
4. Corporate Plan, Annual Management Plan and Annual Report	8. Number of days before due date submitted to CEO.	0	3	5	5	8.2	8.2.1
	9. Number of Revisions to Document Corporate Plan Draft – Last week January Corporate Plan to LA -Last week April Corporate Plan final -Last week August AMP Final -Last week August Annual Report -30 th September		2	1	1		
5. Process Mapping of SOPs	10 Complete Process Mapping of all Division SOPs by June 2020		100%	100%	100%	8.1, 8.2	8.1.1, 8.2.2
6. Ministry’s Budget and Financial Reports	11. Average Number of days before due dates delivered Ministry of Finance budget to CEO (22 February)	2	2	2	2	8.1, 8.2	8.1.1, 8.2.2
	12. Complete monthly financial report first week of every month	12	12	12	12		
	13. Complete financial reports and financial information to CEO as and when required by due date. (number of days before due date)	0	0	0	0		

7. Procurement	14. Complete Annual Procurement Plan 31 July (Number of days before due date)	0	2	3	3	8.5	85.1
	15. Percentage of Procurement Proposals in Compliance to Regulations	60	70	80	80		
8. Fixed Assets & Inventory	16. Quarterly Update Report of Fixed Assets and Inventory	2	4	4	4	8.2	8.2.1
	17. Annual FA Register Update 31 July (number of days before due date)		2	3	3		
9. Customer Service	18. Quarterly Customer Survey Report		4	4	4	8.1, 8.2	8.1.1, 8.2.2
	19. Percentage of people responded to customer survey are satisfied with the service.	60	90	90	100		
	20. Develop Communication Strategy						
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 Office Maintenance Services	22. Provide Monthly Motor Vehicle Maintenance Report	0	12	12	12	10.1	10.1.1
	23. Provide Office Maintenance Report						
Output Statement 2: 'That the Government General Fund is effectively managed.'						SDG/TSDf	
Outputs	KPIs	2018/19 (Baseline)	2019/20	2020/21	2021/22	Targets #	Indicators #
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. Number of days before due date (first week of the month), Report is submitted to CEO.	0	2	3	3	8.5	8.5.2

Output Statement 3: 'That the St George Government Building is well maintained and managed with the appropriate security systems'						SDG/TSDf	
Outputs	KPIs	2018/19 (Baseline)	2019/20	2020/21	2021/22	Targets #	Indicators #
15. SGGB Maintenance	Percentage of Maintenance Programme Completed.	70	90	100	100	8.5	8.5.1, 8.5.2
16.SGGB Security	Percentage of Security Programme completed.	75	85	90	100	8.5	8.5.1,8.5.2

2.1.4.2 CSD: Budget and Staffing

Table 13: Corporate Services Budget

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2
Total = Recurrent (\$m)	0.62	0.74	0.75	0.75	0.75
Established Staff	24	28	27	27	27
Executive Staff	1	1	1	1	1
Professional Staff	9	11	13	13	13
Other Staff	14	16	13	13	13
Unestablished Staff		9	12	12	12

2.1.5 08.1.05 Information Communications and Technology Division (ICTD)

2.1.5.1 ICTD Outputs and KPIs

The core function of the division is to fully utilize access and usage of Information and Communication Technology (ICT) Infrastructure and services for the Ministry, its stakeholders and MDAs.

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: 'That the information and communication systems provided are reliable and support the efficiency and effectiveness of MDAs and Government Stakeholders.'					SDG/TSDf	
Outputs	KPIs	2018/19 Baseline	2019/20 Target	Medium term target	Targets #	Indicators #
Output 1: Downtime and Uptime of ICT services in power outage	KPI 1: hours of Downtime and uptime of ICT services	1 /2	1/2	1/2	8.2	8.2.1
Output 2: Upgrade FMIS and Dynamic Enterprise and Performance Management (D/epm)	KPI 2: Percentage (%) completion	80	90	85	8.1, 8.2	8.1.1, 8.2.1
Output 3: Maintain phone system E-gov	KPI 3: Percentage (%) Completion	90	90	90	10.b	10.b.1
Output 4 : Supporting	KPI 4: Percentage (%) of number of requested support completed per day	80	90	85	8.5	8.5.1
Output 5: Development of Procurement Database and publish the Procurement KPI on the Website	KPI 5: Percentage (%) Completion	80	90	85	8.2	8.2.1
Output Statement 2: 'That information available from MoF facilitates the appropriate use of financial information in decision-making by MDAs and Government Stakeholders.'						
Output 6: Development of Payroll for Disabilities	KPI 6: Percentage (%) completion	0	90	90	8.2, 8.5	8.2.1, 8.5.1
Output 7: include outer islands connection to sun system	KPI 7: Percentage (%) Completion	0	50	50	8.2	8.2.1
Output 8: Retirement access to Micropay	KPI 8: Percentage (%) Completion	0	100	100	1.9, 2.1	1.9.2, 2.1.1
Output 9: Register Daily Labour Database	KPI 9: Percentage (%) Completion	0	80	80	2.1, 10.4	2.1.1, 10.4.1
Output 10: Upgrade website capacity to meet CSU request , include others	KPI 10: Percentage (%) Completion	0	90	90	10.b	10.b.1

2.1.5.2 ICTD: Budget and Staffing

Table 15: Information Communications and Technology (ICT) Budget

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2
Total = Recurrent (\$m)	0.34	0.36	0.36	0.36	0.36
Executive Staff	1	1	1	1	1
Prof Staff	10	10	10	10	10
Other Staff	2	2	2	2	2
Total Established	13	13	13	13	13
Unestablished					

2.2 Program 08.2: Economics and Fiscal Policy, Budget and Aid

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 **Error! Reference source not found.16**.

Table 16: Summary of Program 08.2: Budget and Staff

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2
Total = Recurrent (\$m)	1.08	1.20	1.20	1.20	1.20
Executive Staff	3	3	3	3	3
Prof Staff	33	30	31	31	31
Other Staff	2	2	2	2	2
Total Established	37	35	35	35	35
Unestablished	1	1	2	2	2
Major Projects: UNDP funded Climate Change Risk mainstreaming project					

2.2.1 08.2.01 Economic and Fiscal Policy Division (EFPD)

2.2.1.1 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 provides all stakeholders with the information requires to improve evidence-based decision-making regarding sustainable economic growth and social development.'					SDG/TSDF	
Outputs	KPIs	2018/19 baseline	2019/20 target	Medium term target	Targets #	Indicators #
Output 1: Macroeconomic and Fiscal Policy Framework	KPI 1: (<i>GDP Forecasting</i>) 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
	KPI 2: (<i>Policy analysis and review paper</i>) Number of evidence based policy analysis – macro-micro and fiscal – provided to management [percentage of policy working paper provided per annum] Plans of list of policy papers: <ul style="list-style-type: none"> • Loan Guarantor (Q1) – Real Tonga Ltd • implementation arrangement on Ha'apai Subsidy (Q1) • Fiscal Anchors (Wage bill) (Q2) • Tax policy – PFTAC Report (Q2) • Budget Strategy (Q3) • Budget Statement (Q3-Q4) • Policy Paper on Inflation and Cost of Living with appropriate recommendations. 	4	4	4	8.1, 8.5	8.1.1, 8.5.1
	KPI 3: Timely submission of a macro-fiscal impact analysis of a <i>new</i> policy proposal provided during the budget preparation [number of days prior due date] – as per the budget timeline	5	5	5	8.2	8.2.1
	KPI 4: 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) [number of days prior due date] – right on time as per the budget timeline and as per requested deadline	0	0	0	8.5	8.5.1
	KPI 5: Timely provision of a sound overview of Macroeconomic Framework for the Budget Strategy as per approved Budget Timeline [number of days prior due date] – clear timeline Coordinate Inputs from various divisions <ul style="list-style-type: none"> - B/Strategy due to Cabinet (mid-Feb/as per the Budget Timeline) - All inputs by various division (1st week Feb/as per the Budget Timeline) 	0	0	0	8.5	8.5.1
Output 2: Budget Strategy						

	Guidelines for Budget Strategy (3rd week Jan 2020)					
	KPI 6: Timely submission of the Budget Strategy to Cabinet as per approved Budget timeline [number of days prior due date] – on time	0	0	0	8.5	8.5.1
Output 3: Budget Statement	KPI 7: Timely provision of a sound overview of Macroeconomic Framework for the Budget Statement as per approved budget timeline [number of days prior due date] – <ul style="list-style-type: none"> - B/Statement due to LA (end of April 2020 as per the Budget Timeline) - B/Statement (English version) due to Cabinet (mid- April/as per the Budget Timeline) - Receive all inputs from various division (end of March/as per the Budget Timeline) Distribute guidelines (proposed structure) for Budget Statement to the CEO/ Minister (mid-March 2020)	10	10	10	8.5	8.5.1
	KPI 8: Timely completion of Translation of the Budget Statement as per approved budget timeline <ul style="list-style-type: none"> - internal (division) due date [number of days prior due date] - Receive all inputs from various divisions (by mid-April 2020 after Cabinet/as per the Budget Timeline) [number of days prior due date] - B/Statement due to LA (end of April 2020/as per the Budget Timeline) [number of days prior due date] 	10	10	10	8.5	8.5.1
	KPI 9: 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	KPI 10: 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	KPI 11: 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
	KPI 12: 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 PSC [Number of days prior to due date] – right on time	0	0	0		
	KPI 13: 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	0	0	0		

2.2.1.2 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 27.

Table 18: Economic and Fiscal Policy Division Budget and Staffing

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 Proj. 1	2021/2022 Proj 2
Total = Recurrent (\$m)	0.27	0.31	0.33	0.33	0.33
Executive Staff	1	1	1	1	1
Prof Staff	10	7	7	7	7
Other Staff	1	1	1	1	1
Total Established	12	9	9	9	9
Unestablished					

2.2.2 08.2.02 Budget and Corporate Planning Division (BCPD)

2.2.2.1 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 and other priorities of Government including the 9 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	
Outputs	KPIs	2018/19 (Baseline)	2019/20	2020/21	2021/22	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	Due last week of April	Due last week of April	Due last week of April	8.9, 8.a, 8.b,	8.9.1, 8.9.2, 8.a.1, 8.b.1
	2. Improve policy-based budgeting through increasing the percentage (%) of MDA budget submissions' alignment to corporate plans	50	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	70	70	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	Due last week of May	Due last week of May	Due last week of May	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
3. End of year review report	5. Timely and quality submission of End of Year Review report to management for decision making within the first half of the next FY.	Nov 2018	Sept 2019	Sept 2020	Sept 2021	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
4. Mid-Year review report	6. Timely and quality submission of Mid-Year Review report to management	Feb 2018	Feb 2019	Feb 2020	Feb 2021	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
5. Monthly Budget Performance Report	7. Timely and quality submission of Cash Flow Forecasts for Expenditures and Revenues from MDAs to Budget Officer	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
	8. Timely and quality submission of Updated Staff Lists from Budget Officers for consolidation	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
	9. Timely and quality submission of MDAs' Monthly Budget Performance Review from Budget Officer to management	Third week of every month	Third week of every month	Third week of every month	Third week of every month	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
6. Preparation of Cabinet Submissions	10. Timely and quality Cabinet Submissions to management	70	80	80	80	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
7. Budget Monitoring, Evaluation (M&E) and Report	11. Increase budget credibility through reduced percentage (%) of budget transfers that are related to normal budgetary operations	70	70	70	70	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
	12. Percentage (%) of budget policies issued to address budget issues identified from budget performance reports	70	80	80	80	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
8. Budget Strategy and Budget Statement	13. Percentage (%) of budget policies proposed for the Budget Strategy that are within the macro-economic framework and reflective of the GPA	60	70	70	70	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1
	14. Quality (uses latest available data with clear analysis) and timely production of the budgetary narratives for the Budget Statement	Budgetary narratives for the Budget Statement was submitted on time to EFPD with clear analysis and used the latest data available	Quality & timely achieved	Quality & timely achieved	Quality & timely achieved	8.9, 8.a, 8.b	8.9.1, 8.9.2, 8.a.1, 8.b.1

2.2.2.2 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
Total = Recurrent (\$m)	0.48	0.56	0.56	0.56	0.56
Executive Staff	1	1	1	1	1
Prof Staff	11	15	16	16	16
Other Staff					
Total Established	12	16	17	17	17
Unestablished	1	1	1	1	1

2.2.3 08.2.03 Project and Aid Management Division (PAMD)

2.2.3.1 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:

- i) That international development aid effectiveness to Tonga is managed according to clear measures of sustainability in line with the TSDF and all other international agreements;
- ii) That a clear project management cycle is developed, executed, monitored and evaluated for the whole of government;
- iii) 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 Statement 1: 'Promote Aid effectiveness policies to guide the formulations of budget and corporate plans for achieving government priorities.'						SDG/TSDF	
Output	KPIs	208/19 (Baseline)	2019/20	2020/21	2021/22	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 CDCC meeting outcomes	Number of CDCC meetings facilitated [desired = 10]	12	10	10	10	8.5	8.5.1
	Number of cabinet submissions [desired = quarterly]		3	3	3		

3. CDCC submission on Sector Based Project Steering Committee meeting outcomes	Number of Sector Based meetings facilitated [desired = 2 x per sector]		2x per sector	2x per sector	2x per sector	8.5	8.5.1
	Number of outcome reports to CDCC [desired = quarterly]		4	4	4		
	At least participated in the number of Technical Working Group committees (TWGC) led by Implementing Agencies [desired = attend to represent MOF]					8.5	8.5.1
4. Produce the development budget estimates (Tongan and English)	Timely submission as required by the Budget Timeline	Accurate and reliable	Accurate and reliable	Accurate and reliable	Accurate and reliable	17	17
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	17	17
6. PAMD development budget M&E review report	Submission to CEO/Minister for endorsement [desired = quarterly]	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	8.5	8.5.1
	At least one Financing Agreement facilitated for negotiation [desired = upon Minister approval]		1	1	1	13	13
	At least one Donor Forum meeting	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	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 invitations and/or required by CEO]	5	5	5	5	8.5, 16.7	8.5.2, 16.7.1
	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	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	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	16.6	16.6.2*
	Number of Evaluations Panels participated [desire = upon direction from CEO]		3	3	3	17.7	17.7.1
	Number of Project Documents Reviewed [desire = upon direction from CEO]		5	5	5	17.8	17.8.1
	Meet deadline of Acquittals by facilitation to donors [desire = accurate and reliable]		5	5	5	8.5	8.5.2
	Meet deadline of Audited Financial Statements of Projects by facilitation [desire = accurate and reliable]		5	5	5	8.2, 8.5	8.2.1, 8.5.2
EU NAO Office progress reports	Provide quarterly updates through Project Steering committee	4	4	4	4	10.7	10.b.1
CSU progress reports	Provide monthly update through Technical working group committee		12	12	12	8.8	8.8.2*
GCF Accreditation progress reports	Provide monthly update	12	12	12	12	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	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	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	8.5	8.5.1
9. Generic Contribution						8.9	8.9.1*
9.1 PMS assessment	Meet PMS deadline [desired = > rating 3]		5	5	5	8.5	8.5.1
9.2 Annual Management Plan	Meet AMP deadline [desired = achieved]		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	8.5	8.5.1
9.3 Corporate Plan	Meet Corporate Plan deadline English and tongan version [desired = achieved]		1	1	1	8.5	8.5.1
9.4 Fixed Asset Management	Meet Fixed Asset Management deadline [desired = achieved]		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	8.5	8.5.1
9.6 Staff Training Needs	Meet deadline for Staff Training needs [desired = achieved]		1	1	1	8.2	8.2.1

2.2.3.2 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 proj. 1	2021/2022 Proj 2
Total = Recurrent (\$m)	0.33	0.33	0.32	0.32	0.32
Executive Staff	1	1	1	1	1
Prof Staff	7	8	8	8	8
Other Staff	1	1	1	1	1
Total Established	9	10	10	10	10
Unestablished	1	1	1	1	1

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 22.

Table 23: Program 08.3 Summary Budget and Staff

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2
Total = Recurrent (\$m)	2.50	2.45	2.51	2.51	2.51
Executive Staff	3	3	3	3	3
Prof Staff	47	54	58	58	58
Other Staff	39	47	42	42	42
Total Established	89	104	103	103	103
Unestablished			3	3	3

2.3.1 08.3.01 Financial Frameworks Division (FFD)

2.3.1.1 FFD Outputs and KPIs

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.

The Division is delegated the following outputs that deliver the above requirements, listed with relevant KPIs below in Table 23.

Table 24: FFD Outputs and KPIs

Output Statement 1: '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	
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 rd 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
	1. Ratio of TI to be revised by end of Financial Year	100	100	0	0	10.6	10.6.1

4. Treasury Instructions Review	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 SunSystems 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

Table 25: Financial Framework Division Budget, Staff and Projects

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2
Total = Recurrent (\$m)	0.28	0.39	0.41	0.41	0.41
Executive Staff	1	1	1	1	1
Prof Staff	7	11	12	12	12
Other Staff	2	2	1	1	1
Total Established	10	14	14	14	14
Unestablished			1	1	1
Major Projects: Asset Management Framework (PFTAC)					

2.3.2 08.3.02 Procurement Division (PD)

2.3.2.1 Procurement Operations Division Outputs and KPIs

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 10K while the Central Procurement Unit(CPU) is mandated to conduct proceedings for all

procurement valued 10K+. 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.

The Division is delegated the following outputs that deliver the above requirements, listed with relevant KPIs below in Table 25.

Table 26: Procurement Operations Division Outputs and KPIs

Output Statement 1: 'Efficient and Effective Government Procurement rules and Procedures.'						SDG/TSDf	
Output	KPI NO.	Description	Baseline 18/19	Plan 19/20	Medium term	Targets #	Indicators #
Policy Review	KPI 1.1.1	Ratio of MDAs using the framework contract	18/27	25/27	27/27	8	A
	KPI 1.1.2	Regulations review	na	1	1	16	D
	KPI 1.1.3	Develop Post Disaster Framework Contract	na	1	1	8	A
Capacity Development and Awareness	KPI 1.2.1	Number of suppliers group provided awareness training	2	3	4	8	A
	KPI 1.2.2	Number of MDAs training and meetings	2/27/3	3/27/3	4/27/4	8	A
Internal Review	KPI 1.4	Percentage of procurement plan processed	33	35	45	8, 10	A, C
GPC Matters	KPI 1.5	Number of GPC meetings/circulation	7/73	8/200	12/250	8	A
Complaint Management	KPI 1.6	Number of complaints processed	6	10	10	8	A

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

Output Statement 2: 'Efficient and Effective Government procurement services.'						SDF/TSDf	
Output	KPI NO.	Description	Baseline 18/19	Plan 19/20	Medium term	Targets #	Indicators #
Procurement Planning	KPI 2.1.1	Number of APP submitted on time	17	20	27	8, 16	A
	KPI 2.1.2	Percentage of recurrent cost procured against total budget	48%	50%	60%	8	A
Market Research	KPI 2.2.1	Number of financially competent new bidder approached and added to supplier base	12	3	3	16	A
	KPI 2.2.2	Number of prequalified bidders group	1	1	2	8	A
Procurement Monitoring	KPI 2.3	Percentage of procurement requests that meet full compliance	70%	72%	80%	8	A
Procurement methods	KPI 2.4	Percentage of contracts using competitive methods	37%	40%	50%	10	C
Procurement Timeline	KPI 2.5	Average days taken to complete the procurement proceedings (count start from date of receipt)	48	45	30	8	A
File Management	KPI 2.6	Number of GPC files reviewed	7%	10%	15%	8	A
Customer Management	KPI 2.7	Number of meeting(MDA) per procurement	Less than 8	Less than 7	less than 5	16	A

2.3.2.2 Procurement Division: Budget, Staffing and Projects

Table 27: Procurement Division Budget, Staff and Projects

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2
Total = Recurrent (\$m)	0.36	0.38	0.37	0.37	0.37
Executive Staff	1	1	1	1	1
Prof Staff	9	9	10	10	10
Other Staff	3	3	2	2	2
Total Established	13	13	13	13	13
Unestablished					

2.3.3 08.3.03 Treasury Division (TD)

2.3.3.1 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 28: Treasury Services Outputs and KPIs

Output Statement 1: That Government and stakeholders are provided with effective and efficient Treasury financial management services.						SDG/TSDf	
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,
	6) Establish Plan for transfer of Elderly Scheme to MOF					1.2, 1.4	1.2.2, 1.4.1
3) Cash Management	7) 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*
	8) 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
	9. 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
	10) Bank accounts with overdraft balances at end of the month	5	4	3	2	2.1	2.1.2
	11. 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	12). Number of financial returns submitted from the Sub-Treasuries and TDB within 2 weeks.	102	90	90	90	8.5	8.5.1
	13. 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*
	14. 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*
	15. 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	16. 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	17. Number of trainings provided to staff and stakeholders per quarter	2	2	3	4	8.6, 8.8	8.6.1, 8.8.2*

2.3.3.2 TD: Budget and Staffing

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 programmes (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
- Decentralisation of some of the financial management functions to the MDAs, including the outer islands.

Table 29: Treasury Budget

Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2
Total = Recurrent (\$m)	1.84	1.67	1.73	1.73	1.73
Executive Staff	1	1	1	1	1
Prof Staff	32	35	36	36	36
Other Staff	31	40	39	39	39
Total Established	64	76	76	76	76
Unestablished	1		2	2	2

2.4 Government General Fund

There are many customers of Program 4: MDAs, communities, people with disabilities, private businesses and others. Corporate Service 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 30: Summary of Program 08.4: Budget and Staff

Government General Fund					
Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2
Total = Recurrent (\$m)	64.92	55.17	50.15	60.36	67.32
4.01 Benefits					
Recurrent (\$m)	7.54	6.44	7.57	7.57	7.57
4.02 Consultant & Technical Assistant					
Recurrent (\$m)	0.10	0.00	0.10	0.10	0.10
4.03 Subsidies					
Recurrent (\$m)	3.08	2.58	5.24	5.24	5.24
4.04 Community Development					
Recurrent (\$m)		19.03			
4.05 Special Project					
Recurrent (\$m)	40.91	19.75	22.23	32.42	34.68
4.06 Equity Payment					
Recurrent (\$m)	0.40	0.40	0.40	0.40	0.40
4.07 Subscription					
Recurrent (\$m)	1.25	1.25	3.05	2.97	2.97
4.08 Exemption & other payments					
Recurrent (\$m)	5.14	4.71	6.56	6.56	9.16
4.09 Contingency Fund					
Recurrent (\$m)	1.50	1.50	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 (Hawiki Cable Ltd, Passport & 2016 Riot Commissions, Anti-Corruption)

4.06: Equity Payments

4.07: Contributions to Organizations

4.08: Maintenance of computer services, licences, 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 31: Summary of Program 08.5.01: Budget

5.01 Debt Management					
Description	2017/18 budget	2018/19 budget	2019/20 budget	2020/2021 proj. 1	2021/2022 Proj 2
Recurrent (\$m)	29.18	42.08	38.91	39.17	35.21
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 2019/2020

	Generic Outputs/ Reports/ Activities	Coordinating Division	Reporting To Agency/ Ministry/Division	Due Dates	Divisions to Contribute	Due Dates for Divisional Contributions
1.	Budget Strategy	EFPD/Budget	Cabinet & Legislative Assembly	Feb Week 2	Budget, PAMD, FFD, Treasury	Feb Week 1
2.	Budget Statement Guidelines	EFPD/ Budget	ALL MDAs	Mar Week 2	EFPD/Budget	Feb Week 1
3.	Budget Statement	EFPD/Budget	Cabinet Legislative Assembly	Apr Week 2 Apr Week 4	Budget, PAMD, FFD, Treasury	Mar Week 4
4.	Budget Estimate	Budget	Cabinet Legislative Assembly	Apr Week 2 Apr Week 4	PAMD, FFD, Treasury, Procurement, CSD- Finance	Feb Week 4
5.	Ministry Budget Estimates	CSD – Finance	MOF Budget Division	Feb Week 4	ALL Divisions	Feb Week 2
6.	Ministry Budget Briefing	CSD - Finance	MOF Budget Division and CEO	May Week 2	Budget	May Week 1
7.	Corporate Plan Draft 1 to PMO	CSD - PFS	PMO	Jan Week 2	ALL Divisions	Dec Week 1
6.	Corporate Plan Draft 2 to LA (With Tongan Version)	CSD - PFS	PMO and LA	April Week 4	ALL Divisions	March Week 1
7.	Corporate Plan Final	CSD - PFS	PMO	Aug Week 4	ALL Divisions	July Week 1
8.	1. Annual Procurement Plan (APP) Draft 1 2. APP Final	CSD – Finance CSD - Finance	MOF – Budget and CPU CPU	Feb Week 4 July 31	ALL Divisions ALL Divisions	Feb Week 2 July Week 2
9.	Annual Management Plan (AMP)	CSD - PFS	CEO and Minister	Aug Week 4	ALL Divisions	Aug Week 1
10	Annual Report (With Tongan Version)	CSD - PFS	LA	Sept 30	ALL Divisions	Sept Week 1
11	Training Plan (Annual)	CSD- HR	PSC	Aug Week 2	ALL Divisions	July Week 4
12	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
13	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
14	PMS – Mid Year Assessment	CSD - HR	PSC	Jan Week 4	ALL Divisions	Jan Week 2

	Generic Outputs/ Reports/ Activities	Coordinating Division	Reporting To Agency/ Ministry/Division	Due Dates	Divisions to Contribute	Due Dates for Divisional Contributions
15	PMS – Annual Assessment	CSD - HR	PSC	Aug Week 3	ALL Divisions	Aug Week 1
16	PMS Quarterly Report	CSD - HR	PSC	Jan Wk 1, Apr Wk 1, Jul Wk 1, Oct Wk 1	CSD - HR	End of each Quarter
17	Staff List Update – Bi Annual (6 monthly)	CSD - HR	PSC	Jan Week 2 Jul Week 1	CSD-HR	Dec, June
18	PEFA	FFD	CEO and Minister	By end of June 2020	ALL Divisions	
19	Process Mapping of SOPs	CSD	CEO and Minister	End of Quarter update to CSD	ALL Divisions	Quarterly Update / Complete by 30 June
20	Job Re-Evaluation of JDs	CSD	PSC	Nov Week 4	ALL Divisions	Oct Week 1