



CENTRAL BANK OF SAMOA



**CENTRAL BANK OF SAMOA  
STRATEGIC PLAN  
2014 - 2018**



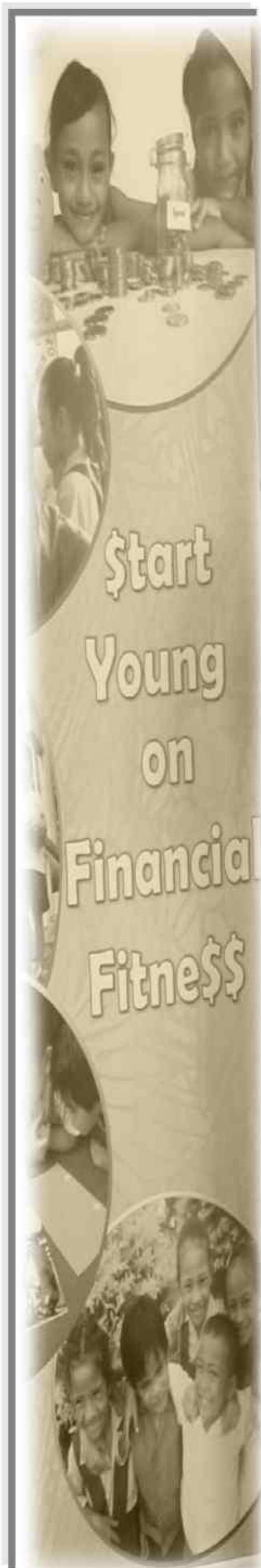
## CONTENTS

Note from the Governor

1. Mandate, Vision, Mission
2. Values
3. Stakeholders
4. Staff
5. Economic Environment
6. Brief Summary of Strategies
7. Strategies and Matrices for Financial Years 2014 to 2018

**Appendix 1:** Organizational Structure

**Appendix 2:** List of Publications





## Note from the Governor

The previous two corporate plans provided the Bank with a more strategic approach to its work in terms of policy formulation and their implementation. It also presented objectives and strategies a step closer to linking them with the Budget resources. Nevertheless, at the completion of the last Corporate Plan 2003-2005, the Bank has realized the need to adequately address four key issues and challenges as follows:

1. The need for the next Plan to be consulted widely to improve its ownership by Staff and management;
2. The need to clearly establish the link of the Plan's objectives, strategies and activities to the resourcing and of those responsible for its implementation;
3. The need to ensure that the Plan's objectives are linked to performance outcome indicators to easily measure the level of achievement; and,
4. The need to undertake timely annual reviews and a completion evaluation of the Plan to identify issues and challenges for the next Plan.

With these issues in mind and noting the backdrop of an economic recovery and rehabilitation from the prolonged adverse effects of the 2007/08 global financial crisis, the 2009 devastating tsunami and the 2012 tropical cyclone Evan and flooding, the new Strategic Plan 2014 to 2018 clearly articulates the mission, strategies and activities that will be pursued by the Bank to effectively address this situation and to move forward.

Consistent with the national vision of *"Improved quality of life for all"* and the Finance Sector's key objective of the *"Development of relevant, effective and sustainable financial institutions and supportive monetary policies"* the vision of this Strategic Plan is *"Leading Samoa to economic prosperity"*. In support of this vision, the Bank's mission is its commitment to excellence in ensuring monetary and financial system stability and in fostering a sound and progressive financial sector for a sustained economic growth.

The Bank has organized itself into three key groups where two are functional groups (*Financial Soundness Group and Monetary Stability Group*) while the remaining group (*Corporate Services Group*) supports these functional groups. Within these groups, there are a number of departments under each that will assist with the effective implementation of their respective missions/objectives, strategies and activities under the Plan.

I encourage my Staff and the management to work cooperatively and collaboratively for the effective and efficient implementation of this Plan. With the improvement of the focus and service delivery to stakeholders, the timely reporting of the Plan's annual achievements and its outcome at the end is critical and key to any real progress.

**Maiava Atalina Ainuu-Enari**  
**GOVERNOR**

June 2014



## **1. MANDATE**

The following is an exhaustive list of the mandate of the Central Bank of Sāmoa in its entirety<sup>1</sup>:

- (a) The Constitution of the Independent State of Sāmoa 1960
- (b) Central Bank of Sāmoa Act 1984
- (c) Central Bank Lease Empowering Act 1992/1993
- (d) Financial Institutions Act 1996
- (e) Exchange Control Regulations 1999
- (f) Money Laundering Prevention Act 2007
- (g) Insurance Act 2007
- (h) Money Laundering Prevention Regulations 2009
- (i) National Payment Systems Act 2014

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<sup>1</sup> These laws are consolidated versions as at December 2013; Amendments may also be viewed and downloaded from Central Bank website



## VISION

*Leading Samoa to economic prosperity.*

## MISSION

*The Central Bank of Samoa is committed to excellence in ensuring monetary and financial system stability and fostering a sound and progressive financial sector to achieve sustained economic growth for the benefit of Sāmoa.*

## 2. VALUES:

### 2.1 Transparency

- Taking actions and making decisions in an open way

### 2.2 Accountability

- being able to explain the reason for actions taken, and taking responsibility for those actions

### 2.3 Good Governance

- the formulation and adaptation of the Bank's structures in an effort to promote Good Governance

### 2.4 Consultation

- the consultation of all relevant stakeholders before policies and laws are passed and implemented
- to ensure that all laws and policies of the Bank are practical in its application(s)

### 2.5 Effectiveness and Efficiency

- achieving excellent results in fulfilling the roles and functions of the Bank in an economical way

### 2.6 Honesty

- acting honestly, being truthful and abiding by the laws, bylaws and policies of Samoa

### 2.7 Impartiality

- providing impartial advice to Government as its banker, acting without fear or favour, and making decisions on their merits







## **2.8 Service**

- serving the people of Samoa well, through faithful service to the Central Bank

## **2.9 Respect**

- treating the people, the Government, the financial institutions and pertinent international organizations with utmost courtesy and respect

## **2.10 Gender Equality**

- Equal employment opportunity, remuneration, treatment and recognition for all

# **3. STAKEHOLDERS**

The Central Bank of Samoa (hereinafter referred to as "CBS") strives to meet the needs of all its stakeholders. This Strategic Plan is the fulfilment of that very need.

## **3.1 THE PEOPLE**

The people of Samoa are the primary clients (depositors or debtors) of registered commercial banks and non-monetary financial institutions that are under the purview of the Central Bank of Samoa. CBS strives to effectively serve its people through the provision of a fair and equitable regulatory framework to promote and develop the financial system while protecting their financial interests.

## **3.2 BUSINESS COMMUNITY**

The business community are also primary clients of registered commercial banks (depositors or debtors) and non-monetary financial institutions that are under the purview of the Central Bank of Samoa. CBS strives to effectively serve the business community through the provision of fair and equitable regulations that govern financial and banking services and to protect the business community's financial interests.

## **3.3 FINANCIAL INSTITUTIONS**

Financial institutions are CBS licensed, registered and unregistered financial and banking service providers to the people of Samoa, business community and government, which include:

- (a) Commercial Banks;
- (b) Non-monetary financial institutions, which include Samoa National Provident Fund, Development Bank of Samoa, Insurance companies, Unit Trust Office ("UTOS") and Samoa Housing Corporation ("SHC") and the like;
- (c) Lending institutions such as micro financing;
- (d) Money transfer operators;
- (e) Authorised foreign exchange dealers; and
- (f) Any other organisation that provides financial services.

Suffice to say, these financial institutions are supervised and supported by CBS to provide a level playing field and an environment conducive to growth and fair competition.



### **3.4 GOVERNMENT**

As the fiscal agent for government, CBS facilitates transactions both domestically and internationally. The Government is also a major contributor of financial inflows and a net depositor to CBS.

### **3.5 INTERNATIONAL COMMUNITY**

The international community are international financial institutions and organisations that have working relationships, arrangements and interactions with CBS for the effective provision of prudential standards, economic and financial reviews, technical and financial assistance.

## **4. STAFF**

The management and staff provides service delivery for the effective implementation of regulation in the financial and banking system. This includes two key aspects such as the provision of advice and implementation of policies pertaining to a stable monetary system and a sound financial sector.

The provision of timely training domestically and internationally as well as a conducive and pleasant working environment for staff will enable the Bank to conduct its business with ease as it achieves its vision and mission for the next four (4) years.

## **5. ECONOMIC ENVIRONMENT**

Various developments and structures have taken place in the economy, as all our systems are now interlinked and interconnected. These mechanisms have shaped and re-shaped our economy in the form of:

- (a) A global financial crisis and its prolonged adverse effects from 2008 - 2012 (greater than the Great Depression of 1929);
- (b) A devastating tsunami in 2009 that killed more than a hundred people and destroyed significant social and economic infrastructure;
- (c) A tropical cyclone and flooding in 2012 that again demolished social and economic infrastructure in the Apia area.

All these calamities have taken their toll which pose a challenge to the businesses and people's confidence on their ability to recuperate and develop.

Against that backdrop, the economy is expected to recover and grow at rates slower than the pre-crisis level for the period 2014-2018. The sectors that will predominantly drive the recovery and sustain this level of growth going forward will be tourism services (hotels and restaurants), constructions services and agricultural production. Other sectors that may contribute favourably to this growth would be telecommunication services.

## **6. BRIEF SUMMARY OF STRATEGIES FOR FINANCIAL YEARS 2014/2018**

This section of the Strategic Plan outlines the work plan of departments over the four years to 2018 and the key initiatives in managing the various outputs of the Bank.



The number of Outputs has been increased from 16 to 20 in the previous Plan and organisation functions and responsibilities have been re-arranged or re aligned to best achieve the Bank's set of Objectives.

The Proposed strategies and focus areas need to be measured against budget considerations and linked to the Bank's vision and mission statements to ensure effective management of policy formulation and implementation.

To that effect, below is a summary of all the strategies and focus areas that the Bank will undertake to implement for the next four years.





## 7. MATRICES OF STRATEGIES

7.1	MONETARY STABILITY GROUP	
	<b>Strategy</b>	<b>Focus Areas</b>
	<b>[Economics Department]</b>	(a) Improve monetary policy frameworks
	<b>7.1.1 Effective Monetary Policy Formulation</b>  <i>Mission – Ensure domestic monetary stability to achieve sustained economic growth for the benefit of Samoa.</i>	(b) Improve monetary policy formulation and forecasts
		(c) Timely dissemination of relevant information and statistics for policy formulation
		(d) To provide quality advice to Government on banking and monetary matters
		(e) To adequately forecast and plan for the provision of credit, that is conducive for private sector development, economic growth and low inflation
	<b>Strategy</b>	<b>Focus Areas</b>
	<b>[Financial Markets Department]</b>	(a) To advance the management of liquidity in the domestic banking system
	<b>7.1.2 Effective Monetary Policy implementation</b>  <i>Mission: To enhance the implementation of monetary policy in a stabilized monetary system</i>	(b) Improve the management of exchange rate flexibility
		(c) To revamp the management of the Bank's foreign investment portfolio within agreed guidelines
		(d) To ameliorate the administration of the exchange control in order to be consistent with overall foreign exchange policies and to sustain foreign exchange reserves
7.2	FINANCIAL SOUNDNESS GROUP	
	<b>Strategy</b>	<b>Focus Areas</b>
	<b>[Financial Supervision]</b>	(a) To invigorate the licensing and regulation of financial institutions
	<b>7.2.1 Strengthen financial supervision of banks and non-banks</b>  <i>Mission: To maintain a sound and a reputable financial system</i>	(b) Improve compliance with prudential requirements
		(c) Review and update prudential standards in light of international developments, standards and practices as promulgated by Basel Committee
		(d) To improve analysis and monitoring of financial institutions
		(e) Enhance oversight of key selected non-bank financial institutions



	<b>Strategy</b>	<b>Focus Areas</b>
	<b>7.2.3</b> [Anti-Money Laundering("AML")/Combating Finance Terrorism ("CFT") – Financial Intelligence Unit ("FIU")]	(a) Improve compliance with the requirements of the legislation, regulations, guidelines and international standards.
	<b>7.2.4</b> Strengthen AML/CFT capacity in view of risks and vulnerabilities of Samoa's financial sector	(b) Improve the dissemination and sharing of information.
	<b>7.2.5</b> Improve compliance of AML/CFT regime with FATF	(c) Establish a secure and adequate AML information system.
	<i>Mission: To maintain a sound and a reputable financial system</i>	
	<b>Strategy</b>	<b>Focus Areas</b>
	<b>[Financial System Development</b>	(a) Establish a national body for financial inclusion
	<b>7.2.6</b> Promote greater financial inclusion and protection	(b) Encourage alternative access methods to financial services
	<i>Mission: Deepen and foster a progressive financial system</i>	(c) Financial education in schools
		(d) An effective consumer protection regime
		(e) Facilitate an enabling environment for inclusive insurance markets and micro insurance
	<b>7.2.7</b> Develop an efficient and credible national payment and settlement system	(a) Create the necessary legal framework
		(b) Have in place the appropriate infrastructure and operate a fully functional system.
		(c) Develop the payments and settlement system oversight function
<b>7.3</b>	<b>CORPORATE SERVICES GROUP</b> [Mission: To improve the delivery of support staff services to core functions in the most qualitative and timely manner]	
	<b>Strategy</b>	<b>Focus Areas</b>
	<b>[Property and IT Department]</b>	(a) Update servers inside IT room(s)
	<b>7.3.1</b> Improve Information	(b) Improve the installation and updating of anti-virus and



Technology ("IT") within the Building	spam filters softwares
	(c) Back-ups: small UPS for each server(s) in case of either power outage or UPS main systems down
	(d) Install and update accounting softwares
7.3.2 Improve security for the Bank	(a) Improve the system inside the guard room
	(b) Enhance the handling and monitoring of bank operations
	(c) Improve and maintain the level of health, fitness, knowledge and skills of guards
7.3.3 Improve the managing of the building and its Tenants	(a) Review tenants rent
	(b) Improve and update building maintenance
7.3.4 Improve procurement management	(a) Review current procurement operations
	(b) Develop efficient and effective procurement operations
7.3.5 Develop an emergency back-up offsite	(a) Provide back-up for the existing vault
	(b) Install back-up systems for IT
	(c) Provide bank back-up for emergency evacuations
<b>Strategy</b>	<b>Focus Areas</b>
[Banking and Currency Services Department]	(a) Minimize soiled and damaged banknotes in circulation
7.3.6 Ensure the effective management of currency stock	(b) Research and adopt, where appropriate, the latest technology on note printing quality
	(c) Continuous and Regular public awareness programmes on banknote handling
	(d) The formulation of practical strategy for the forecasting and ordering of currency stock



		(e) Adequacy of Access to banknote stocks and the balance between denominations of notes and coins
		(f) Ensure currency is issued as required by banks in an efficient and timely manner
	7.3.7 New collectable products development and avenues to promote currency collection abroad (numismatic)	(a) Develop 2 – 3 new viable collectable items per year
		(b) Advertising new and old products on the Bank's website
		(c) Improve current marketing plan
	7.3.8 Provide banking services to Government as well as acting as its agent and depository	(a) All Government accounts to be constructively centralized with the Bank
		(b) All Government payments and debts are serviced efficiently
		(c) All account details to be accurate
	7.3.9 Efficient payment and settlement system that facilitates the settlement of Government and Interbank commitments	(a) Settlement system to operate efficiently without disruption to final settlements
		(b) Ensure that the SWIFT System is fully functional with minimal to no disruption to the execution of payment instructions
	<b>Strategy</b>	<b>Focus Areas</b>
	[Accounts and Budget Department]	(a) Improve the accuracy of financial information and to ensure that it is reasonably free from material error
	7.3.10 Improve the quality and timeliness of financial information available to all interested parties such as management, auditors, shareholders, creditors, customers, bankers, investors and the general parties	(b) Improve the transparency, accountability and reliability of financial information
		(c) Enhance communication and interpretation of financial information by means of presentation and reporting in accordance with internationally accepted general accounting principles and practices
		(d) Timeliness of the delivery of financial information (Weekly, Monthly and Yearly Financial Statements)
	7.3.11 To provide a sound action plan of performance which coordinates all Bank activities,	(a) Identifying significant performance factors and reviewing material differences for necessary remedies



	striving to decentralize responsibilities whilst being propelled by centralizing controls concurrently	(b) Improve monitoring and the controlling of costs and revenue through excellent budgetary management and control systems
		(c) Enhance the timeliness of the delivery of weekly, monthly, yearly reviews and other necessary statements provided by Accounting and Budget Department
	<b>Strategy</b>	<b>Focus Areas</b>
	<b>[Human Resources Department]</b>	
	7.3.12 Create a unified approach to inspire positive change, understanding and co-operation among staff	(a) Improve personal /professional development and working conditions
		(b) Improve working relations among staff. Encourage participation and contribution to work activities
	7.3.13 To retain high quality, productive and motivated staff.	(a) To facilitate, coordinate or provide training (local and internationally) to enhance staff abilities, skills and competence
	7.3.14 Ensure a safe and friendly environment for all staff to effectively carry out their duties	(a) Prioritize Health and Safety standards within the workplace and fully utilize resources available for the safety of employees
	7.3.15 Ensure all relevant staff matters are followed through proper procedures and guidelines	(a) Strengthen Internal Procedures with policy enforcement
	<b>Strategy</b>	<b>Focus Areas</b>
	<b>[Legal and Executive Services Department]</b>	(a) Refine the practicality of our laws
	7.3.16 Improve all the relevant laws that are being administered by the Bank	(b) Tailor it to the required international standards in the context of the Bank
	7.3.17 Improve the delivery of legal advice or opinion	(a) Enhance the quality of research material that is being used
		(b) Improve the practicality of legal research or opinion
		(c) Maintain and improve the timely delivery of legal advice or opinion

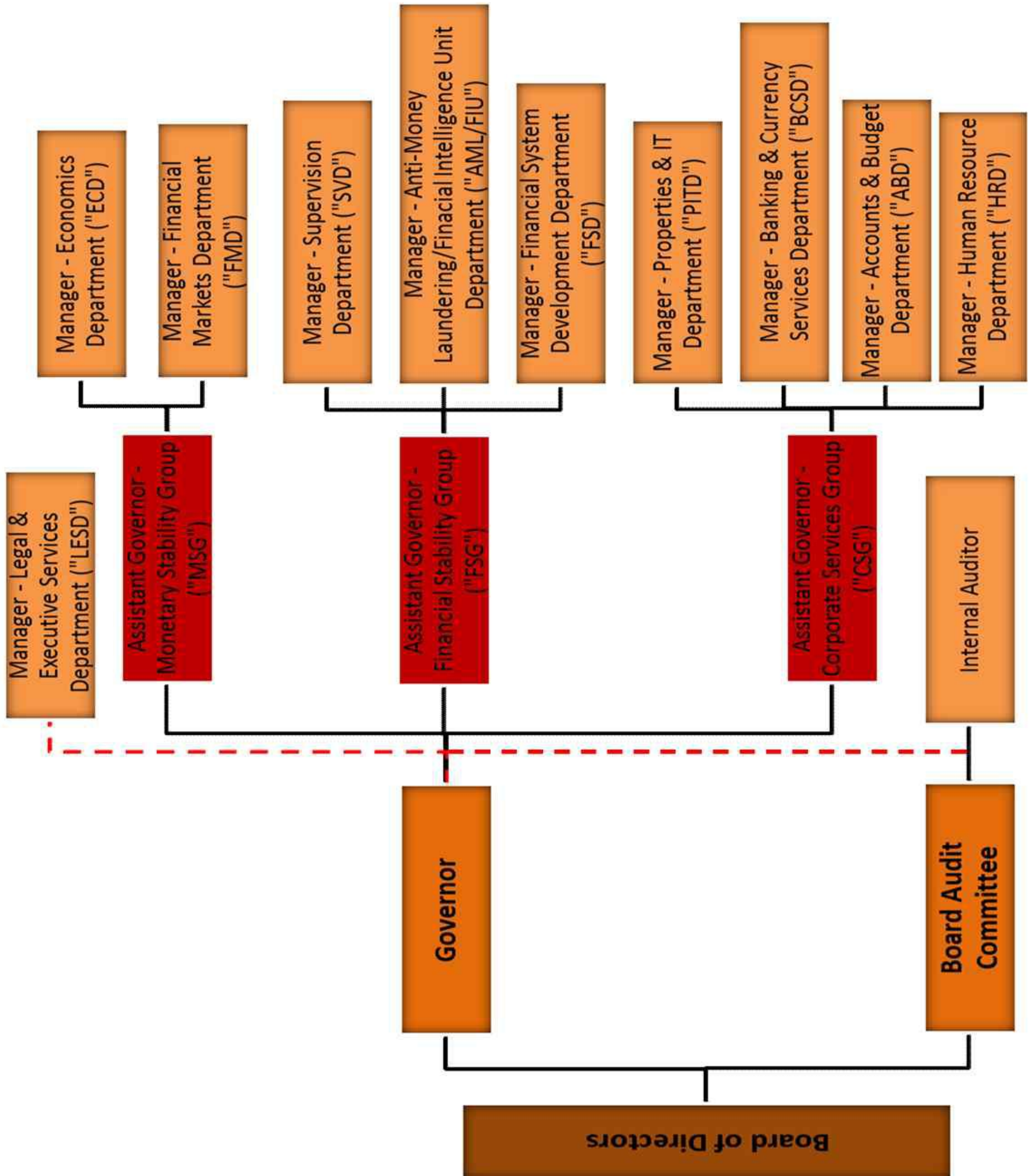


	<b>7.3.18</b> Improve the system of Agreements of the Bank	(a) Improve Templates for each category of Agreements that the Bank uses
		(b) Review and update the Agreements using other outside sources
	<b>7.3.19</b> Formulate and Improve Communications Strategy	(a) Formulate Communications Strategy
		(b) Improve the practicality of the Communications Strategy
	<b>7.3.20</b> Improve Publications of all relevant documents pertaining to the Bank	(a) Quality and Cost Savings Approach

<b>7.4</b>	<b>INTERNAL AUDIT DEPARTMENT</b>	<i><b>Mission: To provide an independent, objective assurance and consulting activity designed to add value and improve the Bank's operations</b></i>
	<b>Strategy</b>	<b>Focus Areas</b>
	<b>7.4.1</b> Establish a regulatory framework that clearly and formally defines functional responsibilities and authorities of internal audit service	(a) Develop and implement an Internal Audit Charter (b) Adopt and actively manage professional audit practice in compliance with the mandatory guidance (International Professional Practice Framework (IPPF)) (c) Provide a basis from which to measure the performance of internal audit function
	<b>7.4.2</b> Develop infrastructure to support internal audit function	(a) Develop and implement an Annual Audit Plan (b) Identify adequate resources necessary in delivering internal audit activities (c) Develop internal audit skills and knowledge to enhance efficiency and raise internal auditing standards
	<b>7.4.3</b> Ensure soundness, adequacy and effective application on internal control systems	(a) Enhance reliability and strengthening of the key internal control system (b) Complete a risk assessment based on risk management framework imposed by the bank (c) Identify high-level risks and possibility of material weaknesses in the control systems and propose future directions and audit priorities to control re-occurrence(s) (d) Improve operational efficiency and cost-effectiveness, safeguarding of assets and interests (e) Improve the extent of compliance with policies, plans and procedures (f) Enhance the integrity and reliability of financial and other management information



**APPENDIX 1 – ORGANIZATIONAL STRUCTURE**





## **APPENDIX 2 – LIST OF PUBLICATIONS**

- Annual Report and Financial Statements
- Monetary Policy Statement by the Governor
- Quarterly Bulletins including commentary on economic and financial conditions and statistical tables
- Selected Economic Indicators (monthly)
- Monetary Survey (monthly)
- Foreign Trade Report (monthly)
- Visitor Earnings and Remittance Report (monthly)