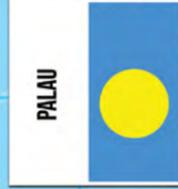




PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATIONS

ANNUAL REPORT 2018





CHAIRMAN'S MESSAGE

MR. VISVANATH DAS

CEO, Fiji Revenue and Customs Service
Chairperson, PITAA Executive Committee

DEAR MEMBERS

The Pacific Islands Tax Administrators Association has reached its 15th year of existence, successfully fulfilling the allocated roles of addressing tax issues most relevant to its members, promoting closer co-operation, co-ordination and information sharing, promoting international best tax practices, enhancing skills and encouraging the development of tax professionals.

The permanent secretariat in 2019 is now into its 3rd year of operation and has been making tremendous progress.

Some of our key achievements for the 2018 fiscal year include:

- Successful PITAA Heads Meeting in Nadi, Fiji;
- Endorsement of the Draft Strategic Plan;
- Finalization of the Finance & Human Resource Policy; and Signing of Memorandums of Understanding with the Network of Tax Administration.

There has also been an increase in discussions with international bodies in the midst of growing interest into PITAA partnership for future engagements for the Pacific Region and opportunities for PITAA members.

In the area of capacity building, it is pleasing to note the increase in the number of training events and study tours that have been organized and also being planned for the future. With the new agreed funding-model for training with the Pacific Financial Technical Assistance Centre (PFTAC) now in place, there are more training initiatives envisaged for the benefit of the members.

There were four executive committee meetings in 2018 (two face to face) with full participation from all tiers. I am happy to report the good progress and work being done to ensure that the members' expectations are being met.

I am optimistic as well about what the future holds for tax administrations in the region. PITAA is currently working towards having a Performance Framework in place for the Secretariat which will monitor the implementation of the workplan and utilization of budget. This augurs well for the sustainability of the institution moving forward and ensures members' subscriptions are utilized well.

The organization will continue to implement similar best practices so that it remains relevant and efficient and also try to impart these learnings with members where relevant.

With the challenge of joining international forums and implementing global standards, PITAA will continue to engage with the relevant bodies to ensure that members are aware of their obligations and more importantly provide a platform where members can voice their concerns and pragmatically start to address any commitments that may have been pledged.

I would like to thank the Head of Secretariat and her team for their diligence and for the support towards the Executive Committee during my tenure as chair and also impart my best wishes to the incoming chair.

I wish to conclude enthusiastically that with strong leadership together with the support of the executive committee, the secretariat team and all the member administrations, we shall be able to realize our vision of "Leading Pacific Islands Tax Administrations Towards International Best Practice".

Sincerely

Visvanath Das
CEO, Fiji Revenue and Customs Service
Chairperson, PITAA Executive Committee

HEAD OF SECRETARIAT MESSAGE

MRS. KONI RAVONO



DEAR MEMBERS AND STAKEHOLDERS,

It is with great pleasure to present our historical and first ever Pacific Islands Tax Administrators Association (PITAA) Annual Report for the year ending 31st December 2018. As pioneering Head of Secretariat, I am honored to mention of the privilege of being guided by a committed and dedicated Executive Committee and chaired by Fiji's Chief Executive Officer for Fiji Revenue & Customs Services, Mr. Visvanath Das.

With great enthusiasm and delight our team continues to serve our sixteen(16) Pacific Islands members and aligning our work to PITAA's Five years Strategy Plan 2017-2021. The Secretariat team of three continues to strive towards the implementation of strategic priorities focused on "Leading Pacific Islands Tax Administrations towards international best practice".

With Domestic Revenue Mobilization being a global drive for many revenue administrations and economies, the secretariat seeks to be relevant when identifying member needs and prioritizing deliverables with the limited resources available. Through our PITAA mission we create forums and platforms for Pacific Island Countries discussions for sharing of information and experiences, promote best tax administration practices, design and adopt modern strategies, enhance and encourage development of professional standards through facilitation of trainings and dissemination of resources.

In March 2018 we celebrated our one-year anniversary as a permanent establishment for the PITAA office at 84 Harris Road, Suva, Fiji. PITAA as an organization is indebted to the commitment by the Fiji Government to host the permanent PITAA office through Fiji Revenue & Customs Services.

Since our establishment in 2017 we have witnessed the growing interests of international and regional partners and stakeholders towards the Pacific region and PITAA. Milestones have been reached during the year including the signing of the Memorandum of Understanding (MOU) with the Network of Tax Organisation (NTO) which is the International network body comprising of similar Tax organisation members such as Commonwealth Association of Tax Administrators(CATA), Inter-America Centre of Tax Administration (CIAT) and African Tax Administration Forum (ATAF) to name a few.

Our partnership with Pacific Technical Assistance Centre (PFTAC) continues to strengthen with assistance in core tax functions areas and delivery of capacity building and dialogues for members. In 2018, PFTAC celebrated 25years work in the pacific region of which 15years was also dedicated to assisting PITAA formation from a tax leaders forum to now a permanent organisation. In support to PITAA members work PFTAC and IMF hosted the first of its kind PFTCA and Caribbean Regional Technical Assistance Centre (CARTAC) joint Revenue Mobilisation workshop in Washington.

In other PITAA's engagements, the OECD launched the OECD Revenue Statistics in Asia Pacific Economies Publication that included PITAA member contributions. Also during the year, we acknowledge and appreciate the great contributions and support from other international and regional partners such Asian Development Bank(ADB), OECD Korean Tax Policy Centre, International Tax Compact(ITC), CIAT, New Zealand Inland Department (NZIRD)and the Australian Tax Office for the support and assistance to develop the Pacific Region Revenue Administrations.

Finally, I wish to acknowledge and appreciate the hardworking, creative and dynamic PITAA secretariat staff and their supportive families for through them we were able to achieve great things in the year and our humble thank you to the PITAA members, the Executive Committee, partners and stakeholders for the support in making 2018 a success. Vinaka Vakalevu and may our gracious God bless PITAA and its partners.

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ABOUT US

THE PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION (PITAA) was initiated in May 2003 during a seminar in Tonga which was attended by eight tax representative of the Pacific Island Countries (PICs). The seminar was organized by the Pacific Financial Technical Assistance Centre (PFTAC).

This conference heralded the pledge by tax administrators to address tax issues most relevant to them and also promote closer cooperation and coordination, information sharing, promote international standards best tax practices, enhance skills and encourage development of high tax professionals. This was largely seen as the "initial step" towards strengthening their professional ties and discusses ways to formulate and adopt strategies to modernise the tax administration.

PITAA has now built an environment in which PICs tax administration annually meet to freely share their views and desires for their individual administration.



OUR VISION

Leading Pacific Island
Tax Administrations towards
international best
practice

OUR MISSION

- To be a forum where the tax administration and policy issues most relevant to Pacific Island countries can be discussed and where experiences can be shared.
- Promote closer cooperation and coordination of information sharing in tax administration and policy formulation in Pacific countries.
- Help promote international standards and best tax administration practices, suitable to the characteristics of the Pacific Island countries.
- Encourage taxation institutions to design and adopt strategies to modernize and enhance their effectiveness and efficiency.
- Enhance administrative skills and encourage the development of high professional standards by facilitating training and the dissemination of resource materials.



THE PITAA JOURNEY

2003

The idea of PITAA was first floated in a meeting in Tonga.

2012

Members agreed for Fiji to host the Interim PITAA Secretariat while efforts were explored for the permanent establishment of the PITAA Secretariat.

2015

PITAA Members formally agreed to the PITAA Secretariat structure and the establishment of a permanent PITAA Secretariat in Suva, Fiji.

2017

Official Opening of the PITAA Secretariat on Friday 17th March.

2004

1st PITAA Annual Heads Meeting was conducted in Suva, Fiji. The Meeting was attended by eight (8) Tax Administrators from the region.

2013

The Interim PITAA Secretariat was established within the Fiji Revenue & Customs Authority International Relations Section. The PITAA Constitution and Charter was formalized and signed by the PITAA Members.

2016

PITAA Secretariat's Host Country Agreement was signed by Fiji's Minister of Foreign Affairs and the Interim Head of Secretariat- PITAA and FRCA Chief Executive Officer. Appointment of the Head of Secretariat and PITAA Staff.

HOW IS PITAA FUNDED

The PITAA Secretariat is currently fully funded by the PITAA members' through annual subscriptions.

DONORS

PITAA receives majority of its assistance from the Pacific Financial Technical Assistance Center (PFTAC) through Capacity Building initiatives on core tax functions. In addition, the PITAA also works with the Organization for Economic Cooperation & Development (OECD) Global Forum Secretariat, Revenue Statistics, Asian Development Bank and World Bank Group to provide capacity initiatives on International Tax topics.



EXECUTIVE COMMITTEE

The PITAA Secretariat is governed by the PITAA Executive Committee whose responsibility is ensure effective and efficient use of PITAA Members funds.

For the period 2018 – 2019, the PITAA Executive Committee comprise of:



THE CHAIR

Mr. Visvanath Das
Chief Executive Officer
Revenue & Customs Service
Fiji



THE VICE- CHAIR

Ms. Matafeo Avalisa Viali Fautua'alii
Chief Executive Officer
Ministry of Revenue & Customs
Samoa



TIER 1 REPRESENTATIVE

Mr. Alois Daton
Acting Commissioner-General
Internal Revenue Commission
Papua New Guinea



TIER 2 REPRESENTATIVE

Mr. Joseph Dokekana
Commissioner
Department of Inland Revenue
Solomon Islands



TIER 3 REPRESENTATIVE

Ms. Skeeter Lusama
Acting Director
Taxation Office
Tuvalu

MEMBERS



TIER 1 - Papua New Guinea
Mr. Alois Daton
Acting Commissioner-General
Internal Revenue Commission



TIER 1 - Fiji
Mr. Visvanath Das
Chief Executive Officer
Revenue & Customs Service



TIER 2 - Vanuatu
Mr. Benjamin Malas
Director
Customs & Inland Revenue
Department



TIER 2 - Samoa
Ms. Matafeo Avalisa Viali Fau-
tua'alii
Chief Executive Officer
Ministry of Revenue & Customs



TIER 2 - Kingdom of Tonga
Mr. Kelemete Vahe
Chief Executive Officer
Ministry of Customs & Revenue



TIER 2 - Solomon Islands
Mr. Joseph Dokekana
Commissioner
Department of Inland Revenue



TIER 3 - Kiribati
Mr. Iaokiri Koreau
Commissioner
Taxation Office



TIER 3 - Cook Islands
Mr. Xavier Mitchell
Treasurer
Ministry of Finance & Economic
Management



**TIER 3 - Federated States of
Micronesia**
Mr. Salvador Jacob
Assistant Secretary
Customs and Tax Administration



TIER 3 - Palau
Ms. Gloria Mengloi
Acting Director
Bureau of Revenue & Taxation



TIER 3 - Nauru
Mr. Terry Greenwood
Assistant Secretary
Revenue Office



TIER 3 - Niue
Mr. Poitogia Kapaga
Financial Secretary
Finance & Planning



TIER 3 - Tokelau
Mr. Alan Shaw
Acting Director
Finance



**TIER 3 - Republic of the Marshall
Islands**
Mr. Lincoln Mea
Chief Taxation
Division of Customs, Treasury,
Revenue & Taxation



TIER 3 - Timor-Leste
Ms. Monica Rangel da Cruz
Director-General
Directorate-General for Revenues



TIER 3 - Tuvalu
Ms. Skeeter Lusama
Acting Director
Taxation Office

SECRETARIAT



HEAD OF SECRETARIAT

Mrs. Koni RAVONO
kravono@pitaa.org



TRAINING COORDINATOR/ OFFICE ADMINISTRATOR

Mr. Petero MAIVUCEVUCE
pmaivucevuce@pitaa.org



FINANCE OFFICER

Mr Praneel KRISHAN
(JAN - JULY)



FINANCE OFFICER

Mrs. Madhvi DEVI
mdevi@pitaa.org
(SEP - DEC)



STRATEGIC PLAN

STRATEGIC PRIORITIES AND OUTCOMES FIVE strategic priorities have been determined that sets the parameters for PITAA's operation over 2017 - 2021. Each priority has outcomes to be achieved on which PITAA's Business Plan development areas are based.

Strategic Priority 1: Effectively manage member and donor resources.

Outcome:

- PITAA Status is formalised and recognised.
- A robust governance framework is in place for PITAA.
- The PITAA Secretariat is managed effectively.
- A Performance Measurement Framework (PMF) is in place for PITAA.
- Members and Donors are kept updated of activities and developments within PITAA.
- Attract investment in modernizing tax administration
- Improve Management through the better use of information gained through the collection and collation of data

Strategic Priority 2: Assist members to manage erosion of the revenue base.

Outcome:

- Member countries are assisted to manage risks that erode the tax base.

Strategic Priority 3: Assist members to build their capability and capacity.

Outcome:

- PITAA supports members to build their capability and capacity.

Strategic Priority 4: Utilise information, skills and knowledge across member countries.

Outcome:

- The collective knowledge, skills and information of member countries and PITAA capacity development is available for all members to access.
- Information is easily accessible to members.

Strategic Priority 5: Contribute to regional and international forums.

Outcome:

- PITAA is engaged at the regional and international level.

PITAA BUSINESS PLAN 2017 - 2021

STRATEGIC PRIORITY 1: EFFECTIVELY MANAGE MEMBER AND DONOR RESOURCES.						
Outcomes	Development	Delivery 2017	Delivery 2018	Delivery 2019	Delivery 2020	Delivery 2021
PITAA Status is formalised and recognised.	PITAA's status in Fiji is ratified and Head of Secretariat (HOS) is appointed.	<ul style="list-style-type: none"> * Confirm Host Country Agreement (HCA) was signed in 2016. * Appoint Head of Secretariat and staff the secretariat. * Open PITAA Secretariat Office. 				

A robust governance framework is in place for PITAA.	PITAA Heads and Executive Committee carry out their governance responsibilities.	PITAA Heads and Executive Committee carry out their governance responsibilities.	PITAA Heads and Executive Committee carry out their governance responsibilities.	* PITAA Heads and Executive Committee carry out their governance responsibilities. * Review adequacy of Policy and procedures of the PITAA Secretariat.	PITAA Heads and Executive Committee carry out their governance responsibilities.	PITAA Heads and Executive Committee carry out their governance responsibilities.
The PITAA Secretariat is managed effectively.	Maintain PITAA's Constitution, Charter, Strategy and Business plan.	Review and update PITAA Strategy and Business plan at PITAA Heads meeting.	* Review and update PITAA Strategy and Business plan at PITAA Heads meeting. * Executive committee to review Constitution and Charter and recommend changes at the PITAA Heads meeting. * Undertake Secretariat satisfaction survey with member countries.	* Review and update PITAA Strategy and Business plan at PITAA Heads meeting. * Changes made to PITAA Constitution and Charter.	* Review and update PITAA Strategy and Business plan at PITAA Heads meeting. * Undertake Secretariat satisfaction survey with member countries.	Review and update PITAA Strategy and Business plan at PITAA Heads meeting.
	* Develop Secretariat policies and procedures: * Human Resource management. * Planning, Finance and Budgeting of donor and members funds. * Governance and Reporting. * Information Technology. * Communication.	* Secretariat to develop and implement policies and procedures. * Appoint external Auditor.	Secretariat to implement policies and procedure.	* Secretariat to implement policies and procedures. * Secretariat to undertake formal review of policies and procedures.	Secretariat to implement policies and procedures.	Secretariat to implement policies and procedures.

A performance measurement framework (PMF) is in place for PITAA.	Develop and implement the PITAA Performance Management Framework.	With PFTAC assistance, maintain the existing country baseline assessment in key tax administration development areas.	* Develop PMF framework with appropriate performance measures and indicators. * With PFTAC assistance, maintain the existing country baseline assessment in key Tax Administration development areas.	* Pilot the PITAA Performance Management Framework and include results in the annual report. * With PFTAC assistance, maintain the existing country baseline assessment in key Tax Administration development areas.	* Launch the PMF for all member countries * With PFTAC assistance, maintain the existing country baseline assessment in key Tax Administration development areas.	* Collect country data and report outcomes within the annual report and to the Heads meeting * With PFTAC assistance, maintain the existing country baseline assessment in key Tax Administration development areas.
Members and Donors are kept updated of activities and developments within PITAA.	Inform members and donors of developments within PITAA.	Prepare and issue a four monthly newsletter that inform members and donors of current developments and events.	Prepare and issue a four monthly newsletter that inform members and donors of current developments and events.	Prepare and issue a four monthly newsletter that inform members and donors of current developments and events.	Prepare and issue a four monthly newsletter that inform members and donors of current developments and events.	Prepare and issue a four monthly newsletter that inform members and donors of current developments and events.
Attract investment in modernizing tax administration	Collaborate and network with potential donors or providers to investments into modernising tax administrations.		1. Create awareness of PITAA mission and its Members in the international and global arena. 2. Work on how to market the need to modernise tax administrations to potential donors and providers.	1. Create awareness of PITAA mission and its Members in the international and global arena. 2. Work on how to market the need to modernise tax administrations to potential donors and providers.	1. Create awareness of PITAA mission and its Members in the international and global arena. 2. Work on how to market the need to modernise tax administrations to potential donors and providers.	1. Create awareness of PITAA mission and its Members in the international and global arena. 2. Work on how to market the need to modernise tax administrations to potential donors and providers.
Improve Management through the better use of information gained through the collection and collation of data	Establishing Risk Compliance Management Framework for members with the need to have a modernised Data System and Analysis Framework and Risk Profiling of Information.		1. Develop Compliance Risk Management Framework within the members. 2. Enhance Set up Risk Profiling Teams. 3. Programme IT system to accommodate the need to develop CRM and Data Collation and collection of funds. 4. Secondments of members to Administrations that are advanced 5. Trainings on Data Collection and also on analysis	1. Develop Compliance Risk Management Framework within the members. 2. Enhance Set up Risk Profiling Teams. 3. Programme IT system to accommodate the need to develop CRM and Data Collation and collection of funds. 4. Secondments of members to Administrations that are advanced 5. Trainings on Data Collection and also on analysis	1. Develop Compliance Risk Management Framework within the members. 2. Enhance Set up Risk Profiling Teams. 3. Programme IT system to accommodate the need to develop CRM and Data Collation and collection of funds. 4. Secondments of members to Administrations that are advanced 5. Trainings on Data Collection and also on analysis	1. Develop Compliance Risk Management Framework within the members. 2. Enhance Set up Risk Profiling Teams. 3. Programme IT system to accommodate the need to develop CRM and Data Collation and collection of funds. 4. Secondments of members to Administrations that are advanced 5. Trainings on Data Collection and also on analysis

STRATEGIC PRIORITY 2: ASSIST MEMBERS TO MANAGE EROSION OF THE REVENUE BASE.						
Outcomes	Development	Delivery 2017	Delivery 2018	Delivery 2019	Delivery 2020	Delivery 2021
Member countries are assisted to manage risks that erode the tax base.	Members exchange information to assist the management of risks to compliance.	Members agree in principle to develop instruments to enable the exchange of information between their respective jurisdictions.	Exchange of information instruments are developed and ratified between members. These may include multi-lateral TIEA's or signing up to the <i>Convention of Mutual Administrative Assistance in Tax Matters (MAC)</i> .	A process to exchange information between members in accordance with their exchange of information instruments is developed and implemented.	Information is exchanged between members in accordance with their exchange of information instruments.	Information is exchanged between members in accordance with their exchange of information instruments.
	Members work collaboratively to manage multinational enterprise (MNE) compliance.	Provide members with awareness training on Base Erosion and Profit Sharing (BEPS) and the BEPS tool package. (OECD).	Assist members' to implement BEPS risk management processes.	Review member implementation of BEPS and assist them to fully implement as required.	Review member MNE compliance and provide guidance and assistance as required.	Assist members where gaps exist with their multi-national response.
			Draft feasibility paper for consideration by the Executive Committee relating to the development of Roving Audit Teams (RAT's).	Decision by Executive Committee on the implementation and processes of RATs.	Implement RAT processes.	
	Develop specific industry responses 14 to compliance risks.	Scope and develop strategies, information and industry expert training for specific industries that present high compliance risk in a number of member countries. Examples being the fishing and the construction industry.	Train and develop industry experts & auditors in member countries.	Review progress with members and review industries selected and maintenance of pool of experts.	Review progress with members and review industries selected and maintenance of pool of experts.	Review progress with members. Review industries
	Identify emerging and/or common risks to member countries.	Scope and develop strategies to deal with emerging and/or common risks.	Assist members to implement strategies to deal with emerging and/or common risks.	Provide training & other assistance as identified.	Review emerging and / common risks for members.	Develop strategies to respond to emerging and/ or common risks to countries.

STRATEGIC PRIORITY 3: ASSIST MEMBERS TO BUILD THEIR CAPABILITY AND CAPACITY.						
Outcomes	Development	Delivery 2017	Delivery 2018	Delivery 2019	Delivery 2020	Delivery 2021
PITAA supports members to build their capability and capacity.	Determine training and development policy.	* Develop and implement a training and development policy.			Review training and development policy.	
	Identify country capability and capacity needs.	* Develop and make available a training needs analysis (TNA) template. * Have member countries undertake a TNA including the utilisation of bench mark assessments and RA-FIT (TADAT): » Administrative Framework. » Governance & Accountability. » Corporate Strategy. » Core Processes. » Support Processes. » Operating Model. » Automation. » Human Resources and Leadership. » Tax Policy. » Legislative Framework. * Design training to target those areas identified in the countries stage of development for which specific training and development through PITAA would be most beneficial. * Develop and cost a draft PITAA training calendar that specifically targets by member country the areas of needed training and development for * 2018.	Cost and develop a PITAA training calendar that specifically targets by member country the areas of needed training and development for 2019.	Cost and develop a PITAA training calendar that specifically targets by member country the areas of needed training and development for 2019.	Cost and develop a PITAA training calendar that specifically targets by member country the areas of needed training and development for 2019.	Cost and develop a PITAA training calendar that specifically targets by member country the areas of needed training and development for 2019.

	Deliver a costed Training and Development Calendar.	* Assess the availability of member and donor resources to deliver the training calendar and make adjustments as needed. * Finalise the funded training and development calendar and issue to members. * Deliver PITAA's training and development programme.	* Assess the availability of member and donor resources to deliver the training calendar and make adjustments as needed. * Finalise the funded training and development calendar and issue to members. * Deliver PITAA's training and development programme.	* Assess the availability of member and donor resources to deliver the training calendar and make adjustments as needed. * Finalise the funded training and development calendar and issue to members. * Deliver PITAA's training and development programme.	* Assess the availability of member and donor resources to deliver the training calendar and make adjustments as needed. * Finalise the funded training and development calendar and issue to members. * Deliver PITAA's training and development programme.	* Assess the availability of member and donor resources to deliver the training calendar and make adjustments as needed. * Finalise the funded training and development calendar and issue to members. * Deliver PITAA's training and development programme.
	Members Information Communication Systems (ICS) are modern and affordable to maintain.	Members collectively negotiate maintenance and upgrading agreements with ICT providers and vendors that have a presence in the region.	Members identify their generic areas of ICT interest and collaborate with the intent of taking a regional approach when negotiating contracts with common vendors in the region.	Members negotiate regional agreements with common ICT vendors.	Regional ICT agreements are evaluated and enhancements identified in readiness for next contract discussions with vendors.	
	PITAA makes a best practice tax administration model office toolbox available for members to access.			Scope the model office framework in areas including: policy and legislations, functional operating model, structures, processes and systems and structures.	Develop two components of the of the model office toolbox.	Develop a further two components of the of the model office toolbox.

STRATEGIC PRIORITY 4: UTILISE INFORMATION, SKILLS AND KNOWLEDGE ACROSS MEMBER COUNTRIES						
Outcomes	Development	Delivery 2017	Delivery 2018	Delivery 2019	Delivery 2020	Delivery 2021
The collective knowledge, skills and information of member countries and PITAA capacity development is available for all members to access.	Make available a register of experts by discipline and country to assist facilitate secondments, internships and attachments between members and donors.	Develop the criteria and discipline on which to develop the register of <i>subject matter experts</i> .	* Members to advise PITAA of staff and managers that meet the criteria of a subject matter expert. * Register made available on the PITAA website for countries to access.	* Maintain and update register of subject matter experts. * Set annual delivery targets and measures based on member requirements.	* Maintain and update register of subject matter experts. * Set annual delivery targets and measures based on member requirements.	* Maintain and update register of subject matter experts. * Set annual delivery targets and measures based on member requirements.
Information is easily accessible to members.	Develop and implement the PITAA website to become the primary interface of information sharing with members and donors.		* Transfer and locate web master from PFTAC to PITAA. * Secretariat to modernise PITAA website technical specifications to include: a. Member's portal. b. Secretariat information for members. c. Operating finance and expenditure position. d. Training calendar. e. Country secondments and attachments. f. Newsletters and publications. g. Survey outcomes. h. Model office toolbox.	* Engage a website developer to design and test the new website.	Launch the new PITAA website.	Maintain and service the PITAA website.

STRATEGIC PRIORITY 5: CONTRIBUTE TO REGIONAL AND INTERNATIONAL FORUMS						
Outcomes	Development	Delivery 2017	Delivery 2018	Delivery 2019	Delivery 2020	Delivery 2021
PITAA is engaged at the regional and international level	Form working relationships with relevant regional and international bodies.		* Identify regional and international organizations with whom PITAA should engage. These organizations may include: » OCO » PIFS » SGATAR » OECD » WB/IFC » PFTAC/IMF » CATA » ADB » ISORA » Global Forum	* Communicate with the organisations to communicate 1. the existence and purpose of PITAA 2. areas where co-operation on common issues would be of benefit.	* Develop MOU's with regional and international organizations and develop work plans where appropriate.	* Review the MOU's to identify new issues for the next five years. * Continue work on the agreed initiatives. * Continue work on the joint initiatives to implement. * Continue implementation of the MOU.

CAPACITY BUILDING

CAPACITY BUILDING INITIATIVES FOR 2018

Regional capacity building initiatives is the main form of assistance the PITAA Secretariat coordinate for its sixteen PITAA members. This involves collaborating with regional organizations such as the Pacific Financial Technical Assistance Center on core tax topics and with international organizations such as Asian Development Bank (ADB), International Monetary Fund (IMF), Organization for Economic Cooperation and Development (OECD) and the World Bank Group (WBG) on international tax topics. The year under review had the PITAA Secretariat coordinate five on regional workshops for the PITAA members. The workshop topics ranged from international tax topic on Last Mile to Leadership through the Pacific Managers Development Programme.

The breakdown of the workshops are as follows:

	Workshop Title	Partnered With:	Date & Venue	Participation
1	Last Mile Seminar: Effective Exchange of Information & Request from Tax Auditors Perspective	Asian Development Bank Organization for Economic Cooperation & Development Global Forum on Transparency and Exchange of Information for Tax Purposes	10 – 12 April 2018 Novotel Hotel, Nadi, Fiji	15 participants from 12 PITAA member administration
2	International Survey on Revenue/Customs Administration	International Monetary Fund Pacific Financial Technical Assistance Center	16 – 20 April 2019 Tanoa International Hotel, Nadi, Fiji	24 participants from 13 PITAA member administration
3	Pacific Managers Development Programme	Vanuatu Customs & Inland Revenue Department Papua New Guinea Internal Revenue Commission Papua New Guinea Customs Department Oceania Customs Organization	23 April – 4 May 2018 Ramada Resort, Port Vila, Vanuatu	28 participants from 9 Tax and Customs administration
4	Revenue Mobilization in the Caribbean and the Pacific Islands	International Monetary Fund Pacific Financial Technical Assistance Center	9 – 13 July 2018 IMF Head Quarters, Washington, United States of America	12 participants from 12 PITAA member administration
5	VAT Implementation	Pacific Financial Technical Assistance Center	7 September 2018 Tanoa International Hotel, Nadi, Fiji	
6	Change Management	Pacific Financial Technical Assistance Center	11 September 2018 Tanoa International Hotel, Nadi, Fiji	

In 2018, the PITAA Secretariat continued to maintain its strong partnership with the Pacific Financial Technical Assistance Center (PFTAC) as its main partner on capacity building initiatives. This partnership further strengthened when the PITAA Secretariat began to financially contribute to the delivery of the workshops. This demonstrated the PITAA Secretariat's commitment to capacity building of its members and we hope to increase our number of capacity building initiatives in the future. The co-funding of regional workshops are made possible through the funding assistance of the Papua New Guinea Internal Revenue Commission as the funder of the PITAA Training Fund.

At the 2018 PITAA Annual Heads Meeting, the PITAA members approved the use of the PITAA Training Fund on a 75% - 25% cost sharing. On cost sharing basis, 75% of the cost will be funded by the PITAA Secretariat whilst 25% of the cost will be borne by the member attending the workshop. This cost-sharing mechanism ensures that the PITAA members take on some financial responsibility whilst at the same time maintain an adequate level of funds available for other capacity development opportunities.

For the first time this year, the International Monetary Fund through the Pacific Financial Technical Assistance Center organized a workshop on Revenue Mobilization in the Caribbean and the Pacific Islands in Washington, United States of America held from 9 – 13 July 2018. The workshop was targeted at Commissioner level with twelve PITAA Heads attending the workshop. The workshop allowed discussions on national reforms progress, successes and possible solutions for reform progress, make comparisons and examine lessons learnt from each region and their applicability to other region.



**Ramada Resort Port-Vila
April 23rd -> May 4th 2018**

FINANCE



GLANCE AT ACHIEVEMENTS

PITAA focused on implementing best practices to bring in effective and efficient use of resources. Hence, implementation of an accounting software that would best meet its requirements for financial reporting was a must. MYOB Accounting System is a simple accounting software for SMEs which is practical for PITAA Secretariat. Simple, yet a powerful accounting software with emphasis on workflows and business processes. It helped automate every financial aspect of PITAA Secretariat financial reporting needs. Once the audited financial reports were out for the year 2017 transition was made from manual based system reporting to system-based reporting.

In addition, Datepay software was implemented for system-based reporting for payroll functions.

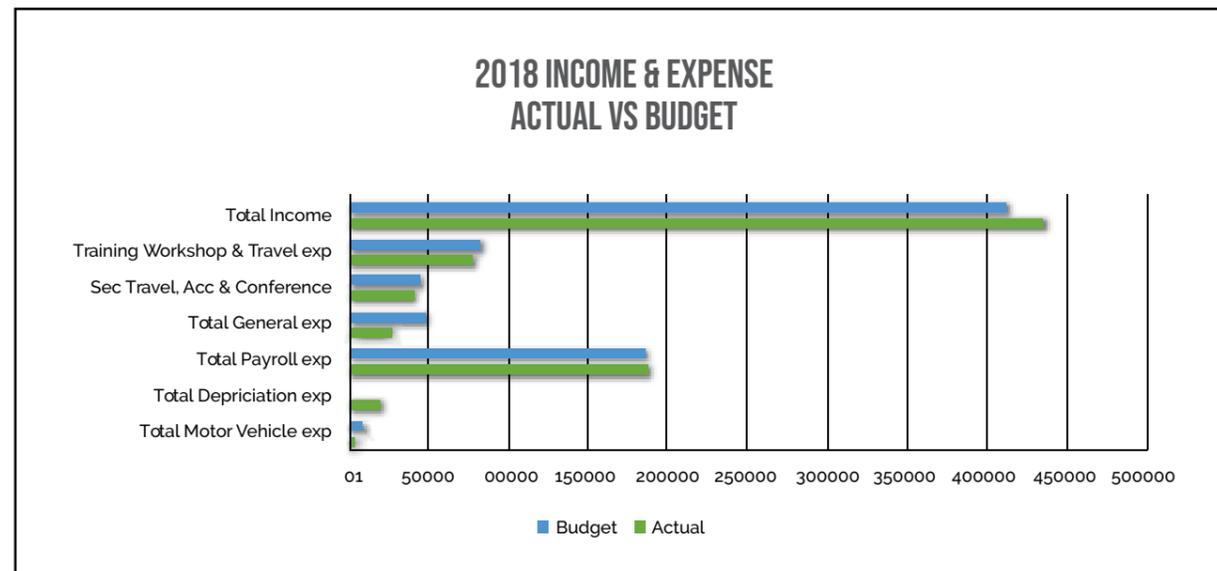
Move towards online payment method was also taken, allowing PITAA to modernize and grow with time.

In governance, PITAA Finance and Administrative Policy was finalized and implemented.

And a timeline for Member Subscription payment was put into place to bring in revenue sooner than later with the due date as 30th March every year.

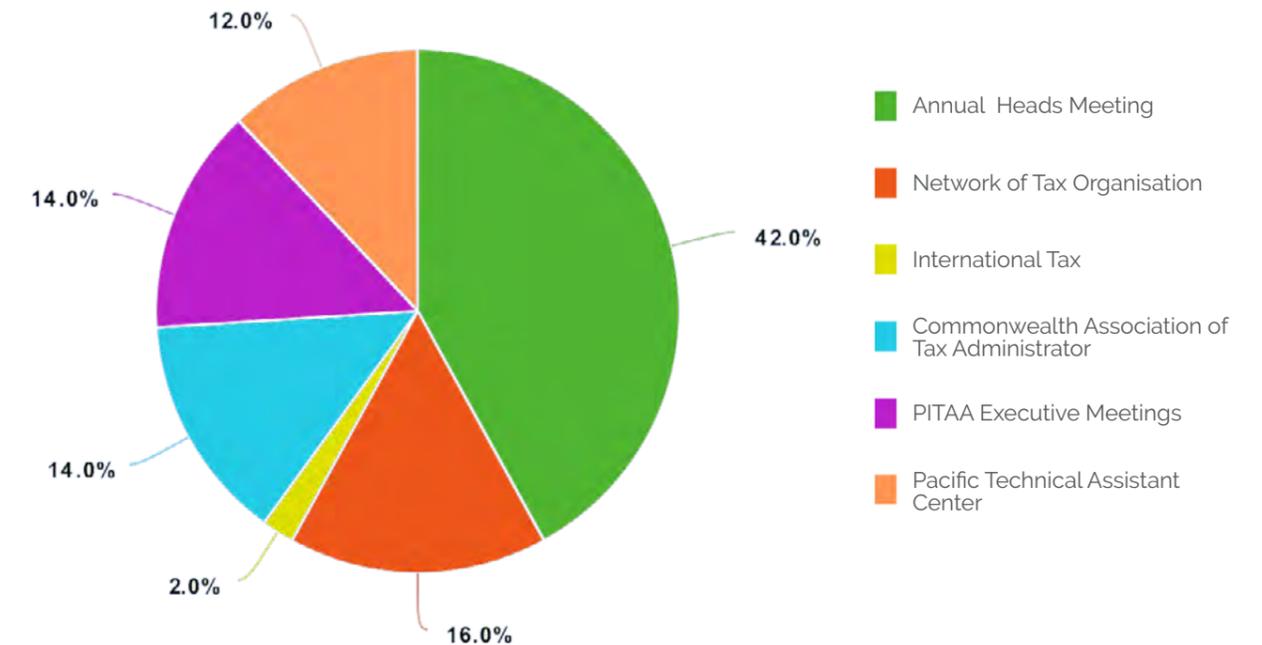
MONITORING THE FINANCE

By the end of the year, PITAA managed to save more than anticipated in the 2018 budget through foreign exchange rates and stringent governance for expenditures.



From the budget allocation of \$45000.00 for Secretariat Travel, Accommodations & Conferences, the following conferences and meetings were attended.

SECRETARIAT CONFERENCES & MEETING EXPENSE



AUDITED FINANCIALS

Ernest & Young Associates was appointed as PITAA Auditors.

The Audited accounts has been prepared in accordance with International Financial Reporting Standard (IFRS) for Small and Medium-sized Entities (SME). This has been approved by the auditors for good governance and practice by PITAA secretariat.

PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
Income			
Subscriptions from members	3(a)	331,039	312,218
Other income	3(b)	<u>106,355</u>	<u>80,666</u>
		437,394	392,884
Expenses			
Administrative expenses	4(a)	223,590	227,782
Operating expenses	4(b)	134,246	83,704
Finance cost	4(c)	<u>567</u>	<u>376</u>
Total expenditure		358,403	311,862
Surplus for the year		78,991	81,022
Income tax expense	2(g)	<u>-</u>	<u>-</u>
Net surplus for the year		78,991	81,022
Other comprehensive income for the year, net of tax		-	-
Add: opening retained earnings		<u>1,104,243</u>	<u>1,023,221</u>
Closing retained earnings		<u>1,183,234</u>	<u>1,104,243</u>

The accompanying notes form an integral part of this Statement of Comprehensive Income and Retained Earnings.

PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	5	1,225,608	972,060
Trade and other receivables	6	9,016	73,718
Held to maturity investment	7	7,000	7,000
		<u>1,241,624</u>	<u>1,052,778</u>
Non-current assets			
Property, plant and equipment	8	42,493	59,349
		<u>42,493</u>	<u>59,349</u>
Total Assets		1,284,117	1,112,127
Current liabilities			
Trade and other payables	9	99,652	7,884
Employee entitlements	10	1,231	-
Total liabilities		100,883	7,884
Net assets		<u>1,183,234</u>	<u>1,104,243</u>
Equity			
Retained earnings		<u>1,183,234</u>	<u>1,104,243</u>
Total equity		1,183,234	1,104,243

Signed for and on behalf of the Committee.



Mr Visvanath Dass
Chairperson



Koni Ravono
Head of Secretariat

The accompanying notes form an integral part of this Statement of Financial Position

**PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

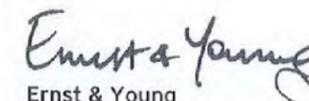
	Note	2018 Inflows/ (Outflows) \$	2017 Inflows/ (Outflows) \$
Receipts from members		589,249	357,357
Payment to suppliers and employees		(357,172)	(265,862)
Interest and other finance costs		4,615	3,056
Net cash flow provided by Operating Activities		<u>236,692</u>	<u>94,551</u>
Cash flows from investing activities			
Investment in term deposit		-	(7,000)
Acquisition of plant and equipment		16,856	(61,162)
Net cash flow (used) in investing Activities		<u>16,856</u>	<u>(68,162)</u>
Net increase in cash held		253,548	26,389
Cash at the beginning of the year		972,060	945,671
Cash at the end of the year	5	<u><u>1,225,608</u></u>	<u><u>972,060</u></u>

AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS OF PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION

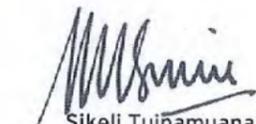
As lead auditor for the audit of Pacific Islands Tax Administrators Association for the financial year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pacific Islands Tax Administrators Association during the financial year.



Ernst & Young
Chartered Accountants



Sikeli Tuinamuana
Partner
Suva, Fiji

29 July 2019

INDEPENDENT AUDIT REPORT

To the members of Pacific Islands Tax Administrators Association

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Pacific Islands Tax Administrators Association ("the Association") which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income and retained earnings and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Association as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the management and Directors for the Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRS for SMEs and the Association's Constitution, and for such internal control as the Executive Committee determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Executive Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Executive Committee is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

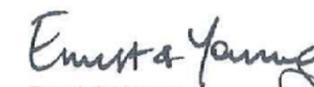
INDEPENDENT AUDITOR'S REPORT *continued*

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

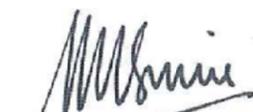
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Executive Committees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Ernst & Young
Chartered Accountants



Sikeli Tuiñamuana
Partner
Suva, Fiji

29 July 2019



THE FUTURE

PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION existed for 15 years before establishing a permanent secretariat in 2016 which opened its office in March 2018 at 84 Harris Road, Suva, Fiji.

PITAA made major achievements during the year including the signing of the Memorandum of Understanding (MOU) with stakeholders, successful Pacific Managers Development Programme, in-country visits and website launch to name a few.

In the upcoming year PITAA Secretariat will be working to increase its networking and increase the number of trainings for its members with the help of donors and stakeholders. The PITAA Secretariat will continue to monitor its budget and efforts in ensuring that resources are utilized efficiently and effectively.

STAKEHOLDERS



International Bureau of Fiscal Documentation (IBFD)



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PHOTO GALLERY







Delaibth.