



Pacific Islands Tax Administrators Association Secretariat

# 2019

ANNUAL REPORT



**Kasehlelia**

**lokwe**

**Alii**

**Halo  
ola  
keta**

**Ekamowir  
Omo**

**Mauri**

**Elo  
Hi**

**Halo**

**Faka  
talofa  
atu**

**Talofa**

**Halo**

**Bula**

**Malo  
e lelei**

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Tālofa

Tokelau

Kia  
orana

Cook Islands

fakaalofa  
lahi atu

Niue



# MESSAGE FROM

## THE CHAIR OF THE EXECUTIVE COMMITTEE

### **Iokwe**

I have the pleasure of presenting our performance for the period ending 31<sup>st</sup> December 2019.

We have delivered another year of achievement for our members with three Executive Committee meetings held in 2019 with full participation from all membership tiers. We approached 2019 focusing on improving returns to the members. The PITAA Executive Committee, together with PITAA Secretariat and our stakeholders, worked in unison to deliver our main objectives.

We incorporated in this target various factors such as funding and surveys to steer our Strategic Plan forward. In addition, we thank the committee members who performed as Administrative Heads in various administrations who helped drive our results, while at the same time encouraged our members to adhere to the payment timeline for member subscriptions. Tenkyu tumas to PNGIRC, who is one of the Association's founding members, a TIER 1 representative to the PITAA Executive Committee and the funder of the PITAA Training Fund.

PITAA has followed our Strategic Plan since 2017 and we have consistently ensured that our decisions equate to valuable outcomes for our members. In 2019, we further enhanced our contribution to regional and international forums.

As a result of these enhanced contributions, PITAA requested for additional funding. This resulted in a 20% growth in the number of trainings compared to 2018. One of the major contributors to our growth was PFTAC. In the coming year we will continue to improve our key service deliverables, improve our stakeholder engagements and, more importantly, continue to be results oriented.

Some of our key achievements for the 2019 fiscal year include:

- Successfully convened PITAA Heads Meeting in Majuro, Republic of the Marshall Islands; the Meeting's theme was "Building Resilience and Sustainability in a growing digitalised Era;"
- Approved a new funding model where tiers are categorised according to their GDP;
- Approved Performance measurement framework for PITAA staffs;
- Reappointed Head of Secretariat - PITAA, Ms Koni Ravono, for the next three years;
- Improved Telephone Services along with IT services thanks to FRCS with their IT audit;

- Conducted Training Needs Analysis – the first time the Secretariat explored the use of online survey;
- Opened up the opportunity to PITAA members through the Multilateral Convention on Mutual Administrative assistance in Tax Matters (MAAC);
- Continued the regional partnership with OECD for the 2020 Revenue Statistics Publication;
- Participated in Online video conference - United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) “Strengthening Regional Tax Cooperation in Asia and the Pacific.”

At this juncture, the Committee wishes to extend our appreciation to the PITAA Secretariat team for their hard work and dedication throughout the year. We would like to also express our greatest appreciation to the executives for their firm leadership, support and guidance.

To all of our members, thank you for considering PITAA to be your regional voice. Kimmoltata to Asian Development Bank (ADB), Pacific Financial Technical Assistance Centre (PFTAC), Delegation of the European Union in the Pacific (EU), the Organisation for Economic Cooperation & Development (OECD) and the Network of Tax Organisations (NTO) who have partnered with us for training and workshops. We are strongly encouraged by your support to champion more capacity building initiatives. It is your support and confidence that have empowered PITAA to exceed expectations. We look forward to another eventful year of knowledge-sharing.

#### **Kommoltata**

Ann Marie Shoniber Muller  
 Assistant Secretary for Division of Customs, Treasury, Revenue & Taxation  
 Chairperson, PITAA Executive Committee





# MESSAGE FROM THE HEAD OF SECRETARIAT

Dear Members and Stakeholders

PITAA's vision "Leading Pacific Island Tax Administrations towards international best practice" was the foundation for PITAA's strategic objectives. We combined our collective efforts to bring more training initiatives and international engagements for the benefit of our members.

## **Training portfolio**

Capacity development of PITAA members continues to be the main mode of assistance provided by the PITAA Secretariat through its partnership with regional and international stakeholders. The PITAA Secretariat conducts an annual training needs assessment (TNA) to establish the priority areas of PITAA members, identifying which needs are relevant and which outcomes can be implemented to modernise tax administration to international best practices. Using the results of the TNA, our capacity building initiatives are discussed and approved at the PITAA Annual Heads Meeting and shared with our partners. Our regional workshops are organised over the course of three to five days, depending on the workshop materials required. The workshops are mainly held in Fiji due to its central location and cost effectiveness.

Continuous support by the Pacific Technical Assistance Centre (PFTAC) is appreciated and acknowledged, especially the increased funding and support towards Revenue Administration technical assistance and capacity building initiatives. This increased funding is reflected in the tremendous surge in trainings and workshops scheduled for FY 2019-2020.

## **Meeting portfolio**

Regional and international representation by PITAA is always an opportunity to upgrade and upskill our members, at the same time share Pacific knowledge and experiences are shared with others. Some of the meetings attended in 2019 are as follows:-

	Event Name	Date	Venue
01	OCED VAT Conference	March 2019 20-22	Melbourne, Australia
02	PFTAC Steering Committee Meeting	March 2019 27-28	Port Moresby, PNG
03	Tax & Development Conference ATI/ITC	July 2019 2-4	Belgium, Germany
04	FHRI Annual Convention	October 2019 17-19	Nadi, Fiji
05	SGATAR	October 2019 23-25	Yogyakarta, Indonesia
06	CATA 40th Annual Technical Conference	November 2019 11-14	Penang, Malaysia
07	ADB	November 2019 19-20	Manila, Philippines

### Conclusion

PITAA has been operating for 16 years and has produced its first annual report for 2018. It is therefore a great honour for me to present the second Pacific Islands Tax Administrators Association (PITAA) Annual Report for the year ending 31<sup>st</sup> December 2019, our second annual report

At this moment, I wish to acknowledge the support and stewardship of the Executive Committee, members heads and stakeholders.

To our members, we are indeed overwhelmed by your loyalty and support. We have witnessed many changes and transitions over the past several years and enjoy the deeper relationships and bonding we have established.

Vinaka Vakalevu and may our gracious God bless PITAA and its partners.

Ms Koni Ravono

Head of Secretariat

Pacific Islands Tax Administrators Association Secretariat



# ABOUT US

PITAA is fully funded by PITAA member through annual subscriptions. In addition, PITAA receives major assistance from PFTAC through its capacity building initiatives on our core functions.

**2019**  
PITAA published its 1st Annual report in October.

**2018**  
PITAA launched its website in December at Sofitel Fiji.

**2017**  
Official Opening of the PITAA Secretariat on Friday 17th March.

**2016**  
PITAA Secretariat's Host Country Agreement was signed by Fiji's Minister of Foreign Affairs. PITAA Secretariat team formed.

**2015**  
PITAA Members formally agreed to the PITAA Secretariat structure and the establishment of a permanent PITAA Secretariat in Suva, Fiji.

**2013**  
PITAA Interim Secretariat established within FRCA.

**2012**  
Members agreed for Fiji to host the Interim PITAA secretariat while efforts explored for permanent office secretariat

**2004**  
1st PITAA Annual Heads Meeting was conducted in Suva, Fiji. The Meeting was attended by eight (8) Tax Administrators.

**2003**  
The idea of PITAA was first floated in a meeting in Tonga.



# 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.

# OUR VISION

*Leading Pacific Island Tax Administrations towards international best practice*



# ANNUAL HEADS MEETING JOURNEY

**MARSHALL ISLANDS**  
September 16-18

2019

2018

**FIJI**  
September 11-13

2017

**SAMOA**  
September 13-15

2016

**FIJI**  
September 14-16

2015

**Papua New Guinea**  
September 28-30

2014

**FIJI**  
September 10-12

2013

**SOLOMON ISLANDS**  
September 10-12

2012

**KIRIBATI**  
September 10-12

2011

**FIJI**  
August 22-24

2010

**REPUBLIC OF THE MARSHALL ISLANDS**  
October 27-29

2009

**TONGA**  
September 8-10

2008

**VANUATU**  
September 1-4

2007

**Papua New Guinea**  
August 28-30

2006

**COOK ISLANDS**  
August 8-10

2005

**SAMOA**  
August 9-11

2004

**FIJI**  
August 10-12

# CAPACITY BUILDING INITIATIVES 2019

## *Strategic Priority 3: Assist Members to Build Their Capacity and Capability*

In 2019, the PITAA Secretariat coordinated nine regional workshops on a wide range of core tax topics. Through these regional initiatives, a total of 187 tax officials from across the PITAA membership were trained. Of those 187 participants, 45.5% were female and 54.5% were male.

During regional workshops, participants are required to document post-workshop action plans for implementation at their respective administrations and this is followed up

by the PITAA Secretariat. While this is an area that needs improvement, the PITAA Secretariat continues to work closely with PITAA members to ensure actionable plans are implemented and value for money is realised.

Through the additional contribution of PNGIRC, the PITAA Secretariat manages the PITAA Training Fund which enables the co-sponsor of regional initiatives with our partners. While PITAA Secretariat funding is limited, we make an effort to financially contribute to events to show our commitment.

	Event Name	Date	Venue	Number of PITAA Countries Attended	Number of PITAA Participants Attended	Partnership
01	Tax Administration Diagnostic Assessment Tool	March 7 – 4 2019	Nadi, Fiji	14	30	PFTAC
02	Revenue Statistics in Asia and the Pacific Economies	April 2019 4 – 3	Nadi, Fiji	13	15	ADB EU OECD
03	Taxpayer Survey	April 18 – 15 2019	Nadi, Fiji	11	21	PFTAC
04	Audit Methods & Procedures for Northern Territories	May 30 – 27 2019	Pohnpei, Federated States of Micronesia	3	21	PFTAC
05	Tax Avoidance & Evasion	June 2019 7 – 3	Nadi, Fiji	13	32	ADB/OECD/OECD Korean Tax Policy Centre/CATA/NzIRD
06	Compliance Risk Management	June 20 – 17 2019	Nadi, Fiji	15	32	PFTAC
07	Managing Modern Revenue Administration	October 10 – 7 2019	Nadi, Fiji	15	30	PFTAC
08	Tax Audit Managers	14 – 11 November 2019	Nadi, Fiji	15	32	PFTAC
09	Managing Debt & Returns	13 – 9 December 2019	Nadi, Fiji	14	31	PFTAC

\*Note: The same officials have attended a few other workshops as well.





# 2019 PITAA ANNUAL HEADS MEETING

The 16<sup>th</sup> PITAA Annual Heads Meeting was hosted by the Republic of the Marshall Islands at the International Convention Centre in Majuro from 16 – 18 September 2019.

The meeting was attended by 14 PITAA members and 12 regional and international stakeholders including Pacific Financial Technical Assistance Centre (PFTAC), Autonomous Region of Bougainville, BearingPoint, DataTorque, International Monetary Fund (IMF), World Bank Group (WBG), New Zealand Inland Revenue (NZIR), Oceania Customs Organisation (OCO), Organization for Economic Cooperation & Development (OECD) Revenue Statistics, the Delegation of the European Union in the Pacific (EU), the United Kingdom HM Revenue & Customs and Sapere Research Group.

With the meeting theme “Building Resilience and Sustainability in A Growing Digitalized Era,” opportunities for information sharing on best practices, collaboration and discussion on prevailing regional issues were encouraged.

## Key Outcomes of the Meeting:

### Appointment of new PITAA Executive Committee members

The PITAA Executive Committee is the governing body to which the PITAA Secretariat reports its operational matters. The Committee is made of the Chair and Vice-Chair of the PITAA Annual Heads Meeting, and TIER 1, 2 and 3 representatives who have a bi-annual term on the Committee.

Upon the expiry term of the 2017-2019 PITAA Executive Committee, the PITAA members approved the nominations of the following TIER representatives to the PITAA Executive Committee for the term 2019-2021:

TIER 1 – Papua New Guinea;

TIER 2 – Tonga; and

TIER 3 – Cook Islands.

The Committee will be Chaired by Republic of the Marshall Islands and Vice-Chaired by Fiji for the period 2019 – 2020.

### Reappointment of Ms. Koni Ravono as Head of Secretariat

Following a recommendation by the PITAA Executive Committee at the 2019 PITAA Annual Heads Meeting, Ms Koni Ravono was reappointed as Head of Secretariat for a second term by the PITAA Members.

Ms Koni Ravono is the first Head of Secretariat – PITAA since its establishment in 2016. Since taking up the role, Ms Ravono has been responsible for the establishment of the Secretariat's operations, policies and procedures, delivering its strategic plan 2017-2021 and improving PITAA's visibility across the region and at the international level.

Her second term covers the period October 2019 – 2022.

### New TIER Membership Compilation

The PITAA members present approved the report submitted by the Review of Subscription and tier membership. Working Group on the changes to the PITAA TIER membership. The PITAA TIER membership consists of three TIER and PITAA members who are placed in one of the three TIERS based on their administration size and their country's Gross Domestic Product (GDP).

With the approved change, GDP review will be conducted every 3 years.

### Increase in PITAA Secretariat Remuneration

The PITAA members present approved the report submitted by the Review of the Remuneration Working Group to increase the PITAA Secretariat remuneration. The report stated that since the establishment of the PITAA Secretariat in 2017, the remuneration of staff has been fixed and unaffected by developments in the jobmarket. The new approved remuneration is based on the Fiji Revenue & Customs Service salary structure and aligned to the current local market rate.

# EXECUTIVE COMMITTEE

*The PITAA Secretariat is governed by the PITAA Executive Committee whose responsibility is to ensure effective and efficient use of PITAA Members funds. For the period 2019 – 2020, the PITAA Executive Committee comprise of:*



**Ms. Ann Marie S. Muller**

CHAIR- RMI  
ASSISTANT SECRETARY  
FOR DIVISION OF  
CUSTOMS, TREASURY,  
TEVENUE & TAXATION



**Mr. Visvanath Das**

VICE CHAIR-FIJI  
CHIEF EXECUTIVE  
OFFICER-FIJI  
REVENUE CUSTOMS  
& SERVICES



**Ms. Sam Koim**

TIER 1  
REPRESENTATIVE-  
- PAPUA NEW  
GUINEA INLAND  
REVENUE & CUSTOMS  
COMMISSIONER  
GENERAL



**Mr. Kelemete Vahe**

TIER 2  
REPRESENTATIVE-  
TONGA- CHIEF  
EXECUTIVE  
OFFICER- MINISTRY  
OF REVENUE &  
CUSTOMS



**Mr. Xaiver Mitchell**

TIER 3  
REPRESENTATIVE-  
COOK ISLANDS  
CEO, REVENUE  
MANAGEMENT (TAX  
AND CUSTOMS)

# SECRETARIAT



**Mrs. Koni Ravono**  
HEAD OF SECRETARIAT



**Mr. Petero Maivuucevu**  
TRAINING COORDINATOR/  
OFFICE ADMINISTRATOR



**Mrs. Madhvi Devi**  
FINANCE OFFICER

# GALLERY FOR MEETINGS AND CONFERENCES



Annual Heads Meeting



Tax & Development Conference ATI/ITC



PFTAC



Global Forum for VAT-Melbourne



ADB



FHRI



CATA conference



SGATAR



# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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## STATEMENT BY THE EXECUTIVE COMMITTEE

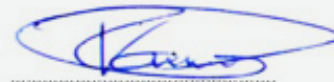
Executive Committees' Statement

We, being the Executive Committee members of Pacific Island Tax Administrators Association (the Association), state that in our opinion the accompanying financial statements of the Association as set out on pages 22 to 30 for the year ended 31 December 2019 are drawn up so as to give a true and fair view of the state of affairs of the Association as at 31 December 2019 and of the results for the years ended on that date.

Dated this 20th day of April 2020.



.....  
\*\*\*\*  
Mrs. Ann Marie S. Muller



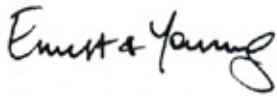
.....  
Koni Ravono  
Head of Secretariat

## 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 2019, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence 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  
2020



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## 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 2019, 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 2019, 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.

## INDEPENDENT AUDITOR'S REPORT cont.

### **Emphasis of Matter: Subsequent Events – Impact of the Coronavirus (COVID-19) Outbreak**

We draw attention to Note 13 of the financial report which notes the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 December 2019 and how this has been considered by the Directors in the preparation of the financial report. As set out in Note 13, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

### **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.

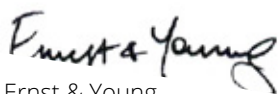
## INDEPENDENT AUDITOR'S REPORT cont.

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 Tuinamuana  
Partner  
Suva, Fiji  
2020

## STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
<b>Income</b>			
Subscriptions from members	3(a)	331,043	331,039
Other income	3(b)	119,318	106,355
		<u>450,361</u>	<u>437,394</u>
<b>Expenses</b>			
Administrative expenses	4(a)	242,604	223,588
Operating expenses	4(b)	207,880	134,246
Finance cost	4(c)	594	568
Total expenditure		<u>451,078</u>	<u>358,402</u>
<b>(Deficit)/ Surplus for the year</b>		(717)	78,992
Income tax expense		-	-
<b>Net (deficit)/ surplus for the year</b>		<u>(717)</u>	<u>78,992</u>
Other comprehensive income for the year, net of tax		-	-
Add: opening retained earnings		1,183,235	1,104,243
Closing retained earnings		<u>1,182,518</u>	<u>1,183,235</u>

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

## STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	5	1,034,091	1,225,608
Trade and other receivables	6	18,839	16,016
Held to maturity investment	7	150,000	-
		<u>1,202,930</u>	<u>1,241,624</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	27,262	42,493
		<u>27,262</u>	<u>42,493</u>
Total assets		<u>1,230,192</u>	<u>1,284,117</u>
<b>Current liabilities</b>			
Trade and other payables	9	46,812	99,651
Employee entitlements	10	862	1,231
Total liabilities		<u>47,674</u>	<u>100,882</u>
<b>Net assets</b>		<u>1,182,518</u>	<u>1,183,235</u>
<b>Equity</b>			
Retained earnings		<u>1,182,518</u>	<u>1,183,235</u>
<b>Total equity</b>		<u>1,182,518</u>	<u>1,183,235</u>

Signed for and on behalf of the Committee.

  
 .....  
 Mrs. Ann Marie S. Muller

  
 .....  
 Koni Ravono  
 Head of Secretariat

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

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		Inflows/ (Outflows) \$	Inflows/ (Outflows) \$
Receipts from members		384,432	589,249
Payment to suppliers and employees		(435,848)	(357,172)
Interest and other finance costs		10,267	4,615
<b>Net cash flow provided by Operating Activities</b>		<u>(41,149)</u>	<u>236,692</u>
<b>Cash flows from investing activities</b>			
Investment in term deposit		(150,000)	-
Acquisition of plant and equipment		(368)	16,856
<b>Net cash flow (used) in investing Activities</b>		<u>(150,368)</u>	<u>16,856</u>
Net increase in cash held		(191,517)	253,548
Cash at the beginning of the year		1,225,608	972,060
Cash at the end of the year	5	<u>1,034,091</u>	<u>1,225,608</u>

The accompanying notes form an integral part of this Statement of Cash Flows.



## NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1. GENERAL INFORMATION

Pacific Islands Tax Administrators Association (the Association) is a regional organization established in 2003 with a membership of 16 countries. It was established to provide a network to support and promote programs and projects that enhances tax administration advancement in Pacific Island Countries (PICs), and to do all such things as are incidental or conducive to the attainment of the objects or any of them as reflected in its Charter and Constitution.

The financial statements of the Association for the year ended 31 December 2019 were authorised for issue by the Executive Committee on the 20th of April 2020.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation of Financial Statements

The financial statements of the Association have been prepared in accordance with International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board. They have been prepared under the historical cost convention and do not take into account current valuation of non-current assets.

All amounts are stated in Fijian currency.

#### b) Subscription Income

The Association records subscriptions when due after confirming the list of active full and associate members.

#### c) Subscription Due

Subscriptions due but unpaid are recognised as a receivable at balance date. These receivables are separately assessed for collectability and provision for any uncollectible amounts are reflected against the subscriptions due account.

#### d) Donor income

Donor income received for specific end purpose is recognised as revenue when funds have been received.

## NOTES TO THE FINANCIAL STATEMENT cont.

FOR THE YEAR ENDED 31 DECEMBER 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

#### e) Trade payables and accruals

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received by the balance date, whether or not billed to the Association.

#### f) Foreign currency

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction.

#### g) Income tax

The Association is exempted from taxes on its property, premises and income as long as they are within the scope of the Association's activities according to the Host Agreement signed on 14 June 2017 between Fiji and the Association.

#### h) Expenses

The Association is not registered for Value Added Tax (VAT) in Fiji and all expenses incurred as reflected in the profit and loss include VAT.

#### i) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

	<b>Rate</b>
Computer equipment	40% straight line
Furniture and fittings	12% straight line
Motor vehicle	20% stright line

## NOTES TO THE FINANCIAL STATEMENT cont.

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
<b>3. REVENUE</b>		
<b>a) Subscriptions</b>		
Membership fees	331,043	331,039
	\$	\$
<b>b) Other income</b>		
Papua New Guinea assistance for training	109,051	82,250
Interest earned on term deposit	5,607	-
Interest earned on savings account	4,660	4,615
Annual dinner grant	-	-
Workshop reimbursement	-	19,490
	<u>119,318</u>	<u>106,355</u>
<b>4. EXPENSES</b>		
<b>Administrative expense</b>	<b>\$</b>	<b>\$</b>
Accounting Fees	4,605	2,288
Auditing Fees	3,434	-
Datec Pay Software expense	305	-
Depreciation	15,599	19,086
Entertainment	1,224	-
Fringe Benefit Tax expense	389	292
Fiji National Provident Fund expenses	17,643	16,803

**NOTES TO THE FINANCIAL STATEMENT cont.**

FOR THE YEAR ENDED 31 DECEMBER 2019

<b>4. EXPENSES continued</b>	<b>2019</b>	<b>2018</b>
General repairs and maintenance	30	-
Insurance expense	1,103	1,221
IT expenses	1,431	1,462
Motor vehicle expense	338	592
Motor vehicle fuel	1,081	945
MYOB expenses	110	6,514
Office stationery and supplies	3,339	2,502
Other expenses	5,251	-
Parking expense	17	37
Recruitment expense	8,696	-
Set up cost office	-	550
Staff Training	1,950	650
Wages and salaries	176,059	170,646
	<u>242,604</u>	<u>223,588</u>
<b>b) Operating expenses</b>		
Advertising	4,815	-
Cleaning expense	1,388	1,119
Communication expense	8,401	5,134
Meeting, travel accomodation and conference costs	73,861	41,012
Miscellaneous postage and shipping	809	90
Training and workshops	118,257	77,423
Travel - local	349	148
Website expenses	-	9,320
	<u>207,880</u>	<u>134,246</u>
<b>c) Finance cost</b>		
Bank fees	<u>594</u>	<u>568</u>
<b>5. CASH AND CASH EQUIVALENTS</b>	<b>\$</b>	<b>\$</b>
Cash at bank and cash on hand	<u>1,034,091</u>	<u>1,225,608</u>

The Association did not open a bank account until 23 March 2018. Prior to this date, all cash was held in trust by the Fiji Revenue and Customs Services.

<b>6. TRADE AND OTHER RECEIVABLES</b>	<b>\$</b>	<b>\$</b>
Trade debtors	22	197
Amount held in Trust by Fiji Revenue and Customs Services	3,103	3,103
Interest on term deposit receivable	5,607	-
Security deposit - ANZ Visa Card	7,000	7,000
Subscriptions due	2,903	4,029
Prepayments	204	1,687
	<u>18,839</u>	<u>16,016</u>

## NOTES TO THE FINANCIAL STATEMENT cont.

FOR THE YEAR ENDED 31 DECEMBER 2019

<b>7. HELD TO MATURITY INVESTMENT</b>	<b>\$</b>	<b>\$</b>
Term deposit held with ANZ	150,000	-

### 8. PROPERTY, PLANT & EQUIPMENT

	<b>Motor vehicle \$</b>	<b>Furniture and fittings \$</b>	<b>Computer Equipment \$</b>	<b>Total \$</b>
Cost:				
At 1 January 2019	53,550	4,986	20,190	78,726
Additions	-	239	129	368
At 31 December 2019	<u>53,550</u>	<u>5,225</u>	<u>20,319</u>	<u>79,094</u>
Accumulated Depreciation				
At 1 January 2019	19,806	1,093	15,334	36,233
Depreciation charge for the year	10,710	613	4,276	15,599
At 31 December 2019	<u>30,516</u>	<u>1,706</u>	<u>19,610</u>	<u>51,832</u>
Written down value				
At 1 January 2019	33,744	3,893	4,856	42,493
At 31 December 2019	<u>23,034</u>	<u>3,519</u>	<u>709</u>	<u>27,262</u>

**NOTES TO THE FINANCIAL STATEMENT cont.**

FOR THE YEAR ENDED 31 DECEMBER 2019

<b>9. TRADE AND OTHER PAYABLES</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Accruals	5,911	3,533
Subscription received in advance	40,901	92,423
Pay As You Earn tax payable	-	1,100
Life Insurance Coporation of India payables	-	325
Fiji National Provident Fund payroll liabilities	-	2,215
PITAA social club payables	-	55
	<u>46,812</u>	<u>99,651</u>
<b>10. EMPLOYEE ENTITLEMENT PAYABLES</b>	<b>\$</b>	<b>\$</b>
Opening balance	1,231	-
(Used)/ charged	(369)	1,231
Closing balance - annual leave	<u>862</u>	<u>1,231</u>

**11. CAPITAL COMMITMENTS at balance date - Nil (2018 - Nil)****12. CONTINGENT LIABILITIES at balance date - Nil (2018 - Nil)****13. SUBSEQUENT EVENTS**

Subsequent to year-end, the World Health Organisation (WHO) declared the coronavirus (Covid 19), a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of these financial statements is not expected to be material.

**14. PRINCIPAL ACTIVITY**

The Association provides a forum where tax administration and policy issues most relevant to PICs can be discussed and where experiences can be shared.

**15. ASSOCIATION DETAILS****Association incorporation**

The Association is domiciled in Fiji.

PITAA Secretariat  
84 Harris Road  
Suva.

**Number of employees**

At balance date the Association has 3 employees (2018 : 3).

# PITAA DIRECTORY

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<b>NGO</b>	Pacific Islands Tax Administrators Association Secretariat
<b>Registered Office</b>	84 Harris Road Suva
<b>Postal Address</b>	P O Box 226, Suva
<b>Phone Contact</b>	(+679) 7735430
<b>Website</b>	<a href="http://www.pitaa.org">www.pitaa.org</a>
<b>Head of Secretariat</b>	Koni Ravono
<b>Email</b>	<a href="mailto:kravono@pitaa.org">kravono@pitaa.org</a>
<b>Training Coordinator / Office Administrator</b>	Petero Maivucevuce
<b>Email</b>	<a href="mailto:pmaivucevuce@pitaa.org">pmaivucevuce@pitaa.org</a>
<b>Finance Officer</b>	Madhvi Devi
<b>Email</b>	<a href="mailto:mdevi@pitaa.org">mdevi@pitaa.org</a>
<b>Bankers</b>	HFC Bank, ANZ
<b>Auditor</b>	Ernst & Young, 7th Floor, Pacific House, Butt street, Suva



Pacific Islands Tax Administrators Association Secretariat