



Pacific Islands Tax Administrators Association Secretariat

2020 ANNUAL REPORT

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Message from Chair and Head of Secretariat



Ms. Ann Marie S. Muller
CHAIR- RMI ASSISTANT
SECRETARY




Mrs. Koni Ravono
HEAD OF SECRETARIAT

On behalf of PITAA's Executive Committee, we are pleased to present the 2020 Annual Report.

The year 2020 brought with it both new ways of doing business and unexpected challenges for the PITAA Secretariat. This resulted in redefined methods of operation to continue providing the necessary assistance to our members.

Summary of the major challenges for the year:

1. WHO declared the COVID-19 outbreak a pandemic in March 2020, resulting in PITAA staff working from home until May 2020.
2. Borders closed from April 2020, which hindered our efforts to attend to or conduct face-to-face initiatives. Nevertheless, the PITAA Secretariat was able to collaborate with our partners to provide relevant capacity-building initiatives and materials to sustain PITAA members during this difficult time.
3. Considering the economic devastation of our member countries and the subsequent implementation of a cost saving strategy, Performance Management Framework benefits and the remuneration band implementation were postponed, and the new funding model was deferred until 2021.
4. The Secretariat adjusted to the increase in virtual demands and embraced the "new normal."



Despite the limitations faced, we are pleased to highlight some of the accomplishments of 2020:

- PITAA implemented its first official social media page on Facebook to create more awareness amongst members and the staff of tax administrators.
- conducted the first virtual PITAA Annual Heads Meeting from PITAA's office in Suva Fiji, focussing on Secretariat matters.
- continuance of RMI as PITAA's chair with two virtual PEC meetings during the year due to the inability of members
- reappointment of the Training Officer/Office Administrator for a second term
- conducted first Board of Survey for PITAA's fixed assets with the assistance of a FRCS proxy
- launched Revenue Statistics Publication 2020 with eight members participating. Nauru as the latest inclusion.

Pacific island economies struggled to cope with the quick rise in unemployment during the Covid crisis, as well as the financial and social strains that families faced and the mental health of Pacific peoples. There were many challenges faced by everyone in the year 2020.

Despite the obstacles, PITAA was able to sustain its momentum of growth strengthen relationships with development partners and we are confident in our ability to continue delivering value to our members whilst propelling the organisation to new heights. Finally, we would like to thank PITAA member heads, executive committee members, secretariat team and stakeholders for their continued commitment and support.

About Us





Our Vision

Leading Pacific Island Tax Administrations
towards international best practice

Our Mission

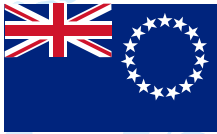
To be a forum where the tax administration and policy issues most relevant to Pacific Island countries can be discussed and where experiences can be shared, promote closer cooperation and coordination of information sharing in tax administration and policy formulation in Pacific countries.

Help promote international standards and best tax administration practices, suitable to the characteristics of the Pacific Island countries.

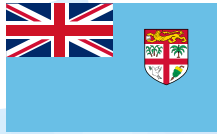
Encourage taxation institutions to design and adopt strategies to modernize and enhance their effectiveness and efficiency.

Enhance administrative skills and encourage the development of high professional standards by facilitating training and the dissemination of resource materials.

Members



COOK ISLANDS



FIJI



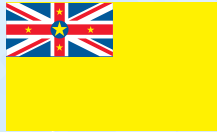
FSM



KIRIBATI



NAURU



NIUE



PALAU



PNG



MARSHALL



SAMOA



SOLOMON ISLAND



TIMOR LESTE



TOKELAU



TONGA



TUVALU



VANUATU

ANNUAL HEADS MEETING JOURNEY

MARSHALL ISLANDS
18-16 September

2019

2020

FIJI
16 September

2018

FIJI
13-11 September

2017

SAMOA
15-13 September

2016

FIJI
16-14 September

2015

Papua New Guinea
30-28 September

2014

FIJI
12-10 September

2013

SOLOMON ISLANDS
12-10 September

2012

KIRIBATI
12-10 September

2011

FIJI
24-22 August

2010

REPUBLIC OF THE MARSHALL ISLANDS
29-27 October

2009

TONGA
10-8 September

2008

VANUATU
4-1 September

2007

Papua New Guinea
30-28 August

2006

COOK ISLANDS
10-8 August

2005

SAMOA
11-9 August

2004

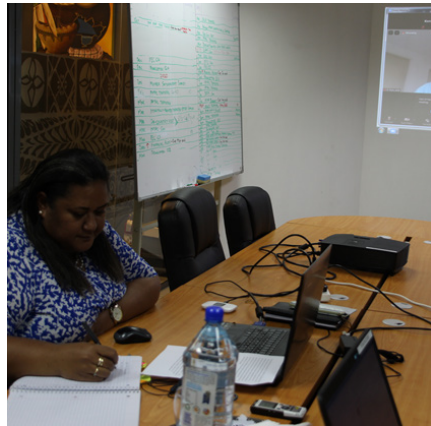
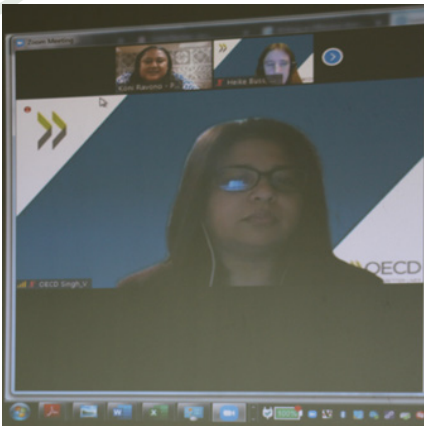
FIJI
12-10 August

Meetings and Conferences

With the adoption of virtual meetings, more opportunities became possible for attending meetings which occurred outside of normal operating hours (8.30am-5pm Fiji time). Nonetheless, the Head of Secretariat was driven to take advantage of all the meeting opportunities. A summary of these meeting are provided in the table below:-

	DATE	ORGANISATION	SUBJECT
1.	14/5	ADB/CTA/OECD/PITAA	Tax Policy and Tax Administration Responses to COVID 19
2.	16/6	ADB - Public Mgt Specialist, Governance Thematic Group, Sustainable Development and Climate Change Dept.	ADB Vision and Objectives towards Pacific Region
3.	17/6	ADB - Office of Anti-Corruption and Integrity	Pacific Initiative Concept Paper - Kickoff Event
4.	23-24/6	OECD - TIWB	TIWB Conference Post-Covid Opening and Post-Covid update
5.	24/6	OECD - Revenue Statistics	Launch of Revenue Statistics 2020
6.	29/6	NTO Council and GIZ	NTO Webinar: "Digitalisation and new ways of working"
7.	01-02/07	OECD - Global Relations Inclusive Forum	Ninth Meeting of the Inclusive Framework on BEPS
8.	06/07	NTO	NTO Council Meeting update for NTO members on recent developments, and Governance and Technical Workshop
9.	17-21/8	PITAA/PFTAC	PFTAC Steering Committee virtual meeting - Samoa, Cook Islands, Fiji, Scolomon Islands and Tuvalu
10.	19/8	NTO	Severel Assembly
11.	28/8	NTO-ITC	PITAA/ITC/NTO Bilateral Meeting and Induction
12.	2/9	OECD/CATA/PITAA	CATA/PITAA/OECD - VAT Event

13.	14-15/9	OECD Global Relations	GR Meeting - HOS presented on behalf of PITAA for "GR Programme in Taxation: Advisory Group of Co-operation with Partner Economies"
14.	28/09	SARTAC/PFTAC/IMF/PITAA	Cross-regional Workshop- Re-invigorating Tax Collection and Restoring Compliance after COVID-19.
15.	30/09	PFTAC/IMF/PITAA	ISORA-Refresher
16.	3/10	NTO Su-Council	Concept Paper on Webinars for NTO Members.
17.	8/10	PITAA/CIAT	PITAA/CIAT Bilateral Meeting on CIAT Publication webinar
18.	13/10	DFAT/PFTAC/PITAA	Tax capacity development programme
19.	16/10	PFTAC/IMF/PITAA/ Cook Is./ Tonga/Maldives/ Samoa	Discussion Pt2 - Restoring Revenue Collections Post covid-19 Cross Regional Workshop- Pt2
20.	6/10-22/10	IMF/PFTAC/SARTAC/PITAA	Restoring Revenue Collection- BHUTAN Department of Revenue & Customs
21.	25/11	NTO	NTO Council Meeting
22.	10/12	PFTAC/PITAA/SARTAC	Re-invigorating Tax Collections and Restoring Compliance Post COVID19. 1 st PITAA organized Webinar
23.	11/12	IMF/PFTAC- TA/ PITAA	Audit Training for SIDs, PICs, e.g. Kiribati
24.	12/12	NTO Council Training	Council Meeting on way forward
25.	16/12	OECD/PITAA	Revenue Statistics meeting with stakeholders for logistics on 2021 event.



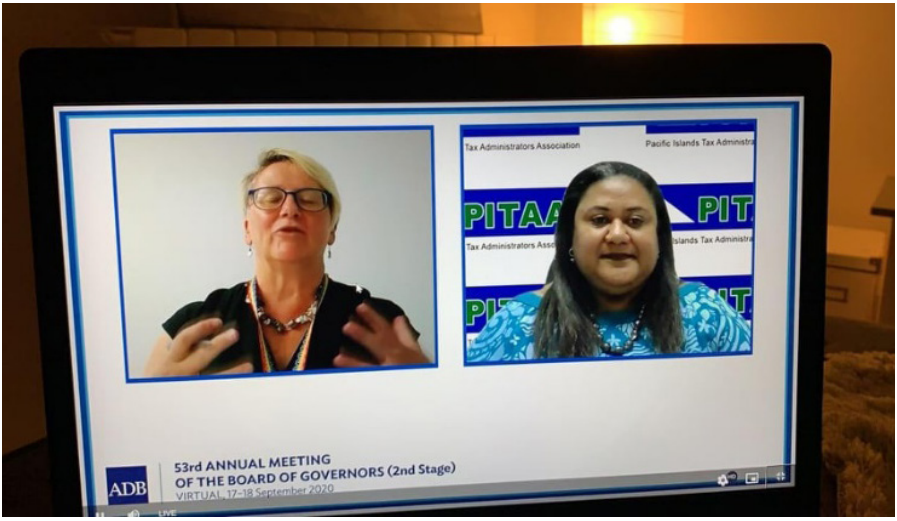
Virtual meeting on Tax Policy and Tax Administration Responses to COVID 19. A collaboration between the OECD Centre for Tax Policy and Administration (CTPA), ADB and CATA.



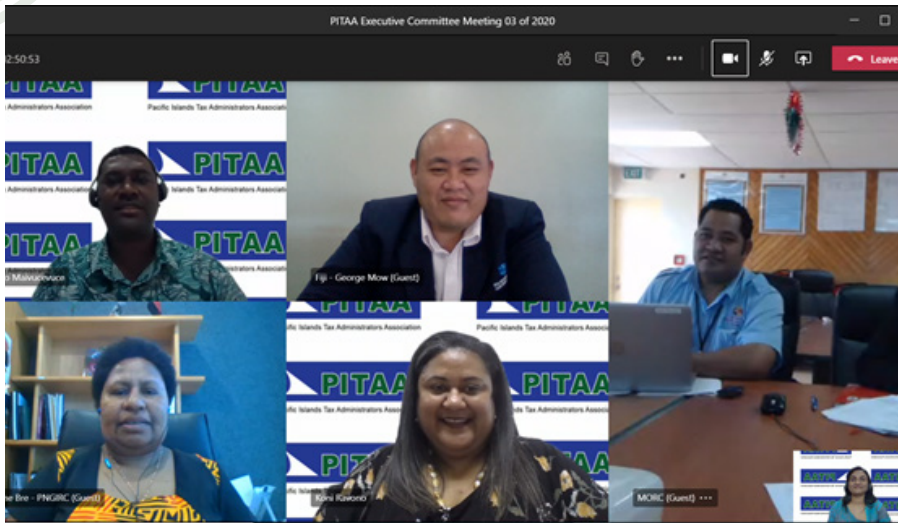
Group Photo PITAA/PFTAC/SARTAAC Cross-regional Seminar



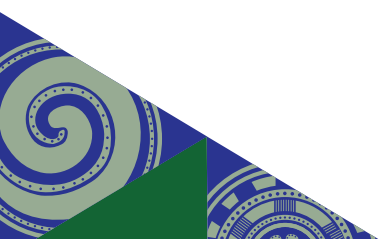
Dialogue with Melissa Tipping, First Secretary (managing Fiji's Bilateral Program) and Keshwa Reddy, Program Manager-Regional Governance from Australia and Georg Eysselein from PFTAC.



ADB 53rd Annual Meeting of the Board of Governors



Virtual PITAA Executive Meeting 03 of 2020 (Third quarter virtual PITAA Executive Meeting of 2020?)



2020 CAPACITY BUILDING INITIATIVES

Online learning was introduced in 2020 for the PITAA Secretariat and our members, due to the closure of borders to prevent the spread of COVID-19. While this was a new learning concept for the PITAA Secretariat, the transition from face-to-face to online learning was fairly smooth. The PITAA Secretariat had to first undergo a self-learning exercise to familiarise itself with some of the technicalities of online learning and the various platforms available.

Despite regional travel restrictions, the PITAA Secretariat – in partnership with regional and international stakeholders – continued to deliver regional capacity-building initiatives to its members.

Table 1: Capacity Building Initiatives for 2020

WORKSHOP TOPIC		DATE	PARTNERS
1	Management of Taxpayer Services	24 – 27 February	PFTAC
2	Asia Pacific Tax Policy and Tax Administration Response to COVID-19	14 May	ADB CATA OECD
3	Re-Invigorating Tax Collection and Restoring Compliance Post COVID-19	6 October	PFTAC SARTTAC
4	Joint Seminar on the Convention on Mutual Administrative Assistance in Tax Matters (MAAC) and Practical Training Exchange of Information on Request (EOIR)	14 – 15 October 20 – 21 October	ADB ATO OECD NZIRD World Bank Group
5	Tax & Crime – Illicit Financial Flows: The Impact on Tax Administration Activities and Best Practices	14 October	NTO
6	Webinar Series: The Application of ICT in the Tax Administration Process	24 November- 2 December	CIAT
7	Addressing the VAT/GSY Challenges of the Digitalisation of the Economy	8 – 10 December	OECD CATA PFTAC

Table 2: Workshop Participant in 2020

YEAR	NUMBER OF WORKSHOPS	PARTICIPANTS	GENDER (IN PERCENT)	
			MALE	FEMALE
2020	7	168	37%	63%

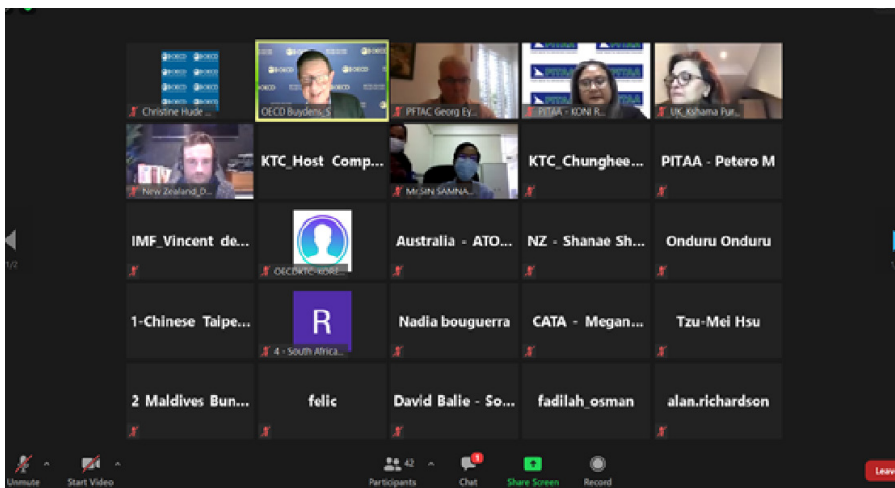
Because workshops were coordinated and delivered online, the PITAA Secretariat saw an increase in both the registration and participation of PITAA members who would normally have sent only one or two participants due to funding limitations. This trend continued throughout the year as PITAA members explored the advantages of online learning. Our stakeholders consulted extensively with the PITAA Secretariat to ensure that PITAA members were provided with relevant workshop topics and materials as well as ensuring time zone differences were considered and appropriate workshop platforms were used.

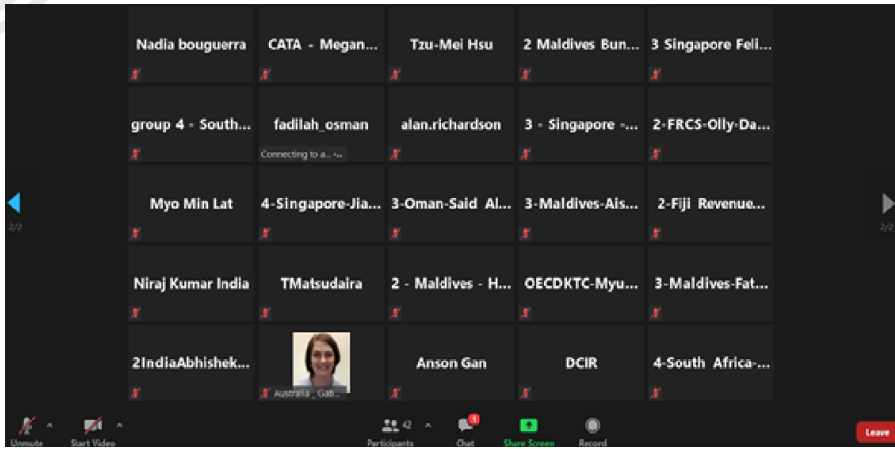
Table 3: Challenges encountered with online learning

OBSERVATION		DESCRIPTION	MITIGATION STRATEGY
1	Connectivity issues	Both the PITAA Secretariat and PITAA members experienced internet connectivity issues during the event.	Record event sessions and circulate to participants after the event.
2	Timing of workshops	For events partnered with OECD and ADB, the timing of the events has been challenging.	Tuesday to Friday sessions for 1 – 3.5 hour sessions per day from 11.00am – 4.00pm Fiji time
3	Obtaining timely registration of participants	The PITAA Secretariat faced challenges obtaining registrations from PITAA members before due date.	Continuous follow-ups and communicate through alternative contact points.
4	Registration vs Actual Attendance	The PITAA Secretariat noted that in past events, some registered participants did not attend the event as scheduled.	Communicate with most senior officer attending the event to confirm the attendance of participants on the registration list.

The PITAA Secretariat recognised that online learning was the future for learning and identified a few challenges in Table 3 to mitigate these challenges as we move forward. We strive to ensure PITAA members are provided with the most relevant workshop topics using the most convenient methods, facilities, and facilitation teams.

The PITAA Secretariat's continuous engagement with regional and international partners has enabled us to deliver relevant and important initiatives despite the limitation of face-to-face collaboration.





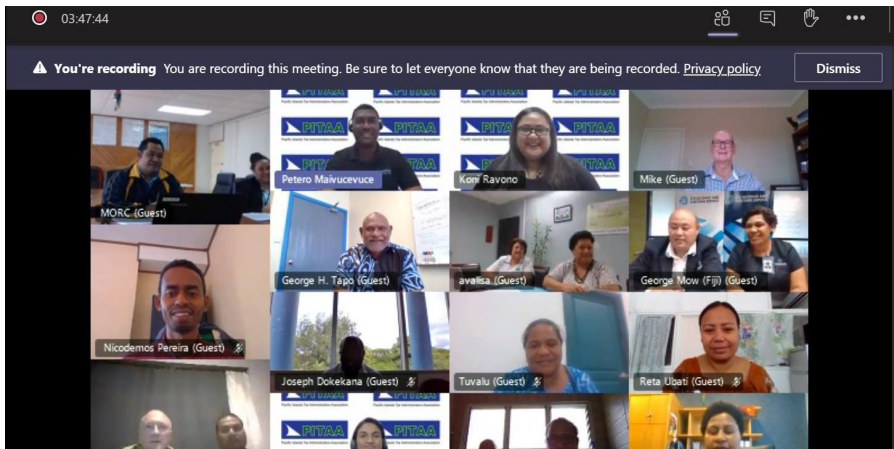
Virtual workshop - VAT/GST Challenges of the Digitalisation of the Economy with 50 participants.

2020 PITAA Annual Heads Meeting

Since its establishment, the PITAA Annual Heads Meeting has always been a major event to gather PITAA heads to share knowledge and experiences.

However, given the current COVID-19 global pandemic, the PITAA Annual Heads Meeting had to be conducted virtually since 2020 and will also be held virtually in 2021.

To conduct the meeting virtually, the PITAA Secretariat focused the meeting on Secretariat matters for a period of two hours using the MS Teams platform.



17th Virtual Annual Heads Meeting 2020 with the attendance of 13 PITAA member countries.

Executive Committee

Ms. Ann Marie S. Muller

Chair- RMI Assistant Secretary for Division of Customs, Treasury, Revenue & 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 Staffs



Mrs. Koni Ravono
HEAD OF
SECRETARIAT



Mrs. Madhvi Devi
FINANCE OFFICER



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

PITAA Events



PITAA 3rd Anniversary



50th Fiji Day

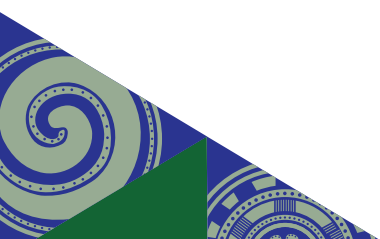




International Women's Day celebration



Pinktober



Pacific Islands Tax Administrations Association

Financial Statements

For the year Ended 31 December 2020



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**PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION
STATEMENT BY THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2020**

Executive Committee's Statement

We, being the Executive Committee members of Pacific Islands Tax Administrators Association (the Association), state that in our opinion the accompanying financial statements of the Association as set out on pages 7 to 17 for the year ended 31 December 2020 are drawn up so as to give a true and fair view of the state of affairs of the Association as at 31 December 2020 and of the results for the years ended on that date.

Dated this 26th day of July 2021.



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



.....
Koni Ravono
Head of Secretariat



Building a better
working world

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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 2020, 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.
- (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

26 July 2021

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 2020, 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 2020, 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 Accountants' *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.

Other Information

The Association's Executive Committee members (the members) are responsible for the other information. The other information comprises the members' statement but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Committee and Management for the Financial Statements

The Executive Committee and management 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.

INDEPENDENT AUDITOR'S REPORT continued

Responsibilities of the Executive Committee and Management for the Financial Statements continued

In preparing the Financial Statements, the Executive Committee and management 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 and management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Executive Committee and management 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.

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' and management's 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 those charged with governance 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.



INDEPENDENT AUDITOR'S REPORT continued

Auditor's Responsibilities for the Audit of the Financial Statements continued

We also provide those charged with governance 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
Ernst & Young
Chartered Accountants



Sikeli Tuinamuana
Partner
Suva, Fiji

26 July 2021

PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION
 STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS
 FOR THE YEAR ENDED 31 DECEMBER 2020

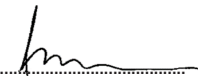
	Notes	2020 \$	2019 \$
Income			
Subscriptions from members	3(a)	325,309	331,043
Other income	3(b)	<u>120,232</u>	<u>119,318</u>
		<u>445,540</u>	<u>450,361</u>
Expenses			
Administrative expenses	4(a)	245,336	242,604
Operating expenses	4(b)	21,212	207,880
Finance cost	4(c)	367	594
Total expenditure		<u>266,914</u>	<u>451,078</u>
Surplus/(deficit) for the year		178,626	(717)
Income tax expense		-	-
Net surplus/(deficit) for the year		<u>178,626</u>	<u>(717)</u>
Other comprehensive income for the year, net of tax		-	-
Add: opening retained earnings		1,182,518	1,183,235
Closing retained earnings		<u><u>1,361,144</u></u>	<u><u>1,182,518</u></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
AS AT 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	5 (a)	684,200	1,034,091
Trade and other receivables	6	32,333	18,839
Held-to-maturity investments	7	<u>620,575</u>	<u>150,000</u>
		<u>1,337,108</u>	<u>1,202,930</u>
Non-current assets			
Plant and equipment	8	<u>31,453</u>	<u>27,262</u>
		<u>31,453</u>	<u>27,262</u>
Total assets		<u>1,368,561</u>	<u>1,230,192</u>
Current liabilities			
Trade and other payables	9	7,417	46,812
Employee entitlements	10	-	<u>862</u>
Total liabilities		<u>7,417</u>	<u>47,674</u>
Net assets		<u>1,361,144</u>	<u>1,182,518</u>
Equity			
Retained earnings		<u>1,361,144</u>	<u>1,182,518</u>
Total equity		<u>1,361,144</u>	<u>1,182,518</u>

Signed for and on behalf of the Committee.


Mrs. Ann Marie S. Muller
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 2020

	Note	2020 \$	2019 \$
		Inflows/ (Outflows) \$	Inflows/ (Outflows) \$
Cash flows from operating activities			
Receipts from members		391,944	384,432
Payment to suppliers and employees		(253,838)	(435,848)
Interest and other finance costs		<u>2,404</u>	<u>10,267</u>
Net cash flow from/(used in) operating activities		<u>140,510</u>	<u>(41,149)</u>
Cash flows from investing activities			
Investment in term deposit		(470,575)	(150,000)
Acquisition of plant and equipment		<u>(19,825)</u>	<u>(368)</u>
Net cash used in investing activities		<u>(490,400)</u>	<u>(150,368)</u>
Net decrease in cash held		(349,891)	(191,517)
Cash at the beginning of the year		<u>1,034,091</u>	<u>1,225,608</u>
Cash at the end of the year	5 (a)	<u>684,200</u>	<u>1,034,091</u>

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

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 2020 were authorised for issue by the Executive Committee on 26th day of July 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs") issued by the International Accounting Standards Board.

All amounts are stated in Fijian currency.

a) Basis of preparation of Financial Statements

These financial statements have been prepared in accordance with the historical cost convention using the accounting policies described below and except where stated do not take into account current valuation of non-current assets.

b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at bank.

c) Income

(i) Subscription Income

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

(ii) Other Income

All other income is recognised as income on receipt.

d) 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.

e) Donor income

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

f) Comparatives

Comparative figures have been amended where necessary, for changes in presentation in the current year.

g) 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.

PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENT continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

h) Foreign currency

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

i) 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.

j) 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.

k) Plant and equipment

Items of 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 plant and equipment:

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

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

3. REVENUE	2020	2019
	\$	\$
a) Subscriptions		
Membership fees	<u>325,309</u>	<u>331,043</u>
b) Other income		
Papua New Guinea assistance for training	106,659	109,051
Interest earned on term deposits	11,035	5,607
Interest earned on savings account	2,346	4,660
Other Income	<u>191</u>	<u>-</u>
	<u>120,232</u>	<u>119,318</u>

PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENT continued
FOR THE YEAR ENDED 31 DECEMBER 2020

4. EXPENSES	2020	2019
	\$	\$
a) Administrative expense		
Accounting fees	3,591	4,605
Auditing fees	3,434	3,434
Datec Pay software expense	165	305
Depreciation	15,638	15,599
Entertainment	316	1,224
Fringe Benefit Tax expense	389	389
Fiji National Provident Fund expenses	12,755	17,643
General repairs and maintenance	350	30
Insurance expense	1,085	1,103
IT expenses	3,274	1,431
Motor vehicle expense	521	338
Motor vehicle fuel	1,352	1,081
MYOB expenses	1,648	110
Office stationery and supplies	1,737	3,339
Other expenses	77	5,251
Parking expense	18	17
Recruitment expense	-	8,696
Staff Training	-	1,950
Wages and salaries	<u>198,987</u>	<u>176,059</u>
	<u>245,336</u>	<u>242,604</u>
	\$	\$
b) Operating expenses		
Advertising	478	4,815
Cleaning expense	1,619	1,388
Communication expense	5,186	8,401
Meeting, travel accommodation and conference costs	3,542	73,861
Miscellaneous postage and shipping	164	809
Training and workshops	9,714	118,257
Travel - local	95	349
Website expenses	413	-
	<u>21,212</u>	<u>207,880</u>
	\$	\$
c) Finance cost		
Bank fees	<u>367</u>	<u>594</u>
5. CASH AND CASH EQUIVALENTS		
a) Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand and at bank. Cash and cash equivalents included in the statement of cash flows comprise the following amounts:		
	\$	\$
Cash at bank and cash on hand	<u>684,200</u>	<u>1,034,091</u>

PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENT continued
FOR THE YEAR ENDED 31 DECEMBER 2020

b) Reconciliation of net cash used in operating activities to surplus/(deficit)

	\$	\$
Surplus/(deficit) for the year	178,626	(717)
Depreciation expense	15,638	15,599
<i>Change in assets and liabilities:</i>		
Decrease in trade and other payables	(39,398)	(53,209)
Decrease in employee entitlements	(862)	-
Increase in trade and other receivables	(13,494)	(2,822)
Net cash from/(used in) operating activities	<u>140,510</u>	<u>(41,149)</u>

6. TRADE AND OTHER RECEIVABLES

	\$	\$
Trade debtors	21	22
Amount held in Trust by Fiji Revenue and Customs Services	3,103	3,103
Interest on term deposit receivable	16,584	5,607
Security deposit – ANZ Visa Card	7,000	7,000
Subscriptions due	4,979	2,903
Prepayments	648	204
	<u>32,333</u>	<u>18,839</u>

7. HELD-TO-MATURITY INVESTMENT

	\$	\$
Term deposits	<u>620,575</u>	<u>150,000</u>

8. PLANT & EQUIPMENT

	Motor vehicle	Furniture and fittings	Computer Equipment	Total
	\$	\$	\$	\$
Cost:				
Balance as at 1 January 2019	53,550	4,986	20,190	78,726
Additions	-	239	129	368
Balance as at 31 December 2019	<u>53,550</u>	<u>5,225</u>	<u>20,319</u>	<u>79,094</u>
Balance as at 1 January 2020	53,550	5,225	20,319	79,094
Additions	-	1,798	18,031	19,829
Balance as at 31 December 2020	<u>53,550</u>	<u>7,023</u>	<u>38,350</u>	<u>98,923</u>
Accumulated Depreciation				
Balance as at 1 January 2019	19,806	1,093	15,334	36,233
Depreciation charge for the year	10,710	613	4,276	15,599
Balance as at 31 December 2019	<u>30,516</u>	<u>1,706</u>	<u>19,610</u>	<u>51,832</u>
Balance as at 1 January 2020	30,516	1,706	19,610	51,832
Depreciation charge for the year	10,710	697	4,231	15,638
Balance as at 31 December 2020	<u>41,226</u>	<u>2,403</u>	<u>23,841</u>	<u>67,470</u>
Written down value				
At 1 January 2019	<u>33,744</u>	<u>3,893</u>	<u>4,856</u>	<u>42,493</u>
At 31 December 2019	<u>23,034</u>	<u>3,519</u>	<u>709</u>	<u>27,262</u>
At 31 December 2020	<u>12,324</u>	<u>4,620</u>	<u>14,509</u>	<u>31,453</u>

PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENT continued
FOR THE YEAR ENDED 31 DECEMBER 2020

9. TRADE AND OTHER PAYABLES	2020	2019
	\$	\$
Accruals	4,654	5,911
Subscription received in advance	2,762	40,901
	<u>7,417</u>	<u>46,812</u>

10. EMPLOYEE ENTITLEMENT PAYABLES	\$	\$
Opening balance	862	1,231
(Used)/charged	(862)	(369)
Closing balance - annual leave	<u>-</u>	<u>862</u>

11. COMMITMENTS

- a) Capital expenditure at balance date – Nil (2019: Nil).
- b) Operating commitment at balance date – Nil (2019: Nil).

12. CONTINGENT LIABILITIES

Contingent liabilities at balance date – Nil (2019: Nil).

13. GOING CONCERN

The financial statements have been prepared on a going concern basis, which contemplates the continuity of Association's activities and the realisation of assets and payment of liabilities in the normal course of business.

14. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the management, to affect significantly the operations of the Association, the results of those operations or the state of affairs of the Association in the subsequent financial year.

15. SIGNIFICANT EVENT

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

The Association has remained operational since this declaration and continues to engage in services of the Secretariat with its members. We have not seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business.

The scale and duration of these developments remain uncertain as at the date of this report however they are having an impact on our earnings, cash flow and financial condition. The members confirm that they have considered all currently known impacts of COVID-19 when preparing the financial statements and applying the going concern concept.

16. PRINCIPAL ACTIVITY

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

17. 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 (2019: 3).

Stakeholders





PITAA directory

NGO	Pacific Islands Tax Administrators Association Secretariat
Registered Office	84 Harris Road, Suva
Postal Address	P O Box 226, Suva
Phone Contact	(+679) 7735430
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Head of Secretariat	Koni Ravono
Email	kravono@pitaa.org
Training Coordinator / Office Administrator	Petero Maivucevuce
Email	pmaivucevuce@pitaa.org
Finance Officer	Madhvi Devi
Email	mdevi@pitaa.org
Auditor	Ernst & Young, 7th Floor, Pacific House, Butt Street, Suva
Annual Report Publisher	Pasifika Communications
Bankers	HFC Bank & ANZ



Pacific Islands Tax Administrators Association Secretariat

