



# **Fiji Institute of Accountants**

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Annual Report 2017

# Vision Statement

To be a world class body that provides leadership and builds trust in the accounting, assurance, finance and business advisory professions in Fiji and the region.

# Mission Statement

- To lead, develop, facilitate and support accounting, assurance, finance and business advisory professionals so that they will excel in their role and contribute to building Fiji and the region.
- To foster public confidence in the accounting, assurance, finance and business advisory professionals by upholding the public interest.
- To encourage and expect of our members the highest ideals of professionalism and ethical standards and commitment to delivery of quality services.
- To be the leading and most valued professional body for advocacy on public interest issues where the accounting, assurance, finance or business advisory profession's expertise is most relevant.
  - To commit ourselves to a strong, active and devoted sense of duty to our members and communities.

# Values

We adhere to and uphold the values of integrity, professional competence and transparency. Our core values are:

## **Integrity**

We will be straightforward and honest in all professional and business relationships;

## **Objectivity**

We will not allow bias, conflict of interest or undue influence of others to override professional or business judgements;

## **Professional Competence and Due Care**

We will maintain professional knowledge and skill at the level required to ensure that the public receives competent professional services based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards;

## **Confidentiality**

We will respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, nor use the information for personal advantage or third parties;

## **Professional Behaviour**

We will conduct ourselves in a manner to avoid any action that discredits the profession.

*These Vision, Mission and Values Statements form part of the Strategic Plan adopted in April 2017.*

A five year Strategic Plan (2017 – 2021) was endorsed at the Annual General Meeting in April 2017 providing the platform for FIA to progress and expand beyond Fiji in line with its renewed vision. I am pleased to report on the activities and achievements for the first year of the Strategic Plan.

To strengthen and expand relationships and coalitions, the Institute engaged with a number of regional and international bodies to discuss common objectives and explore opportunities for development to support the ongoing growth of the FIA. These have resulted in continued support and new opportunities for assistance towards the professional development program for members, new sponsorship for the annual congress and the establishment of a forum to foster collaboration and partnership between Professional Accountancy Organizations in the Pacific region.

The Institute is pleased to re-accredit the three Universities from which it draws its members and is grateful to Professor Denis Vinen of the University of Swinburne in Melbourne for undertaking the review of the Universities, an exercise carried out by the FIA every three years.

Membership marginally increased by 3% in 2017. Although 141 new members joined the Institute during the year, a total of 109 members were de-registered for non-payment of annual subscriptions, a challenge that the FIA has continued to deal with over the years. Recent investments in initiatives critical to supporting members into the future have been made with the view to improving accessibility of member services.

The professional development program continued during the year through various seminars, workshops and symposiums providing members with the opportunities to be equipped with updated knowledge on developments in the accounting field and other related subjects. In addition, the recommendations from the Practice Quality Review Program for specific training of CPP members who are single practitioners are being implemented to ensure compliance with IFAC's standard. The second phase of the review program will commence in 2018.

The Institute also maintained its outreach work through visits and presentations with Universities. And, in partnership with the University of the South Pacific, held a public lecture in memory of the late Professor Michael White, one of FIA's long-standing members who had contributed immensely to the accounting profession in Fiji. The memorial public lecture has been planned to be an annual event. The long tradition of recognizing the achievements and contributions of members and potential future members also continued through the different categories of FIA Awards including the Year 13 Awards.

Various meetings and submissions were made with Government representatives on matters impacting the way of doing business in Fiji and also concerning the revised proposed FIA Act that was presented to Government for consideration in 2016. The Institute still awaits the final outcome of Government's deliberation of the revised proposed FIA Act, which it anticipates will enhance the framework for FIA's operations in the future.

The FIA Congress which is the highlight of the Institute's annual activities attracting participation from professionals, industry leaders, government officials, executives, business owners and academics continues to be bigger and better. The 2018 Congress has been themed "Growth Through Synergy: Collaboration, Innovation and Resilience" and has been planned to attract increased participation from both local and international stakeholders.

I am also pleased to report that the Institute delivered a strong operating performance during the year which is testament to the great efforts of all that have contributed to the work of the FIA. While there is still much work ahead to fully realize the objectives set out in the Strategic Plan, the Institute must retain focus on understanding the changing expectations of its members and stakeholders not only to remain relevant but also secure relevance for future members. In addition, as the work of the Council and Committees are voluntary, it is also crucial that there is a strong, stable and robust Secretariat to drive the full implementation of the Strategic Plan in the coming years, which I am confident the incoming President and Council will consider going forward.

It has been a privilege to serve the FIA and I take this opportunity to express my profound gratitude to the members of the Council, Committees and all other FIA members and stakeholders for their contributions and support during the year. I would like to specifically acknowledge the good work of the Secretariat and sincerely thank the Acting Executive Director and his team for their considerable efforts and support for the Institute. The activities and achievements during the year were made possible with all your efforts and good voluntary work.

Vinaka Vakalevu

Finau Nagera  
President



## THE COUNCIL FOR 2016/2017



**L-R** Mr Camacakau Raimuria, Mr Zarin Khan (Vice President), Ms Finau Nagera (President), Ms Renu Chand, Mr Mohit Raj, Mr Nitesh Lal, Mr Jerome Kado and Mr Rajeshwar Singh. [Absent: Mr Sikeli Tuinamuana] (Courtesy of Fiji Sun)

There was only one change in membership of the Council during the year, with **Mr Mohit Raj** replacing **Mr Murgessan Pillay** (who had served on the Council since February 2015) at the Annual General Meeting in April.



Participants at the meeting of CAPA's Professional Accountancy Organisations Development Committee. August 2017 (Coutesy Fiji Sun)





Shangri-La Fijian Resort, Yanuca Island

## ANNUAL GENERAL MEETING

The Annual General Meeting for 2017 was held on 21st April at the Shangri-La Fijian Resort on Yanuca Island near Sigatoka and it was attended by a total of seventy-five members of whom sixty-six were full Chartered Accountant members, six were Provisional Members and three were Affiliate Accountants.

Competing valid nominations were received for two of the three Categories of membership of the Council, four for Category B and six – initially five – for Category C. There was only one unopposed nomination for Category A. Three members of the previous Council whose term had expired were due to retire: **Mr Zarin Khan** (Category A), **Mr Murgessan Pillay** (Category B) and **Ms Renu Chand** (Category C).

Elections were held initially for candidates for category B, in order to determine the names of the unsuccessful applicants for that category who, under the FIA Rules, are qualified to stand for Category C. Sixty-three members took part in the initial election for category B and, in a close-fought competition, Mr Mohit Raj gained 23 votes against his closest rival's 22. For Category C, Ms Renu Chand achieved a convincing win with 31 of the 59 votes cast. The following members were accordingly elected to serve for the next three years: **Mr Zarin Khan** (Category A), **Mr Mohit Raj** (Category B) and **Ms Renu Chand** (Category C).

**Mr Iowane Naiveli** was re-appointed as the Institute's Auditor, for a further year, with the Council and all those present expressing appreciation to Mr Naiveli for his services in the past year.

A motion was then moved that the Institute should approve and adopt the new **Five-Year Strategic Plan** for the period 2017 to 2021, and this was passed with no dissenting voices.

Among issues raised, but not discussed, under Other Business were:

A proposal that specific time lines should be established for the achievement of the objectives of the new Strategic Plan and that a report should be furnished annually at the Annual General Meeting on progress made in achieving those objectives;

A suggestion that the Institute should work in partnership with its sister institutes in developing intellectual standards and related capacity issues;

A proposal that the Institute should utilise some of its surplus funds to purchase certain online professional development courses for the benefit of members seeking to achieve their CPE hours;

A proposal that the full cost of the Peer Review programme should be borne by the Institute to ensure that the report could be regarded as a truly independent report.

## THE COUNCIL

As mentioned in the preceding section, **Zarin Khan, Mohit Raj** and **Renu Chand** were elected for a period of three years, at the Annual General Meeting in April. Following the Annual General Meeting, at a special Council Meeting, **Finau Nagera** and **Zarin Khan** were elected, as President and Vice President respectively for the year 2017/2018. **Renu Chand** was re-elected as Treasurer.

The Council held 13 meetings during the year of which 11 were regular monthly meetings, one was a special one to elect the President, Vice President and Treasurer for the year and also to appoint members of the Investigation and the Disciplinary Committees, following the Annual General Meeting and one was to discuss arrangements for the recruitment of a new Executive Director following the resignation of the previous office-holder. Eleven of the 13 meetings were held in Suva and two in the West.

A record of the attendance by members at Council meetings during the year is as follows:

Finau Nagera	13 out of 13	100.0%
Zarin Khan	12 out of 13	92.3%
Sikeli Tuinamuana	11 out of 13	84.6%
Camacakau Raimuria	10 out of 13	76.9%
Renu Chand	11 out of 13	84.6%
Jerome Kado	10 out of 13	76.9%
Rajeshwar Singh	13 out of 13	100.0%
Nitesh Lal	13 out of 13	100.0%
Mohit Raj	9 out of 9	100.0%
Murgessan Pillay	3 out of 5	60.0%

## REGIONAL AND INTERNATIONAL EVENTS FOR 2017

The Institute hosted a meeting of the Confederation of Asian and Pacific Accountants' Professional Accountancy Organisation Development Committee

at the Sheraton Fiji Resort in Nadi from 17th to 19th August 2017. The meeting was attended by more than 20 delegates including members of CAPA's PAO Development Committee, representatives from Pacific Islands PAOs (from Samoa, PNG and Solomon Islands), Asian Development Bank and the World Bank.

The FIA Vice President attended CAPA's Board and Members meetings, the 60th Anniversary events and the Pacific Collaboration Forum in Kuala Lumpur, Malaysia from 7th to 10th November.

## CONGRESS 2017

The Annual Congress for the year 2017 was held over the two-day period 21st – 22nd April at the Shangri-La Fijian Resort. This was the tenth time that the Congress has been held at this Resort.

The theme chosen for the 2017 Congress was **“Embracing Fundamentals for Success”** and the Keynote Speaker was to have been **Hon Voreqe Bainimarama**, the Fijian Prime Minister, but he was unfortunately unable to attend.

The two-day programme featured seven speakers, two panel discussions and a debating session. A majority of the speakers were from overseas.

The speakers addressed a number of diverse local and international topics:

**“International Mega Trends: Opportunities and Challenges for Business”** by Mr Rod Jackson, Chief Financial Officer for Westpac International;

**“The Global Mega Trends: Applicability and Adaptation from a Fiji Perspective”** by Mr Ram Bajekal, Group Managing Director for the FMF Group of Companies;

**“Enabling a Sustainable Future: Mega Trends Impacting Business”**, by Ms Tracey Ryan, New Zealand Leader on Climate Change and Sustainability Services with Ernst & Young;

**“Global Technology Changes: Opportunities and Challenges for Fiji”**, by Ms Holly King, Technology Partner with PricewaterhouseCoopers in Australia;

**“Matchfit40”** by Mr Andrew May, a Partner with KPMG and Australia's leading expert on workplace performance;

**“National Outlook: 2017/2018”** by Hon Jone Usumate, Fiji’s Minister for Employment, Productivity and Industrial Relations; and

**“Budget 2017/2018: Issues for Consideration”** by Mr Richard Naidu a Senior Partner with the Fiji law firm of Munro Leys.

This led on to a debating session on the provocative motion: **“Are We Paying Enough Taxes?”** with two high powered debating teams whose arguments swayed the opinions of the audience in widely contrary directions with a final vote favouring those for the motion. The members of the two debating teams were:

For the Motion	Against the Motion
Ms Deepa Kapadia	Mr Alipate Naiorosui
Mr John Faktaufon	Mr Rajeshwar Singh
Mr Rahul Prakash	Ms Emily King

A total of 586 persons attended the Congress, comprising 405 delegates (of whom 228 were members and 177 non members), 89 partners and 92 children.

## THE ACT, RULES AND BY-LAWS

The Committee held extended meetings during 2004, 2005 and 2006 to review a considerable number of proposals for possible amendments to the FIA Act, the Rules and the By-Laws, and these were adopted by a large majority at a Special General Meeting held on 27th April 2006.

During the course of 2015, the Act and Rules Committee re-examined the amendments that had been proposed in 2006 and recommended to Council a number of additional amendments, including several resulting from provisions in the new Companies Act, which was published in mid-2015 but not brought into force until January 2016, that were subsequently endorsed by the Council.

These proposed additional amendments were circulated to all members of the Institute for any comment but only a very few responses or comments were received for amendments either to the Act or to the proposed amendments to the Rules – the latter mainly from those who were seeking further relaxation

of the requirements for certificates of public practice. The revised proposed amendments were collated, and incorporated together with the previous amendments, in preparation for discussion with the Ministry of Economy (Finance).

An initial meeting was held with officials from the Solicitor General’s Office on 8th March 2017 to review the proposed amendments and clarify any issues regarding changes to the Act and a draft Bill was supplied to the Institute early in July incorporating the majority of the amendments sought. It was particularly welcome that the proposed new disciplinary procedures (a major feature of the amendments) had been included unchanged and the general format and layout closely followed the recommendations put forward. Only one significant addition proposed by the officials of the Solicitor General’s Office – the replacement of Rules previously made by the Institute membership by Regulations made by the Minister – was still under discussion at the end of the year.

The Council has also considered and endorsed amendments to most of the By-Laws, including the Code of Ethics. Council had previously agreed to adopt the international Code of Ethics produced by IFAC from 1st July 2008, together with a supplement containing material from the FIA’s own previous Code that is not currently included in the IFAC Code. Council has adopted the latest revised version of the IFAC Code, which became effective from 1st January 2012.

## EDUCATION MEMBERSHIP AND ACCREDITATION

During the course of 2017, the Education, Membership and Accreditation Committee, considered and recommended to Council the admission of the following, all of whom were subsequently approved by the Council:

- 48 Chartered Accountants (of whom 27 were previously Provisional Members);
- 62 Provisional Members (of whom 19 were previously Affiliate Accountants); and
- 28 Affiliate Accountants

The Council also granted 3 certificates of public practice to Grant Burns of PricewaterhouseCoopers, Shanel Nandan of Ernst & Young and Wathsala Suraweera of BDO. One of the previous holders of certificates of public practice, Mr Matthew Webb of KPMG, relinquished his certificate.

The following table reflects the variations in the level of **new admissions** to membership in recent years:

Year	CPPs	Chartered Accountants	Provisional Members	Affiliate Accountants	Total
2011	-	18	64	37	119
2012	-	24	81	52	157
2013	-	26	61	30	117
2014	-	48	77	36	161
2015	3	32	78	59	172
2016	3	27	46	31	107
2017	3	48	62	28	141

During the latter part of 2010, the Institute engaged the services of Professor Keith Houghton of the Australian National University in Canberra, in succession to Professor Roger Hopkins of the Victoria University of Wellington, New Zealand, to undertake an accreditation exercise of the main tertiary academic institutions in Fiji from which FIA draws its members. He completed a detailed review in 2011 of the courses, staffing and facilities offered by the three Fiji universities, as a result of which the BCom and BA Accounting courses offered by the University of the South Pacific, the University of Fiji and Fiji National University as well as Post Graduate Diplomas in Professional Accounting offered by the University of the South Pacific and the Fiji National University were accredited for periods up to 1st January 2015.

During 2014, all the courses previously reviewed at the three universities were re-reviewed and re-accredited for a period of 3 years from 1st January 2015. Professor Keith Houghton relinquished his position in early 2015 and was succeeded by Professor Denis Vinen from Swinburne University in Melbourne. Professor Vinen visited Fiji and undertook a review of

the three Fiji-based universities in September 2017 and recommended that all three should be re-accredited for the same courses as had been accredited previously for a period of three years from 1st January 2018.

The requirements for admission for the three different categories of membership current at the close of 2017 were:

For **Affiliate Accountants**, the basic requirement is either the Diplomas in Accounting, issued by the University of the South Pacific, the University of Fiji and the Fiji National University. Students who graduate with a degree majoring in accounting from the USP, UOF or FNU but who have not completed the full set of 20 academic units required by the FIA for its Provisional Members would also qualify for admission as Affiliate Accountants provided that they have substantially completed at least the equivalent of those academic courses

required for recognised diplomas.

For **Provisional Members**, the basic academic requirement is for either a BA, BCom or BAcc Degree from USP, UOF or FNU majoring in Accounting and the completion of 14 specific and 6 elective academic units – the electives in any discipline.

For full **Chartered Accountant members**, the minimum academic undergraduate requirements continue to be the same as for Provisional Members, but with effect from 1st January 2010, Chartered Accountants were required to complete an extra four additional post graduate units either from the CPA Programme or from the USP's (or, from 1st January 2014, FNU's new) Post Graduate Diploma in Accounting.

Applicants for full Chartered Accountant membership are also required to complete a minimum of three years of acceptable practical experience (at least two of which have to be completed after completing the 20 undergraduate academic units) under mentorship and to have achieved in-depth experience in at least one and broad experience in two (out of six) specific areas of practical experience.



## PEER REVIEW

In line with the requirements of the International Federation of Accountants (IFAC) Statements of Membership Obligations (SMOs), the Institute in 2012 appointed a retired chartered accountant in public practice, Mr Bruce Sutton, to undertake a review of the compliance by all those chartered accountants in public practice with IFAC's standard ISQC 1.

Mr Sutton undertook a preliminary meeting with representatives from the public practice firms in October 2012, to brief them about the requirements and the procedures that he would be adopting for undertaking the initial, and later detailed, reviews of the practices over a three-year period. In April 2013, he initiated a series of one-hour introductory meetings with all the practices, and from mid November 2013 onward, over a period of two years, he conducted more detailed reviews of each of the twenty-one practices selected by random ballot. Of the twenty-one practices, three were from the Big Three, four from practices with more than two partners and fourteen from single partner practices.

An important feature, arising from these reviews, is a revelation that the majority of the single partner practices were not fully compliant with provisions relating to audit assignments under ISQC1 and the practitioners concerned may need to be issued with restricted certificates of public practice. However, the Council has initiated enquiries to identify a suitable person or organisation to undertake training for those single practitioners and an individual, Mr Justin Reid, was provisionally identified in June. Reservations were, however, expressed about the likely costs involved and the need to ensure that details of the scope of the work to be undertaken were first ascertained. An alternative proposal was also put forward to seek the services of suitable individuals from some of the major accounting firms in Fiji to undertake the training. In addition, consideration was given to seeking assistance from either one of the sister accounting bodies in Australia or New Zealand or from the Confederation of Asian and Pacific Accountants (CAPA).

The second stage of the three-year programme of reviews of accounting practices was due to start in 2016, but unfortunately this has been held up due to the delay in identifying a suitable trainer for the single partner firms.

## AWARDS AND MEDALS

The Institute has, in the past, offered sponsorship by way of cash awards to students attending the three universities, namely the University of the South Pacific, Fiji National University and University of Fiji.

Cash awards for students attending the **University of the South Pacific** graduating in Accounting and Financial Management have regularly accompanied Gold Medals awarded by the University itself. Only one award was made in 2017 - in respect of the academic year 2016 – to **Mr Sidarth Kumar** of PricewaterhouseCoopers - for being the most outstanding student in Accounting.

No grants were made by the Institute in 2016, in respect of the academic year 2016 for the **University of Fiji** or the **Fiji National University**, in the form of cash prizes for outstanding students in Accounting.

Applications were invited in September 2016 for those seeking to be considered for either of the awards of Young Accountant and Chartered Accountant of the Year, or the new Outstanding Contribution to the Public Sector Award, both through email and also by advertisement printed in the two daily newspapers. Only eight applications were received despite the extended closing date of 30th November – four of them for the Chartered Accountant of the Year, three for the Young Accountant of the Year and one for the new Outstanding Contribution to the Public Sector. An initial shortlisting of the applicants took place, resulting in a reduction of the eight potential candidates to four. However, in view of the lateness in finalising the deadline for applications, it was decided to defer interviews of the candidates to the early part of 2017 and the presentation of the Awards to the night of the Gala Dinner for the 2017 Congress. **Ms Kalpana Lal** was awarded the Chartered Accountant of the Year and **Mr Manoj Ram** was awarded the prize for the Outstanding Contribution to the Public Sector.

In addition, a proposal was adopted to revive the previous initiative to award prizes, in conjunction with the Ministry of Education, to the top students who scored the highest marks in the Accounting subjects in the Fiji National Year 13 examination from each of the four Divisions – Central, Northern, Western and Eastern. As was the case for the Accountants of the Year, it was decided to award these prizes in 2017, during the deferred 2016 cocktail party for Southern FIA members on 8th March 2017.

The prizes were awarded to Nikhil Minish Narayan from Swami Vivekananda College for the West, Samantha Petero from Rotuma High School for the East, Shivneel Reddy from the Labasa Muslim College for the North and Shreta Singh from Rishikul Sanatan College for the Central Division.

One very welcome item of information for the Institute was the announcement made in the early part of the year by the Chartered Accountants of Australia and New Zealand (CAANZ) that **Ms Renu Chand** had been recognised and honoured by CAANZ as one of the top 144 accountants worldwide providing outstanding service to the profession.

## PROFESSIONAL DEVELOPMENT

One of the single most valuable services provided every year by the Institute for its members is the professional development programme, which offers members various opportunities to update their professional skills and knowledge of developments in the international and local accounting field.

In line with International Education Standards (IESs) issued by the International Federation of Accountants, members of the accounting bodies that are full members of IFAC are expected to complete not less than 40 hours of professional education annually or a minimum of 120 hours over a three-year period. During 2015, Council agreed to vary the requirement for “structured” hours from the previous 30 hours annually or 90 over the three-year period to 20 hours annually or 60 over the three-year period, while still retaining a requirement for a total of 120 hours over the three-year period. During 2015, Council also

decided to award 8, rather than 5, structured CPE hours for attendance at the annual FIA Congress, this being more in line with the number of hours actually attended by session participants.

To enable all FIA members to complete the 2016 revised required annual minimum number of hours of “structured” Continuing Professional Education (CPE) the Professional Development Committee arranged a comprehensive programme for 2017 consisting of five half-day seminars - four seminars were organised for Suva and one for the West – a half-day Symposium, in Suva, that was repeated in the West, a one and a half hour Memorial Lecture held in Suva and a single one-and-a-half day Technical Workshop at the Warwick Fiji Resort. The programme organised by the Professional Development Committee, together with CPE hours earned for the annual Congress for 2017 provided opportunities for all FIA members to gain a total of 34½ CPE structured hours by attending the various activities listed below:

Seminars and Workshops 2017		
Seminar	January 24th	2½
Seminar	February 21st	2½
Seminar	March 24th and 29th	5 (2½ x 2)
Congress	April 21st and 22nd	8
Workshop	June 23rd and 24th	6½
Symposium	August 30th and September 1st	6 (3 x 2)
Seminar	October 5th	2½
Lecture	October 25th	1½
Total		34½

A pattern established in many previous years, reflecting the fact that the Institute's professional development programme appeals to a wider audience than just its own members is evident from the record of participation at the various activities demonstrated in the following table:

			Delegates		
			Members	Non Members	Total
Seminar	Suva	January 24th	15	29	44
Seminar	Suva	February 21st	46	50	96
Seminar	Suva	March 24th	59	64	123
Seminar	Nadi	March 29th	30	35	65
Congress	Fijian	April 21st and 22nd	228	177	405
No May Seminar					
Workshop	Warwick	June 23rd and 24th	79	81	160
No July Seminar					
Symposium	Suva	August 30th	77	85	162
Symposium	Nadi	September 1st	47	67	114
Seminar	Suva	October 5th	36	49	85
Lecture	Suva	October 25th	51	-	51
No November or December Seminar					

## Seminars

### *January 24th*

"An Economic Update on the Fijian Economy"  
Presented by Ms Caroline Waqabaca, Reserve Bank of Fiji;

### *February 21st*

"Financial Instruments" (IFRS 9 and 15)  
Presented by Mr Steven Nutley, Partner KPMG;  
and "Leases" (IFRS 16)  
Presented by Mr Peni Tora, Director Assurance,  
Ernst & Young

### *March 24th*

"Emerging Tax & Customs Issues"  
Presented by Mr Fazrul Rahman, Director Corporate Services, FIRCS; and "Tax Compliance, Customs Compliance and Customs Investigations"  
Presented by Mr Shameem Khan, Director Compliance, FIRCS

### *March 29th*

"Emerging Tax & Customs Issues" Presented by Mr Fazrul Rahman, Director Corporate Services, FIRCS; and "Tax Compliance, Customs Compliance and Customs Investigations"

Presented by Mr Shameem Khan, Director Compliance, FIRCS

### *October 5th*

"An Economic Update of the Fijian Economy"  
Presented by Mr Ariff Ali, Governor, Reserve Bank of Fiji; and "COP 23"  
Presented by Mr John Connor, Executive Director, COP 23 Presidency Secretariat

### *October 25th*

"Professor Michal White Memorial Public Lecture"  
Presented by Ms Jenny Seeto, Managing Partner, PricewaterhouseCoopers

## Workshops and Symposiums

Only one Technical Workshop was arranged for 2017, which was held at the Warwick Fiji Resort, at Korolevu, Sigatoka on June 23rd and 24th. However, two half-day Budget Symposiums – one was held in Suva and a second in Nadi - on August 30th and September 1st respectively.

The pattern for the programme for the **June Technical Workshop** was very similar to that used for previous Workshops, with the main working part of the Workshop compressed into a single day, on the Saturday, but with the first plenary session organised



Warwick Fiji Resort

to be held on the Friday evening, prior to the dinner, and with no plenary session on the Sunday morning. The working programme was restricted to 3 plenary sessions and 2 break-out sessions.

The three Plenary sessions were:

**“Fiji’s International Tax Regime”**

Presented by Mr Fazrul Rahman, Director Corporate Services, FIRCS;

**“Unmasking Beneficial Owners in Financial Crimes”**

Presented by Mr Razim Buksh, Director Financial Intelligence Unit, Reserve Bank of Fiji; and

**“Fiji Economic Update”**

Presented by Mr Esala Masitabua, Acting Deputy Governor, Reserve Bank of Fiji;

and the two “Break-Out” sessions were:

**“IFRS 15 – Revenue from Contracts with Customers”, and “IFRS 16 – Leases”**

Presented by Mr Mark Hucklesby, National Technical Director, Grant Thornton, New Zealand; and

**“IFRS 9 – Financial Instruments”**

Presented by Dr Nacanieli Rika, University of the South Pacific.

A total of 190 people attended of whom 160 were delegates (79 members and 81 non members), 17 were partners and 13 were children.

A half day Workshop, nominated a **“Symposium”**, on the 2017/2018 **National Budget**, was held at the

Holiday Inn Hotel in Suva on 30th August and on September 1st at the Fiji National University Namaka Campus in Nadi

A Keynote Address was presented by the Fijian Minister of Economy, Hon Aiyaz Sayed Khaiyum And the Second Presenter was Mr Visvanath Das, Chief Executive of Fiji Revenue and Customs Service;

A total of 276 people attended (162 in Suva and 114 in Nadi) of whom 77 in Suva and 47 in Nadi were members, and 85 in Suva and 67 in Nadi were non members.

## COMMUNICATIONS & TECHNOLOGY, JOURNAL & LITTERA

It had been decided that any future issues of the Journal would only be issued in electronic format and that production of any future issues should be discontinued for the time being in the light of the poor response for production of material, the cost and the availability of more current news in the “Littera” newsletter.

The Institute has continued to produce the two-three page newsletter, “Littera” containing short up to date news items of Institute activities, which has proved popular with the members. During 2017, two



issues were produced: No 23 in April and No 24 in July.

Discussions took place during the year with DATEC regarding proposed improvements to the Institute website and the development of an application for the Institute, principally geared to the Congress but capable of being extended to other FIA activities. Discussions also took place with the ANZ Bank with a view to establishing an EFTPOS facility for the Institute that could facilitate the payment of member subscriptions and registration fees for Congress and Technical Workshops.

## MARKETING AND PROMOTIONS

A redraft of a Brochure which had been originally prepared for the Membership Committee in 2008, outlining various options open to those seeking a career in accountancy, was reprinted in 2011 for distribution to students and any others who might be interested in pursuing a career in accounting, together with an in-house pamphlet explaining the requirements for those seeking admission to membership of the Institute. Copies of these two publications were distributed at the FNU Open Day on 20th and 21st July and the USP Open Day on 28th July.

A visit was made to the University of Fiji in August to brief students about the openings available for those planning to make a career in the accountancy profession and to provide information about the requirements for those seeking membership in the Institute. The meeting was attended by some 70 students of the UOF and those presenting were Mr Cama Raimuria and Ms Denise Charan.

Although a number of visits to secondary schools were planned to take place during 2017, they did not take place on account of other competing demands for the schools including emphasis placed on preparation for examinations in the second term.

In line with an initiative intended to provide benefits to members, the Committee initially arranged to hold a cocktail party for Southern Division (Suva-based) FIA members in November 2016, but this was later deferred to be held in March 2017. A cocktail party for 2017 for Southern Division members was held on 15th

November 2017, attended by 49 members. A similar event that was held in conjunction with a Council meeting, arranged for the Western Division members, attended by 35 Western members, was held on 24th November.

## DISCIPLINARY PROCEEDINGS

The Investigation Committee held only one meeting during 2017 to deal with the two outstanding cases from 2016, both of which were referred to the Disciplinary Committee. No new cases were received that required the consideration of the Committee.

However, there was a backlog of four cases – two dating respectively from 2009 and 2010 and two from 2016 – which had reportedly been referred by the relevant complainants to the civil courts for adjudication. It was agreed that all these should be referred to an independent law firm to conduct research into the current status of these cases. The report received disclosed that two of the cases had, in fact, never been referred to the civil courts, one (the oldest one) had been resolved through the courts and the remaining one was still before the courts. The Investigation Committee will need finally to resolve the three remaining cases during 2018.

The Disciplinary Committee held three meetings during 2017, to deal with the cases that had been referred to it – one dating from 2015 and the other two from 2016. It was agreed that the two earliest cases should be dismissed because of a lack of supporting evidence and the remaining case was still under review.

## BUSINESS AND GOVERNMENT COMMITTEE

The Committee was largely concerned, in the first three months of the year with discussion of the content of the Institute's submission for the 2017/2018 Budget. The draft submission was circulated to all Council members and the final version was submitted to the Ministry of the Economy on 16th May and

subsequently uploaded to the FIA website. A meeting was also later held with some FRCS representatives to discuss the FIA submission.

During the year, the Committee met on a fairly regular basis with senior representatives of the Fiji Revenue and Customs Service (previously named the Authority) to discuss a variety of tax issues, focussing particularly on FRCS's interpretation of the law in its Practice Statements, in comparison with the published tax legislation. These ranged from the necessity for certain practitioners to obtain Tax compliance certificates, the evaluation of VAT on supplies of residential accommodation, the assessment of income tax for individuals, the amortisation of business intangibles, depreciation and ecal on super yacht fees.

In May, the Committee held detailed discussions with FIRCS representatives regarding procedures involved in the revived e-ticketing system foreshadowed in Bill No 28 of 2017, in the light of wide public criticism about certain aspects of the system and calls for the retention of cash payments as an alternative parallel arrangement.

In August, the Committee also discussed the proposed levy to be placed upon plastic bags provided by certain commercial enterprises and the public benefits that might flow from this initiative.

The Committee also raised with FIRCS representatives membership of the Tax Agents Registration Board and the nomination of a representative from the FIA as a member of the Board.

## STANDARDS

The Institute, in honouring its obligation as a member body of the International Federation of Accountants (IFAC) to introduce international financial and reporting standards, adopted the full suite of the IASB's international financial accounting and reporting standards (IFRSs) – for accounting periods commencing on or after 1st January 2007.

However, the full IFRS standards are generally applicable mainly to those larger and/or publicly accountable accounting entities in both the private and public sectors. [Details are available on the FIA website: [www.fia.org.fj](http://www.fia.org.fj)]. Smaller accounting entities

now, following FIA's adoption of the IFRS for SME Standard from 1st January 2011, need to comply with that standard, for financial periods beginning on or after 1st January 2011.

During the course of the year, the Standards Committee discussed a number of issues arising from the provisions of the new 2015 Companies Act, including:

- differences of interpretation relating to timing that was applicable to notification of appointment and
- fines payable in respect of late lodgement of such appointments

Clarification was sought and obtained from the Solicitor General's Office. Members were advised of the agreed interpretation of certain aspects of the transitional arrangements

The Committee also provided the Professional Development Committee with recommendations for which Accounting Standards could be included in the Committee's 2017 programme for Professional Development and considered possible changes that might be needed to be made to the template for Trust Accounts reporting.

The Institute had also adopted the complete suite of international audit related standards that have been issued by the International Federation of Accountants (IFAC). The suite comprises the International Standards on Auditing (ISAs), International Audit Practice Statements (IAPSSs), International Standards on Assurance Engagements (ISAEs), International Standards on Review Engagements (ISREs), the International Standards on Related Services (ISRSs) and International Standards on Quality Control (ISQCs). These Standards were adopted from 1st July 2008, in conjunction with the IFAC International Code of Ethics.

## STRATEGIC PLAN

The Institute's Third Corporate Plan, covering the period 2012 to 2015 was to have been succeeded by a fourth Plan in 2015 but it was decided to defer production of a new Corporate Plan until early 2016, to take account of probable legislative changes under the Companies and Income Tax Acts and possible

amendments to the Fiji Institute of Accountants Act and Rules.

The Council endorsed the development of a new Five Year Strategic Plan (2017 – 2021) for the Institute and the Strategic Plan Committee began work on this in mid-2016. The Committee in January 2017 appointed a facilitator to assist in development of the Plan.

An extensive stakeholder survey was next conducted by the Committee and feedback from members and various stakeholders from the survey was included in the formulation of the plan. The FIA Council provided continuous guidance and direction towards the development of the plan and a draft version of the Strategic Plan was developed and circulated to all members for any further comments and suggestions. The Strategic Plan was presented to members at the 2017 AGM for final approval and adoption.

The new Plan differed somewhat from the previous one, in terms of the emphasis placed on certain areas and in the combination of some of the functions of Committees. Specifically, it placed less emphasis on Disciplinary functions – anticipating one of the changes to be reflected in the amendments to the Act – and greater emphasis upon branding and the development of electronic facilities. It comprised a total of 10 sections:

Accreditation and Membership	Acts, Rules and Standards
Branding and Awards	Business and Government
Communications and Technology	Congress
Peer Review	Professional Development
Staff and Administration	Strategic Plan

## MEMBERSHIP STATISTICS

The total number of FIA members, of all six categories, listed on the Institute's Register, as at 31st December 2017, was 808 – reflecting an increase of just 23 over the total membership for the year 2016. This was only a small increase, but it would have been considerably more if the reductions caused by emigration and the failure by some members to pay their annual subscriptions had been taken into account.

During 2017, the names of 155 (206 in 2016) members and 28 (20 in 2016) students were removed from the Register for failing to pay their membership subscriptions before 30th June 2017. However, only 46 Members subsequently paid their arrears and so had their names restored to the Register – resulting in a net loss of 109 (146 in 2016) members.

During the year, a total of 141 (107 in 2016) new members (excluding students) were admitted to membership, of whom 3 were admitted as Chartered Accountants in public practice another 48 were admitted as Chartered Accountants, 62 as Provisional Members and 28 as Affiliate Accountants.

The comparative figures for 2016 and 2017 for each of the various categories were as follows:

	2016	2017
Chartered Accountants in Public Practice	42	43
Chartered Accounts not in Public Practice	288	313
Provisional Members	269	255
Affiliate Accountants	162	155
Licensed Accountants	1	1
Students	23	41
Total	785	808

Seventy-seven members were resident overseas of whom 59 were Chartered Accountants, 13 were Provisional members and 5 were Affiliate Accountants.

Only one of the original 72 Licensed Accountants remains on the Institute's Register.

It is interesting to note that the female members of the Institute (all categories) now represent nearly 40%, compared to male members 60%. This compares to 31% and 69% respectively ten years ago.

And, as an interesting aside, the four most common "surnames" for members (all categories) out of 808 are as follows:

Prasad	64
Kumar	48
Singh	46
Chand	43



## MEMBERSHIP STATISTICS

### A. MEMBERSHIP by Category (2011 – 2017)

	CPP	CA	PM	AA	LA	ST	TOTAL
2011	37	258	263	153	1	30	742
2012	38	267	286	165	1	28	785
2013	38	275	292	165	1	16	787
2014	39	285	286	157	1	18	786
2015	41	297	292	178	1	46	855
2016	42	288	269	162	1	23	785
2017	43	313	255	155	1	41	808

### B. MEMBERSHIP by Occupation (2017)

	CPP	CA	PM	AA	LA	ST	TOTAL	
Public Practice	43	29	47	7	1	-	127	[15.7%]
Industry and Commerce	-	114	102	83	-	-	299	[37.0%]
Public Sector	-	63	70	40	-	-	173	[21.4%]
Education and Training	-	22	10	6	-	41	79	[ 9.8%]
Other	-	26	13	14	-	-	53	[ 6.6%]
Overseas	-	59	13	5	-	-	77	[ 9.5%]
	43	313	255	155	1	41	808	

### C. MEMBERSHIP by Gender (2011 – 2017)

	2011	2012	2013	2014	2015	2016	2017	
Male	499	524	509	500	531	493	497	[61.5%]
Female	243	261	278	286	324	292	311	[38.5%]
	742	785	787	786	855	785	808	

### D. MEMBERSHIP by Age (2011– 2017)

	2011	2012	2013	2014	2015	2016	2017	
Under 30	348	360	336	311	327	223	214	[26.5%]
31 to 40	207	214	238	273	304	336	358	[44.3%]
41 to 50	92	111	118	114	127	126	130	[16.1%]
51 to 60	69	76	71	53	66	63	63	[ 7.8%]
Over 60	24	23	23	35	31	37	43	[ 5.3%]
Unrecorded	2	1	1	-	-	-	-	[ 0.0%]
	742	785	787	786	855	785	808	

## COMMITTEE MEMBERS 2017 – 2018

### Investigation Committee

Zarin Khan (Chair)  
Camacakau Raimuria  
Mohit Raj  
Caroline Pickering  
Wathsala Suraweera

### Disciplinary Committee

Finau Nagera (Chair)  
Renu Chand  
Jerome Kado  
Regina Mar  
Rajeshwar Singh

### Accreditation and Membership Committee

Finau Nagera (Chair)  
Kalpana Lal  
Leonard Chan  
Ashwin Nand

### Professional Development and West Committee

Nitesh Lal (Chair)  
Lorraine Seeto  
Mohit Raj  
Christine Zhang  
Dineshwar Prasad  
Denise Charan  
Zarin Khan  
Mahmood Khan

### Congress Organising Committee

Rajeshwar Singh (Chair)  
Finau Nagera  
Beverly Seeto  
Meliki Tuinamuana  
Lenora Qereqeretabua  
Amir Barssoum

### Act, Rules and Standards Committee

Sikeli Tuinamuana (Chair)  
Pradeep Patel  
Kaushick Chandra  
Nacanieli Rika  
Steven Nutley  
Ajay Nand  
Zarin Khan

### Business & Government Committee

Jerome Kado (Chair)  
Madhu Sudhan  
Lisa Apted  
John Faktaufon  
Deepa Kapadia  
Sunil Sharma

### Communications and Technology Committee

Cama Raimuria (Chair)  
Arvindbhai Patel  
Kavin Rathod  
Devika Darshani  
Nazia Sheik  
Lenora Qereqeretabua

### Branding and Awards Committee

Cama Raimuria (Chair)  
Raiyaz Ahmed  
Vikash Harikishan  
Swastika Lal  
Naushad Ali  
Stephanie Jones  
Lenora Qereqeretabua

### Strategic Plan Committee

Nitesh Lal (Chair)  
Priya Singh  
Kitty Finau  
Unise Cawaru  
Gilbert Veisamsama  
(Facilitator)

### Peer Review Committee

Mohit Raj (Chair)  
Nitesh Lal  
Morgan Pillay

### Staff & Administration Committee

Finau Nagera (Chair)  
Renu Chand  
Jerome Kado

[Note. These are the revised Committees as set out in the new Strategic Plan]

FIJI INSTITUTE OF ACCOUNTANTS

# Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2017

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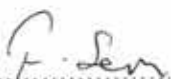
FIJI INSTITUTE OF ACCOUNTANTS

## Statement by the Council of the Fiji Institute of Accountants

FOR THE YEAR ENDED 31 DECEMBER 2017

On behalf of the Council of the Fiji Institute of Accountants, we state that in our opinion the accompanying financial statements of the Institute set out on pages 21 to 36 for the year ended 31 December 2017 are drawn up so as to give a true and fair view of the state of affairs of the Institute as at 31 December 2017 and the results of its operations, its cash flows and changes in members' funds for the year then ended.

Dated this *21 February* 2018.

  
.....  
**PRESIDENT**

  
.....  
**TREASURER**



**I. NAIVELI & CO.***Chartered Accountants and Business Advisors*

Registered Tax Agent, Certified Public Practitioner (CPP), Fellow Member – Association of International Accountants (UK), Member – CPA Australia

**Independent Auditor's Report****To the Members of Fiji Institute of Accountants****Audit Opinion**

We have audited the financial statements of Fiji Institute of Accountants (the Association), which comprises of statement of income and expenditure, the statement of changes in Members Funds, the statement of Financial Position as at 31 December 2017, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 21 to 36.

In our opinion, the financial statements give a true and fair view of the financial position of the association as at 31 December 2017, and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

**Basis for an Audit 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 ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the council for the Financial Statements**

The council are responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and principles and for such internal control as the council 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 council are 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 council either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

The council are 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 the executive council.
- Conclude on the appropriateness of the executive council 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.

We communicate with the executive council 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.



I. Naiveli & Co  
Chartered Accountants



Ioane Naiveli  
Registered Auditor  
(Under Companies Act 2015)  
5-9 Victoria Parade

21<sup>st</sup> February 2018

## FIJI INSTITUTE OF ACCOUNTANTS

**STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	For the year ended 31 December 2017 \$	For the year ended 31 December 2016 \$
<b>Income</b>			
Admission fees		8,089	5,610
Member's subscription	3	185,770	192,684
Interest		32,431	20,181
Dividends		5,234	5,107
Special committees	4	713,823	693,348
Members handbooks		-	5
Other		180	30
<b>Total income</b>		<b>945,527</b>	<b>916,965</b>
<b>Expenditure</b>			
Accreditation expenses	5	3,656	-
Advertising		3,712	2,196
Amortisation		1,491	996
Audit fees		917	846
Bank charges		813	996
Consultancy		53,840	12,000
CAPA conference expenses		13,765	-
Consultancy- Corporate Plan		20,000	-
Council and committee expenses		12,936	9,337
Depreciation		3,015	4,178
Electricity		3,817	4,179
Entertainment		2,593	1,272
Fiji Teachers Registration Authority		250	260
General expenses		5,456	7,288
Gifts and awards		9,983	1,252
Government Gazette		507	278
Insurance		8,598	8,195
International activities	8	13,090	19,695
Legal and professional expenses	6	6,333	7,302
Postage, telephone and internet		5,638	5,618
Printing and stationery		14,601	11,762
Rental		21,390	21,390
Peer review program	7	-	11,500
Repairs and maintenance		154	1,621
Special committees	4	471,884	569,529
Salaries, wages and associated costs		89,281	122,468
Travelling		1,311	2,753
Website		-	422
<b>Total expenditure</b>		<b>769,031</b>	<b>827,333</b>
<b>Net surplus for the year</b>		<b>176,496</b>	<b>89,632</b>
<b>Other comprehensive income</b>			
Gain on remeasuring available-for-sale financial assets		20,129	10,467
<b>Total comprehensive income for the year</b>		<b>196,625</b>	<b>100,099</b>

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements

## FIJI INSTITUTE OF ACCOUNTANTS

**STATEMENT OF CHANGES IN MEMBERS' FUNDS**

FOR THE YEAR ENDED 31 DECEMBER 2017

	Accumulated Surplus	Investment Valuation Reserve	Total
	\$	\$	\$
<b>Balance as at 31 December 2015</b>	<b>689,354</b>	<b>24,960</b>	<b>714,314</b>
Net surplus for the year	89,632	-	89,632
Gain on re-measuring available-for-sale financial assets	-	10,467	10,467
<b>Balance as at 31 December 2016</b>	<b>778,986</b>	<b>35,427</b>	<b>814,413</b>
Net surplus for the year	176,496	-	176,496
Gain on re-measuring available-for-sale financial assets	-	20,129	20,129
<b>Balance as at 31 December 2017</b>	<b>955,482</b>	<b>55,556</b>	<b>1,011,038</b>

The statement of changes in members' funds is to be read in conjunction with the notes to and forming part of the financial statements.




FIJI INSTITUTE OF ACCOUNTANTS


**STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2017

	Notes	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash on hand and at bank		100,384	24,301
Interest receivable		12,243	7,163
Dividend receivable		3,221	2,979
Other receivables	9	27,145	26,989
Financial assets	10	140,000	140,000
<b>TOTAL CURRENT ASSETS</b>		<b>282,993</b>	<b>201,432</b>
<b>NON CURRENT ASSETS</b>			
Financial assets	10	767,827	632,698
Office furniture and equipment	11	5,898	8,913
Intangible assets	12	5,094	576
<b>TOTAL NON-CURRENT ASSETS</b>		<b>778,819</b>	<b>642,187</b>
<b>TOTAL ASSETS</b>		<b>1,061,812</b>	<b>843,619</b>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	13	5,566	4,673
Employee benefit liability	14	1,826	1,784
Subscriptions received in advance		43,382	22,749
<b>TOTAL CURRENT LIABILITIES</b>		<b>50,774</b>	<b>29,206</b>
<b>TOTAL LIABILITIES</b>		<b>50,774</b>	<b>29,206</b>
<b>NET ASSETS</b>		<b>1,011,038</b>	<b>814,413</b>
<b>MEMBERS' FUNDS</b>			
Accumulated surplus		955,482	778,986
Investment valuation reserve		55,556	35,427
<b>TOTAL MEMBERS' FUNDS</b>		<b>1,011,038</b>	<b>814,413</b>

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements.

  
.....  
PRESIDENT

  
.....  
TREASURER

## FIJI INSTITUTE OF ACCOUNTANTS

**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	For the year ended 31 December 2017 \$	For the year ended 31 December 2016 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from members		214,672	205,920
Receipts from special committees and technical publications		713,823	693,348
Payment to suppliers and employees		(763,746)	(821,609)
<b>Net cash provided by Operating Activities</b>	15(a)	<b>164,749</b>	<b>77,659</b>
<b>Cash Flows used in Investing Activities</b>			
Interest received		27,351	16,724
Dividends received		4,992	4,543
Acquisition of intangibles		(6,009)	-
Payments for investments		(115,000)	(160,326)
<b>Net cash flow (used in) Investing Activities</b>		<b>(88,666)</b>	<b>(139,059)</b>
Net increase/(decrease) in cash held		76,083	(61,400)
Cash at the beginning of the financial year		24,301	85,701
<b>Net cash and cash equivalents at the end of the financial year</b>	15(b)	<b>100,384</b>	<b>24,301</b>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements.

FIJI INSTITUTE OF ACCOUNTANTS

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**NOTE 1. GENERAL INFORMATION**

The Fiji Institute of Accountants (the Institute) is a statutory entity constituted under the Fiji Institute of Accountants Act (Cap 259) 1971. The address of its principal place of business is disclosed in note 19 to the financial statements.

The principal activities and functions of the Institute during the course of the financial year were those set out in Section 6 of the Fiji Institute of Accountants Act (Cap 259) 1971.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted by the Institute in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Statement of compliance**

The financial statements have been prepared in accordance with the IFRS for SMEs and are presented in Fiji currency, rounded to the nearest dollar.

**Basis of preparation**

In the application of IFRS for SMEs, the Council of the Fiji Institute of Accountants is required to make judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by the Council in the application of IFRS for SMEs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

**a) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash balances and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**b) Comparatives**

Where necessary, amounts relating to prior years have been reclassified to conform to the presentation in the current year.

FIJI INSTITUTE OF ACCOUNTANTS

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****c) Employee Entitlements***Wages and salaries*

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are accrued up to the reporting date. Liabilities for non-accumulating sick leave are recognized when the leave is taken and is measured at the rates prevailing at that time.

*Annual leave*

Provision is made for annual leave estimated to be payable to employees on the basis of statutory and contractual requirements.

*Defined contribution plans*

Contributions to Fiji National Provident Fund are expensed when incurred.

**d) Financial Assets**

Investments are recognised and de-recognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified into the following specified categories:

*Held-To-Maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities which the Council has the intent and ability to hold to maturity. Held-to-maturity investments are carried at cost.

*Available-For-Sale Financial Assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the Council intends to dispose of the investment within 12 months of the balance sheet date. Listed or quoted available-for-sale financial assets are subsequently carried at fair value.

Changes in the fair value of available-for-sale financial assets are recognized in investment revaluation reserve. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in investment revaluation reserve are included in the statement of comprehensive income.

Dividends on available-for-sale financial assets are recognized in the statement of comprehensive income when the Institute's right to receive payments is established.

The fair values of listed investments or quoted investments are based on current market prices.

FIJI INSTITUTE OF ACCOUNTANTS

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****e) Income Tax**

Income of the Institute is exempt from income tax in accordance with Section 50 of the Fiji Institute of Accountants Act and Section 17(24) of the Fiji Income Tax Act.

**f) Operating Lease**

Operating leases are not capitalized and rental payments are charged to the statement of comprehensive income in the period in which they are incurred.

**g) Office Furniture and Equipment**

Office furniture and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is provided on office furniture and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The principal rates in use are:

Office furniture	-10%
Equipment	- 10% - 25%

Profit or loss on disposal of office furniture and equipment are taken into account in determining the surplus for the year.

**h) Intangible assets**

Acquired intangible assets are initially recorded at their cost at the date of acquisition being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Intangible assets with finite useful lives are amortised on a straight line basis over the estimated useful lives of the asset being the period in which the related benefits are expected to be realised (shorter of legal duration and expected economic life).

Amortisation rates and residual values are reviewed annually and any changes are accounted for prospectively.

The per annum amortization rates used for each class of assets is as follows:

MYOB Software	- 40%
Website	- 10%

**i) Creditors and Payables**

Creditors and accounts payable are recognized when the Institute becomes obliged to make future payments resulting from the purchase of goods and services.



FIJI INSTITUTE OF ACCOUNTANTS

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****j) Receivables**

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Allowance for impairment of receivables is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of the receivables. Allowance is raised on a specific debtor level.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income. When a receivable is uncollectible, it is written off against the allowance account for receivables.

Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

**k) Revenue**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Institute and that it can be reliably measured.

*Member fees and subscription*

Admission fees are recognized as revenue on receipt.

The subscription year runs from 1 January to 31 December. Subscriptions are payable annually in advance. Only those membership fees and subscription payments that are attributable to the current and past financial year are recognized as revenue. Fees and subscription payments that relate to future periods are shown in the statement of financial position as subscriptions received in advance.

*Interest income*

Interest income is recognized on an accrual basis.

*Dividend revenue*

Dividend revenue from investments is recognized when the Institute's right to receive a dividend payment has been established.

*Sponsorships and contributions in kind*

Sponsorships and contributions received in kind are accounted for at estimated fair values.

**l) Website Costs**

Costs in relation to the Institute's website development, maintenance and operations have been treated as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalized as equipment and depreciated over their period of expected benefit.

## FIJI INSTITUTE OF ACCOUNTANTS

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****m) Value Added Tax (VAT)**

Revenue, expenses, assets and liabilities are recognized net of VAT, except:

- Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognized as part of the cost of acquisition of the asset or as part of an item of expense; and
- For receivables and payables which are recognized inclusive of VAT.

The net amount of VAT payable to, or receivable from, the taxation authority is included as part of payables or receivables.

**NOTE 3. MEMBER'S SUBSCRIPTION**

	For the year ended 31 December 2017 \$	For the year ended 31 December 2016 \$
Members holding a Certificate of Public Practice	21,500	21,000
Members not holding a Certificate of Public Practice	76,504	75,947
Provisional members	53,482	59,443
Licensed Accountants	110	110
Affiliate members	25,809	28,723
Overseas members	8,195	6,564
Student members	170	897
	<b>185,770</b>	<b>192,684</b>

**NOTE 4. SPECIAL COMMITTEES**

Total income	713,823	693,348
Total expenses	(471,884)	(569,529)
<b>Net surplus special committees</b>	<b>241,939</b>	<b>123,819</b>

## FIJI INSTITUTE OF ACCOUNTANTS

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**NOTE 4. SPECIAL COMMITTEES (CONT'D)**

Detailed income and expenses in respect to special committees is summarised below:

	For the year ended 31 December 2017 \$	For the year ended 31 December 2016 \$
<b>(a) Annual Congress</b>		
<b>Income</b>		
Registration fees and levies	402,118	374,985
Sponsorship	146,796	157,037
	<hr/>	<hr/>
	548,914	532,022
<b>Expenses</b>		
Accommodation, food and beverage	314,562	371,815
Advertising	2,881	3,878
Bank charges	25	25
Banner Cost	1,009	367
Donation and gifts	2,881	3,809
Equipment hire	6,468	7,615
Entertainment	3,686	3,945
Postage/Courier	475	286
Speaker fees, travel and costs	38,677	29,060
Stationery, telephone and fax	7,529	8,797
	<hr/>	<hr/>
	378,193	429,597
	<hr/>	<hr/>
<b>Surplus</b>	<b>170,721</b>	<b>102,425</b>
<b>(b) Education Courses</b>		
<b>Income</b>		
Registration fees and levies	164,909	162,927
	<hr/>	<hr/>
<b>Expenses</b>		
Hall hire, accommodation, food and beverage	85,536	111,127
Advertising, publicity and other costs	9,655	11,883
Speaker fees and costs	-	13,046
	<hr/>	<hr/>
	95,191	136,056
	<hr/>	<hr/>
<b>Surplus</b>	<b>69,718</b>	<b>26,871</b>
<b>(c) Journal Committee</b>		
<b>Income</b>		
Advertising revenue	-	(1,601)
<b>Expenses</b>		
Production and other costs	(1,500)	3,876
	<hr/>	<hr/>
<b>Surplus/ (Deficit)</b>	<b>1,500</b>	<b>(5,477)</b>
	<hr/>	<hr/>

## FIJI INSTITUTE OF ACCOUNTANTS

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**NOTE 4. SPECIAL COMMITTEES (CONT'D)****(d) Western Division**

Western Division activities have, in recent years, been limited to seminars and workshops organized under the professional development programme, many of them being seminars that were earlier conducted in Suva, and amounts of income and expenses have therefore been included under the Education Courses, item (b) above.

**NOTE 5. ACCREDITATION EXPENSES**

	For the year ended 31 December 2017 \$	For the year ended 31 December 2016 \$
Accreditation expenses	11,099	-
<i>Recoverable from</i>		
University of Fiji (UOF)	(3,026)	-
Fiji National University (FNU)	(2,213)	-
University of the South Pacific (USP)	(2,204)	-
	<b>3,656</b>	<b>-</b>

The accreditation expenses relates to Professor Denis Vinen visits to evaluate the accounting courses offered by all three Fiji-based Universities. The recoverable sums from the respective universities are as shown above.

**NOTE 6. LEGAL AND PROFESSIONAL EXPENSES**

i) Munro-Leys	4,503	-
ii) Howard Lawyers	1,830	-
iii) SiwatiBau & Sloan	-	7,302
	<b>6,333</b>	<b>7,302</b>

- i) Legal fees for residential requirements for a CPP Member and staff and administration matters.
- ii) Legal fee for professional attendances for complaints against members.
- iii) Legal fee for review of several correspondences from an applicant for chartered accountant membership and a request for interpretation of the FIA Rules, regarding attendance at Council meetings.

**NOTE 7. PEER REVIEW PROGRAM**

Being fee paid (Bruce Sutton – South Pacific Advisory)	-	11,500
	<b>-</b>	<b>11,500</b>

To comply with international quality control requirements for Chartered Accountant members holding a certificate of public practice, the Institute embarked on a review of these practitioners by engaging the services of a retired practitioner to evaluate and train these practitioners to ensure compliance with requirements. Initial training and familiarization costs are being met by the Institute.

## FIJI INSTITUTE OF ACCOUNTANTS

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**NOTE 8. INTERNATIONAL ACTIVITIES**

	For the year ended 31 December 2017 \$	For the year ended 31 December 2016 \$
Subscription to:		
- International Federation of Accountants	10,469	12,630
- Confederation of Asia and Pacific Accountants	2,621	2,770
- CAPA conference attendance	-	4,295
Total International Activities	<b>13,090</b>	<b>19,695</b>

**NOTE 9. OTHER RECEIVABLES**

VAT receivable, net	9,265	16,431
Interest withholding tax receivable	354	354
Deposit - Congress and Technical Workshop	-	-
- Others	2,455	2,455
Prepayments	7,568	7,689
Other receivables	7,503	60
Total other receivables	<b>27,145</b>	<b>26,989</b>

**NOTE 10. FINANCIAL ASSETS****Current****Held-to-maturity investments**

Short term deposits with financial institutions	<b>140,000</b>	<b>140,000</b>
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**Non-Current****Held-to-maturity investments**

Long term deposits with financial institutions	614,848	499,848
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**Available-For-Sale Financial Assets - quoted Securities**

Unit Trust of Fiji	152,979	132,850
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Total non-current financial assets	<b>767,827</b>	<b>632,698</b>
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**Reconciliation of available-for-sale financial assets**

Opening balance	132,850	122,383
Gain on re-measurement to fair value	20,129	10,467
Total available-for-sale financial assets	<b>152,979</b>	<b>132,850</b>

Financial assets held to maturity attract interest ranging from 3.45% to 5.25% per annum and have maturities up to December 2020.



FIJI INSTITUTE OF ACCOUNTANTS

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

	For the year ended 31 December 2017 \$	For the year ended 31 December 2016 \$
<b>NOTE 11. OFFICE FURNITURE AND EQUIPMENT</b>		
Office furniture and equipment - at cost	80,219	80,219
Less: accumulated depreciation	(74,321)	(71,306)
Total carrying amount	<u>5,898</u>	<u>8,913</u>

Reconciliation of the carrying amounts of office furniture and equipment at the beginning and end of the financial year are as follows:

**Office furniture and equipment**

Carrying amount at beginning	8,913	13,091
Additions	-	-
Depreciation expense	(3,015)	(4,178)
Total carrying amount	<u>5,898</u>	<u>8,913</u>

**NOTE 12. INTANGIBLE ASSETS**

	Website	Computer Software	Total
<b>Cost</b>			
Balance at 1 January 2016	7,000	733	7,733
Acquisitions	-	-	-
Balance at 31 December 2016	<u>7,000</u>	<u>733</u>	<u>7,733</u>
<b>Cost</b>			
Balance at 1 January 2017	7,000	733	7,733
Acquisitions	6,009	-	6,009
Balance at 31 December 2017	<u>13,009</u>	<u>733</u>	<u>13,742</u>
<b>Accumulated amortisation</b>			
Balance at 1 January 2016	6,066	95	6,161
Amortisation charge for the year	700	296	996
Balance at 31 December 2016	<u>6,766</u>	<u>391</u>	<u>7,157</u>
<b>Accumulated amortisation</b>			
Balance at 1 January 2017	6,766	391	7,157
Amortisation charge for the year	1,198	293	1,491
Balance at 31 December 2017	<u>7,964</u>	<u>684</u>	<u>8,648</u>
<b>Carrying amount</b>			
At 1 January 2016	934	638	1,572
At 31 December 2016	234	342	576
At 31 December 2017	<u>5,045</u>	<u>49</u>	<u>5,094</u>

## FIJI INSTITUTE OF ACCOUNTANTS

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**NOTE 13. CREDITORS AND ACCRUALS**

	For the year ended 31 December 2017 \$	For the year ended 31 December 2016 \$
Creditors and accruals	5,566	4,673
Total creditors and accruals	<u>5,566</u>	<u>4,673</u>

**NOTE 14. EMPLOYEE BENEFIT LIABILITY**

Annual leave entitlements	<u>1,826</u>	<u>1,784</u>
<b>Employee Numbers</b>		
Average number of employees during the financial year	<u>3</u>	<u>3</u>

**NOTE 15. NOTES TO THE STATEMENT OF CASH FLOWS**

- a) Reconciliation of the net cash provided by operating activities to the net surplus for the year

Net surplus for the year	176,496	89,632
Interest	(32,431)	(20,181)
Dividend	(5,234)	(5,107)
Depreciation and amortisation	<u>4,506</u>	<u>5,174</u>

**Net cash provided by operating activities before change in assets and liabilities**

	<u>143,337</u>	<u>69,518</u>
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## Change in assets and liabilities:

(Increase)/Decrease in other receivables	(156)	2,526
Increase in creditors and accruals	893	82
Increase/(Decrease) in employee benefit liability	42	(2,058)
Increase in subscriptions received in advance	<u>20,633</u>	<u>7,591</u>

**Net cash provided by operating activities**

	<u>164,749</u>	<u>77,659</u>
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FIJI INSTITUTE OF ACCOUNTANTS

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**NOTE 15. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)**

	For the year ended 31 December 2017	For the year ended 31 December 2016
	\$	\$

**b) Reconciliation of Cash and cash equivalents**

For the purpose of the statement of cash flows, cash includes cash on hand and at bank and investments in money market investments. Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank	100,384	24,301
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**c) Non-Cash Operating Activities***Sponsorship in kind*

During the year, the Institute engaged in certain transactions for congress activities for consideration in kind aggregating to approximately \$17,200 (For the year ended 31 December 2016: \$11,900). These transactions are not reflected in the statement of cash flows.

**NOTE 16. EXPENDITURE COMMITMENTS****a) Capital Expenditure Commitments**

Capital expenditure approved but not committed	-	-
Total capital expenditure commitment	-	-

**b) Operating Lease**

Operating lease commitments are as follows:

Not later than one year	-	-
Later than one year but not later than two years	-	-
Total operating lease commitments	-	-

**NOTE 17. CONTINGENT LIABILITIES**

Contingent liabilities as at 31 December 2017 amounted to \$Nil (For the year ended 31 December 2016 - \$Nil).

FIJI INSTITUTE OF ACCOUNTANTS

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

**NOTE 18. RELATED PARTY TRANSACTIONS**

The Institute has related party relationships with its Council Members. The following were the members of the Council during the year:

Finau Nagera	Camacakau Raimuria
Zarin Khan	Rajeshwar Singh
Jerome Kado	Nitesh Lal
Renu Chand	Mohit Raj
Sikeli Tuinamuana	

Furthermore, a number of Institute members have served on various Committees, and have presented seminars and workshops.

No fees or remuneration was paid to any Council Member or Committee Members during the year.

**NOTE 19. PRINCIPAL ACTIVITIES**

The Fiji Institute of Accountants is a statutory entity constituted under the Fiji Institute of Accountants Act (Cap 259) 1971. The principal office is situated at 3 Berry Road, Suva, Fiji.

The principal activities and functions of the Institute during the course of the financial year were those set out in Section 6 of the Fiji Institute of Accountants Act (Cap 259) 1971.

As a professional body, it promotes quality, expertise and integrity in the accounting profession. Its aim is to uphold the highest level of responsibility and trust that are vested in the profession, by providing appropriate standards, policies and services to support members in their work.

There were no significant changes in the nature of activities during the year.

**NOTE 20. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Council and authorised for issue on 21 February 2018.





