



INSTITUTE OF SOLOMON ISLANDS ACCOUNTANTS

ANNUAL REPORT 2020



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CONTENTS	Page
<i>About Us</i>	
<i>Who We Are and What We Do</i>	3
<i>Our Members</i>	3
<i>Roles & Responsibilities</i>	3-4
<i>Our Vision</i>	4
<i>Our Mission</i>	4
<i>Our Values</i>	5
<i>ISIA Governance</i>	5 - 6
<i>ISIA Secretariat</i>	7
<i>Our Strategy Towards 2025</i>	7
<i>President's Report</i>	8 - 12
<i>Chief Executive Officer's Report - 2020 in a Glance</i>	13 - 15
<i>ISIA Audited Financial Statements 2020</i>	16 - 31

ABOUT US

WHO WE ARE AND WHAT WE DO

The Institute of Solomon Islands Accountants (ISIA) is a Professional Accountancy Organisation (PAO) mandated to develop and regulate the practice of accountancy and auditing in the Solomon Islands.

ISIA was originally formed in August 1982 under the Charitable Trust Act [Cap 55] by a group of Solomon Islanders who had undergone training in accountancy and were employed in the private and public sectors in accountancy and accounts related work. It subsequently became a statutory body established under the Accountants Act 2010 (“the Act”).

OUR MEMBERSHIP

ISIA’s membership comprises various classes or categories which ranges from Registered Practicing Accountants (certified to provide services to the public) to Student members (who are current students pursuing studies in the accounting field). These include accountants from both the public and private sectors.

As at the end of 2020, ISIA has 188 current financial members.

Under ISIA’s new Strategic Plan 2021-2025, the Institute will be focusing heavily on developing its membership to raise their capability and capacity to meet international standards. The Council and the Secretariat are currently pursuing strategies that focus on this aspect of the Institute’s plans.

ROLES & RESPONSIBILITIES

The Act mandates ISIA to develop and regulate the practice of accountancy in the Solomon Islands, which the Institute does through its members and through programs and initiatives that are carried out by ISIA’s Secretariat which is headed by the Chief Executive Officer (CEO).

The CEO and the Secretariat’s work is overseen by the ISIA Council, which is headed by a President and made up of 10 very experienced executive members who are themselves, accountants and auditors from the private and public sectors.

Through ISIA’s Members, Secretariat and Council, the Institute strives to achieve its vision to meet the minimum professional standard requirements to be a fully functional PAO through competence and by developing the Institute’s core responsibilities and functions sufficiently to gain full membership of the International Federation of Accountants (IFAC).

Public Sector Responsibilities

Important to ISIA's roles and responsibilities and to the Institute's vision is the incorporation of the Solomon Islands Government Accounting Service (SIGAS) members into ISIA's membership as practitioners as well as executive members of ISIA's Council. This is important because not only is ISIA required to set accounting standards for the public sector, it is also required to ensure its members meet professional and ethical standards which need to apply to government accountants as much as private sector accountants.

Regional Responsibilities

ISIA is also an Associate Member of the Confederation of Asian Pacific Accountants (CAPA), which is the regional body that oversees the development, coordination and advancement of PAOs in the Asia Pacific region by facilitating relationships and sharing knowledge, promoting high-quality financial reporting and influencing the development of public sector financial management through its Public Sector Financial Management Committee (PSFMC) which is focused on the development of high-quality financial management in the public sector.

OUR VISION

To be an international standard professional accounting organization that provides leadership and builds trust in the accounting, assurance, finance and business advisory professions in Solomon Islands.

OUR MISSION

To lead, develop, facilitate and support accounting, assurance, finance and business advisory

professionals so that they will excel in their role and meet international standards.

- 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.

OUR VALUES

Member Development

We will support the growth and development of our members.

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 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.

GOVERNANCE

The Institute's strategic direction and oversight of the Secretariat's business are managed by the ISIA Council which is made up of 10 members who gets voted in by the Institute's financial members during the Annual General Meeting (AGM) annually. In addition to these 10 Council Positions, the Council gets to appoint two co-op members.

The Council is headed by the President. Apart from the President, the Council comprises of a Vice President, a Treasurer, Secretary and 6 Council member positions.

MEET YOUR COUNCIL – 2020/2021



Executive Members

President – Mr. David Dennis
Vice President – Mr. John Asiwini
Treasurer – Mr. Roger M. Townshend
Secretary – Mrs. Hazel Hamutagi

Council Members

Ms. Rhoda Meleu
Ms. Malina Ilala
Ms. Rechille Manapol
Mr. Lester Soaika
Mr. Randall Noda
Mr. Vincent Misi
Mr. Bruce Raymond Phillips (Co-opt Member)
Mr. Peter Lokay (Co-opt Member)

COUNCIL PERFORMANCE MATRIX

Council Meetings Attendance

	NAME	Position	Number of meetings/events held	Attendance	Apologies	Absents
1	David Dennis	President	5	5		
2	John Asiwini	Vice President	5	5		
3	Roger Townshend	Treasurer	5	2	2	1
4	Hazel Hamutagi	Secretary	5			5
5	Randall Noda	Council Member	5	5		
6	Lester Soaika	Council Member	5	2		3
7	Vincent Misi	Council Member	5	5		

8	Rhoda Meleu	Council Member	5	2	3	
9	Rechille Manapol	Council Member	5	4	1	
10	Malina Ilala	Council Member	5	2	1	2
11	Peter Lokay	Co-opted Member	4	1	3	
12	Bruce Phillips	Co-opted Member	4	4		

SECRETARIAT

The day-to-day operations of the Institute is currently managed by the ISIA Secretariat which is headed by the Chief Executive Officer (CEO) who is assisted by a Finance Administrative Officer (FAO).

Secretariat Staff in 2020

Chief Executive Officer (CEO) – Mrs. Pamela Naesol-Alamu CPA

Finance Admin Officer (FAO) – Mrs. Everlyn Suibaea

OUR STRATEGY TOWARDS 2025

The future direction of the Institute is the responsibility of the Governing Council, and this is guided by a five-year strategic plan.

Our previous Strategic Plan 2015-2020 has died a natural death this year therefore, the previous Council has devised a new Strategic Plan 2020-2025 which sets out the new strategic direction for the Institute over the next five years from this year.

The Strategic Plan 2020 – 2025 focuses on nine (9) key areas (Planks) in which the Institute plans to develop in the next five years. These include:

- Membership
- Professional Development
- Act, Rules and Standards
- Branding and Profile Building
- Business and Government
- Communications and Technology
- Annual Congress
- Staff and Administration
- Financial Sustainability

These 9 areas, if fully progressed should enable ISIA to achieve its ultimate objectives of becoming a fully developed PAO with the capability to raise accounting and auditing standards in Solomon Islands to meet international standards, and to be an IFAC member by 2025.

PRESIDENT'S REPORT



On behalf of my colleague Council members, it is my pleasure to present this Annual Report of the Institute of Solomon Islands Accountants (ISIA) for the year ended 31st December 2020.

As I had indicated in our extraordinary AGM less than six months ago, the impact of COVID19 on the operations of ISIA have been both significant and required a complete rethink in our priorities and ongoing strategy. We have had to again delay the AGM this year by one month, to allow critical foundational rules and strategy workshops to be properly completed and available for the 2021 AGM.

I am delighted that despite additional challenges with our technical resources, we were able to draft and deliver the necessary schedules to six key areas in our rules governance framework approved in 2020. In addition, our core strategic planks were endorsed with additional material developed in response to feedback especially around operationalizing next twelve-month plans, now also incorporated into this updated document.

This current Council continued our focus on ensuring the sustainability of the institute which included maintaining the delivery of key projects that were being funded by the Australian Government. Despite only five-month term, Council met five times which is well above the expected quarterly meetings in one year, envisaged in the Act. I am grateful for the Council's engagement and support to accelerate a number of key areas despite ongoing challenges.

As I mentioned in the past, Council is a voluntary role, which requires individuals who make the time and contributions necessary, without any reward, to achieve our goal of creating an international standard professional accounting organization. I would like to acknowledge their dedication and hard work, without which we would not be able to achieve the good work and progress to date.

Likewise, I also would like to acknowledge the great work our CEO and her team who have also stepped up and delivered well on operational matters expected of our secretariat.

Updated strategy

Our new vision is to be an international standard professional accounting organisation that provides leadership and builds trust in the accounting, assurance, finance, and business advisory professions in Solomon Islands.

We have identified nine key planks which are the areas of strategic focus for ISIA. Following the strategic workshop, we have developed further an implementation matrix for the current year expectations. These plans importantly also capture new values which the current Council through resolution agreed to adopt in its own practices and meeting deliberations in 2020 and 2021.

ISIA is still building its foundations and requires ongoing focus in relevant areas towards developing the accounting profession in Solomon Islands. The key milestones achieved during the recent Council's tenure follow.

MILESTONES ACHIEVED IN 2019-2020

Rules and Strategy Workshop

As promised during our previous AGM, we delivered workshops to refine and deliver a final product in a staged approach.

Our strategic plans now also include a 12-month implementation matrix which will require updating on an annual basis. Quite a number of these have already commence however the transformation required especially into the digital world remains at the early stages.

Regarding the rules, we have advised all members of our intention to split this into four workshops of approximately six rules' schedules in each workshop. The foundational rules were recently delivered in our first workshop to both our local members and separately to our international members. We have received positive responses with the overwhelming sentiment being to progress forward with rules as presented. These of course are part of the agenda for our 2021 AGM and mark a significant milestone in building towards a professional cadre of future accountants. Our aspirations to be an international standard professional accounting organization will require a framework to support our members in achieving skills which in time will be recognized beyond Solomon Islands.

Both workshops were a success with outputs laying a critical foundation for ISIA. I do want to also recognize our old friend and technical advisor Mr. Rob Cohen who despite serious health challenges was able to draft the rules schedules and continue to support our CEO and secretariat remotely. His input and insights from his earlier groundwork and experience in Solomon Islands remain critical to the success of this project.

Professional Development

You will recall we announced in 2020 that we had approached a development partner volunteer services for assistance in building an in-country learning and development

framework. This framework is critical for supporting the upskilling and on-going professional skills development for our members. The original design of this project was changed due to COVID19 impacts and a suitable candidate was offered by the NZ Volunteers Abroad services. We are extremely grateful to have been able to secure the services of Professor Phillip Colquhoun to assist with the drafting of two modules of our soon to be launched professional diploma of accounting program. Professor Phillip is drafting a tax and company law module based off Solomon Islands legislation and business context.

These modules will be incorporated into an existing program of our selected education provider who we hope to announce in the very near future. This education provider was selected from three submission from around the world in response to our request for expressions of interest. We are excited about this relationship which will be central to developing and delivering a learning and development local program to suit both public and private sector needs, and which will be recognized as at international standards.

Public and Private Sector partnership

During the past five months ISIA has been building its relationship with both the Office of the Auditor General (OAG) and the Solomon Islands Government Accounting Service (SIGAS) towards a partnership in jointly developing both public and private sector needs to international standards. As I write this draft Memorandum's of Understanding are currently being reviewed and we hope to formalize and deepen our relationship with our public sector accounting and auditing groups in coming years. Our recent rules workshop embodies the upcoming plans to create new membership classes which caters to both public and private sector need with ISIA being responsible to develop and deliver the necessary education content and framework on continuing professional development. These will be the subject of several upcoming rules workshops so please engage and contribute to crafting together the future professional accountants here in Solomon Islands.

Regional and Global Relationships

ISIA remains a member of the Confederation of Asian Pacific Accountants (CAPA) and has engaged in remote updates only due to COVID19 impacts. We value our international relationship and will continue to seek out opportunities to draw from these relationships in support of our plans to further develop ISIA.

Financial results 2019

As I had indicated last year we had envisaged that 2020 would be a challenging year for ISIA. Our CEO will speak to the operational aspects driving the results but at a high level our revenue based was materially impacted with the ceasing of all workshops which provide the main source of revenue for ISIA. The ongoing support from DFAT has been

critical to sustaining the secretariat functions and retention of our CEO. ISIA as part of its strategic plans update is re-engineering itself and in 2021 will be delivering online content to both members and nonmember groups. We are also looking to reduce cost of workshops and secure a permanent training and examination facility for our future event, something which we are extremely excited about and hope to also announce in mid-2021.

Membership Drive Initiative

During late 2020 we formed a new member drive initiative aimed at increasing number of members in ISIA. We received extremely positive response from especially our Filipino committee. I am grateful to Council member Rechille Manapol and CEO Pamela Alamu for their efforts. In one months, we increased membership by 22 which represents 12%. This is a fantastic outcome and an area we will continue to focus to especially given the challenging financial environment we now operate in. It also bodes well for the future and look forward to further increases in coming years. The key is that we focus on delivering value to our members and encourage all our members new and old to provide feedback on areas we can better deliver on.

Going forward into 2021

We need to continue the great momentum we have started in 2020 despite the extraordinary circumstances. The operational matrix paints the significant number of initiatives which need to commence in 2021 with a number of these I am pleased to say has already started. We are still at the foundational stages however with the advent of new rules and actual development of local content at international standards, ISIA is on its way to achieve our Vision to be an international standard professional accounting organization.

During 2021 we hope to cement our relationship with public sector and officially launch our first professional accounting program. In time we will have several educational programs to support all our membership classes and where necessary draw on international or offshore skills to supplement where necessary. The delivery of this educational content and the fit out of our training and examination center is fully funded by DFAT who remain a key supporter of all our activities and transformation programs. This includes also our new online workshops and new online programs which are being rolled out in 2021.

I would like to convey my sincere thanks to the outgoing Council, CEO and staff of ISIA, STA Rob Cohen and to the Australian Government for ensuring ISIA success in 2020 and paving the new foundations coming 2021.

My thanks also to our members for engaging in our activities and especially the recent workshops. I encourage all our members and aspiring members to engage and support ISIA in building an organization we can be proud of.

As always, we recognize that whilst we strive to deliver the best service and meet your expectations, it does not always go according to plans. Your feedback will help us improve so please jump on our website www.isia.org.sb and share your views on this report or any other aspect of ISIA which we can improve.

Sincerely,

David Teika Dennis
President

CEO REPORT



It is with great pleasure that I present to you the second CEO Report for the Institute of Solomon Islands Accountants for the year 2020.

This year has been a very interesting period during which the whole world had been shaken by the global pandemic. Unprecedented challenges were faced and every organization (including ISIA) has been required to re-direct and adapt to a very fast changing environment over a short span of time.

Consequently, the Council and the Secretariat was ultimately being forced to revisit our original plans and rethink the best way forward for the development of the Institute under the current circumstances.

In my 2019 report (which had been released late in 2020 due to the delay of the Institute's AGM, the operational challenges and successes experienced in 2020 were also discussed given the lateness of the report.

As the head of the ISIA Secretariat, I have to say that the past 8 months of 2020 has not been an easy journey for a young professional accounting organisation at its start-up phase with an ambitious plan to progress with limited time pertaining to grant conditions.

Despite the setbacks and challenges, we were able to get back on our feet and start rethinking the way forward with an open mind which enabled us to see new possibilities and redirect the future of ISIA.

From an operational perspective, some of the activities that the Secretariat (in collaboration with the Council) has managed to successfully pull through include:

- Workshopping of the Rules and Governance Framework in early 2020 (prior to the COVID 19) with the ISIA membership. This was conducted by the ISIA Standards and Rules Advisor, Mr. Robert Cohen who has been very instrumental in the writing up of these Frameworks for ISIA;
- Continuous dialogue with the Solomon Islands Government Accountants Society (SIGAS) to collaborate with the objective of bringing SIGAS into ISIA's membership framework;
- Continuous dialogues and liaising with potential developed PAOs (including ACCA, ICAEW, and IPA) with the intention of forming a Partnership to jointly develop a professional education pathway (at international standards) for ISIA's members to progress to become certified practicing accountants and certified accounting technicians;

- Progressing the setting up of the online examination center at the Auditor General's Office (OAG) which is intended to host all international accounting examinations in-country (which is not currently available locally);
- Hosting the 2020 AGM in late November 2020. This was mainly due to COVID-related restrictions placed by the Solomon Islands Government under the circumstances of confirmed positive cases in the country.
- Election of a new Council – the 2020 AGM saw the formation of a new Council comprising previous Council members as well as five new members. Out of the 10-member Council, I am proud to say that four are women which is considered an achievement for the Institute (given its focus on developing women leadership in the accounting fraternity in Solomon Islands);
- Passing of the Rules and Standards Framework by the general membership during the AGM. This will be followed by several members workshops in 2021 to discuss the detailed contents of the new Rules and Standards;
- Releasing of the 2019 Annual Report – this is the first Annual Report that has been produced since 2014 for our members. The report contains a report from the President and the CEO as well as the audited 2019 financial reports;
- Proposal submitted to DFAT to reallocate some budget line items of the 2020 Grant in light of the challenges posed by the COVID 19 for the Secretariat to carry out those planned activities. The reallocation is directed towards key activities aimed at generating revenue for the Institute as well as to carry out some of its key events for 2021, and to build a new interactive website to replace the current one. All these activities are consistent with the current Strategic Plan 2020-2025.

In light of these progresses, it is also fair to make mention of some of the challenges which resulted mainly from the impact of the Global Pandemic.

COVID 19 PANDEMIC

Impact on ISIA's 2020 Program

At the end of 2019, all our plans had been laid out and ready to roll in 2020 - a Medium Term Plan, and ISIA's Roadmap to achieving international accreditation with IFAC.

Unfortunately, the COVID 19 pandemic significantly impacted the progress of the implementation of the ISIA Medium Term Plan (from which the CEO Quarterly Workplans are derived).

Consequently, all our plans have now been moved back by at least a year. As highlighted in my Update to Members circulated in August of this year, the Institute's activities most affected were mainly:

- postponement of the 2020 AGM
- freezing of the work program
- revision of strategic workplans

- cancellation of all CPA workshops
- postponement of annual congress
- postponement of the recruitment of volunteer which in turn also affected ISIA's employment of a local training officer and the expansion of training program; and
- delay in setting up the online examination centre.

Despite the above setbacks, we were able to progress through with some fundamental capacity building initiatives during the year.

2020 FINANCIAL PERFORMANCE

One of the operational challenges faced by the Institute during 2020 is in relation to its ability to carry out some of its revenue driving activities, particularly the CPAA Professional Workshops and other local member events.

This has had a significant impact on the Institute's revenue which had resulted in drastic reduction of its revenue compared to the previous years.

The good news is that the Council and Secretariat had subsequently reviewed the situation and put in place appropriate action to rectify the situation in 2021 by working with CPA Australia to look into the alternative of delivering workshops online.

2021 OUTLOOK

While 2020 has seen the rollout of unprecedented events which forced us all to change the current way we run our operations, I can also say that on a positive note, it has pushed us to speed up the most critical activities aimed at directing ISIA towards its journey to be a sustainable and fully developed PAO to attain international recognition.

On this note, I look forward to keep working with the incoming Council to continue to progress the many initiatives that are currently in train for the Institute.

Pamela Naesol-Alamu CPA
Chief Executive Officer