AUDIT DEPARTMENT

Report of the Director of Audit, Grenada
on the Financial Statements of the

CHILD PROTECTION AUTHORITY

For the year ended 31 December 2017

DIRECTOR OF AUDIT

AUDIT DEPARTMENT

Report of the Director of Audit, on the Financial Statements of Child Protection Authority for the year ended 31 December 2017.

Jeanelle Andrew
Director of Audit (Ag.)

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In replying the above Number and date of this letter should be quoted.

AUDIT DEPARTMENT
ST. GEORGE'S
GRENADA, W.I.

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9 February 2021

Hon. Gregory Bowen
Minister for Finance, Economic Development,
Physical Development and Energy
Ministry of Finance
Financial Complex
Carenage
ST. GEORGE'S

Dear Sir,

In accordance with Section 82 (4) of the Grenada Constitution Order 1973 and the Audit Act CAP 22A of the Laws of Grenada, I hereby submit my report on the accounts of Child Protection Authority for the year ended 31 December 2017. This report is for your laying before the House of Representatives.

Section 82 (4) of the Constitution stipulates that every report made by the Director of Audit, shall be laid by you before the House of Representatives not later than seven days after the House first meets, after your receipt of the report.

Yours respectfully,

Jeanelle Andrew
DIRECTOR OF AUDIT (AG.)

Acknowledgement

I would like to thank the staff of Child Protection Authority for their courtesies and co-operation during the audit and to the Government Printer for his assistance in publishing this report.

Thanks also to the staff of the Audit Department for their continued commitment and dedication in fulfilling the mandate of the Department.

DIRECTOR OF AUDIT REPORT TO THE HOUSE OF REPRESENTATIVES ON THE FINANCIAL STATEMENTS OF CHILD PROTECTION AUTHORITY FOR YEAR ENDED 31 DECEMBER 2017

Opinion

I have audited the financial statements of Child Protection Authority, which comprise the Statement of Financial Position as at December 31, 2017, and the Income and Expenditure Statement, and Cash Flow Statement for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In my opinion the financial statements present fairly, in all material respect, the financial position of Child Protection Authority as at 31 December, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME's).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs), issued by the International Organization of Supreme Audit Institutions (INTOSAI). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Statutory Body in accordance with the ethical requirements that are relevant to my audit of the financial statements in Grenada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Child Protection Authority and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Section 22 (1) of the Child (Protection and Adoption) Act of the Laws of Grenada, IFRS for SME's and for such internal control as management determines 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, management is responsible for assessing the Authority'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 management either intends to liquidate the Statutory Body or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or 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 these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority's to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Jeanelle Andrew
Director of Audit (Ag.)

Audit Department
GRENADA

9 February 2021

CHILD PROTECTION AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

	Notes	2017	2016
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	**(4)**	**416,676**	**372,701**
Current Assets:			
Cash in Hand and in Bank	**(3)**	584,937	437,931
Accounts Receivable	**(5)**	10,075	260,919
Total Current Assets		**595,012**	**698,850**
TOTAL ASSETS		**1,011,688**	**1,071,551**
EQUITY AND LIABILITIES			
Shareholder's Equity:			
Capital Grant	**(7)**	194,194	200,458
Government Contribution		892,745	892,745
Retained Deficit		(185,559)	(73,651)
Total Equity		**901,380**	**1,019,552**
Current Liabilities:			
Accounts Payable		47,882	48,795
Accrued Charges	**(6)**	62,426	3,204
Total Current Liabilities		**110,308**	**51,999**
TOTAL EQUITY AND LIABILITIES		**1,011,688**	**1,071,551**

Accompanying notes to the financial statements on pages 7 to 10

Approved on behalf of the Board of Directors

..... Director

..... Director

CHILD PROTECTION AUTHORITY

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	2017	2016
Incomes:			
Government Subvention		3,014,826	3,014,826
Grant Income		6,264	6,264
Adoption Fees		18,088	0
Donation Income	(8)	9,280	4,871
Total Incomes		**3,048,458**	**3,025,961**
Less: Client Direct Expenses	(9)	1,326,571	1,328,922
Surplus before General and Administration Expenses		**1,721,887**	**1,697,039**
General and Administration Expenses:			
Legal and Professional Fees		15,743	12,000
Advertising and Promotion		1,359	2,961
Bank Service Charges		2,192	2,083
Depreciation Expenses		56,835	55,820
Bad Debts written off and Penalties		34,687	0
NIS Contribution		63,206	57,718
Training Seminar		0	1,720
Board and Committee Expenses		61,274	42,100
Travel Expenses		14,639	32,006
Rent Expenses		110,500	60,306
Charitable Donation		150	833
Repairs and Maintenance		37,767	46,988
Salaries, Wages and Allowances		1,241,004	1,150,339
Stationery and Printing		30,466	18,216
Relocation Expenses		21,919	23,549
Motor Vehicle Expenses		35,736	25,348
Electricity Expenses		32,764	25,120
Telephone and Internet Expenses		71,820	78,464
Water Expenses		1,734	693
Total General and Administration Expenses		**1,833,795**	**1,636,264**
Net (Deficit)/Surplus for the year		**(111,908)**	**60,775**

CHILD PROTECTION AUTHORITY

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Government Contribution	Capital Grant	Retained Deficit	Total
Balance as per December 31, 2015	**892,745**	**206,722**	**(134,426)**	**965,041**
Capital Grant Income		(6,264)		(6,264)
Net surplus for the year			60,775	60,775
Balance as per December 31, 2016	**892,745**	**200,458**	**(73,651)**	**1,019,552**
Capital Grant Income		(6,264)		(6,264)
Net Deficit for the year			(111,908)	(111,908)
Balance as per December 31, 2017	**892,745**	**194,194**	**(185,559)**	**901,380**

CHILD PROTECTION AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

OPERATING ACTIVITIES:	
Net deficit for the year	(111,908)
Non-cash adjustment:	
Depreciation expenses	56,835
Working capital adjustments:	
Decrease in Accounts Receivables	250,844
Decrease in Accounts Payable	(913)
Increase in Accrued Charges	59,222
Net cash provided by Operating Activities	**254,080**
INVESTING ACTIVITIES:	
Purchase on Property, Plant and Equipment	(100,810)
Net cash used by Investing Activities	**(100,810)**
FINANCING ACTIVITIES:	
Decrease in Capital Grant	(6,264)
Net cash used by Financing Activities	**(6,264)**
Net change in cash and cash equivalents	**147,006**
Add Opening Cash and Cash Equivalents Balance	437,931
Closing cash and cash equivalents balance	**584,937**
Represented by:	
Cash and Cash Equivalent Balance	**584,937**

CHILD PROTECTION AUTHORITY

Notes to the Financial Statements as at December 31, 2017

1. REGISTRATION AND PRINCIPAL ACTIVITY

The Authority was established under section 4 of the Child Protection and Adoption Act No. 20 of 2010. The objective of the Authority is to provide for the protection of children in Grenada.
The Authority employed on average sixty four (64) persons during the year.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Accounting
The financial statements are expressed in Eastern Caribbean Currency and have been prepared in accordance with International Financial Reporting Standards for SME's.

(ii) Revenue Recognition
Revenue is recognized on a cash basis for the purpose of accounting. The revenue is received on average from the Government of Grenada on a monthly basis and is recognized in income upon receipt.

(iii) Foreign Currency
The Eastern Caribbean Currency is the functional currency of measurement and presentation of the company's financial statements. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the transaction date. Any resulting exchange gain or loss is dealt with in the statement of income and expenditure.

CHILD PROTECTION AUTHORITY

Notes to the Financial Statements as at December 31, 2017 (Cont'd)

3. CASH IN HAND AND AT BANK	2017	2016
RBL – Current Account # 92006672	543,193	401,040
RBL – FMHB Account # 92021992	30,479	27,276
CO-OP Bank – Savings Account # 100002890	7,962	7,986
CO-OP Bank Account # 113000346	70	70
Petty Cash	3,233	1,559
Total Cash in hand and in bank	**584,937**	**437,931**

4. PROPERTY, PLANT AND EQUIPMENT

	Building	Furniture & Equipment	A/C Units	Motor Vehicle	Total
COST/VALUATION:					
Balance as at 31/12/16	304,374	460,454	27,047	116,027	907,902
Additions		40,854	22,456	37,500	100,810
Balance as at 31/12/17	**304,374**	**501,308**	**49,503**	**153,527**	**1,008,712**
ACC. DEPRECIATION:					
Balance as at 31/12/16	68,483	332,062	18,630	116,026	535,201
Charge for year	7,609	38,545	3,181	7,500	56,835
Balance as at 31/12/17	**76,092**	**370,607**	**21,811**	**123,526**	**592,036**
Net Book Value 31/12/17	**228,282**	**130,701**	**27,692**	**30,001**	**416,676**
Net Book Value 31/12/16	235,891	128,392	8,417	1	372,701

Depreciation is provided on all depreciable assets on the straight line basis at rates sufficient to write off the cost or valuation of the assets over the period of their estimated useful lives.

The rates used in providing for depreciation are as follows:

Air Conditioning Units	10%
Furniture & Equipment	10%
Motor Vehicle	20%
Building	2.5%

5. ACCOUNTS RECEIVABLES	2017	2016
Subvention Receivable	0	251,235
Staff Loan Receivables	391	0
Security Deposit	9,684	9,684
Total	**10,075**	**260,919**

The security deposit was brought forward from the audited statements done by PKF for the year ended May 31, 2014.

6. ACCRUED CHARGES	2017	2016
Professional Fees	1,500	3,000
UNICEF Project I	39,886	0
One-off Payment – Trade Union Agreement	15,486	0
Board Stipend Payable	3,800	0
Union Dues Payable	1,754	205
Total	**62,426**	**3,205**

7. CAPITAL GRANT

A grant totaling EC $250,573 was received by the Child Welfare Authority from the Grenada Electricity Services Limited to assist in the construction of a half-way house for children at risk. This building was constructed at Richmond Hill St. George's. The grant amount is being written off over forty (40) years.

CHILD PROTECTION AUTHORITY

Notes to the Financial Statements as at December 31, 2017 (Cont'd)

8.	**DONATION INCOME:**	**2017**	**2016**
	Corporate Contribution	5,029	4,530
	Individual Donation	4,253	341
	Total	**9,279**	**4,871**

This amount represents contributions from donor organizations and individuals. These charitable contributions were donated to the authority to defray some of its operating expenses.

Schedule of Client Direct Expenses
For the year ended December 31, 2017

9.	**Client Direct Expenses**	**2017**	**2016**
	Dorothy Hopkin Centre	186,000	186,000
	Queen Elizabeth Home	312,000	312,000
	Bel Air Children's Home	371,673	399,952
	Father Mallaghan Home for Boys	61,291	76,596
	Medical Expenses	17,325	13,505
	Supplies	4,059	4,779
	Rent	9,840	11,480
	Foster Carer's Allowances	360,550	322,335
	Other Expenses	3,833	2,275
	Total	**1,326,571**	**1,328,922**