AUDIT DEPARTMENT

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

CHILD PROTECTION AUTHORITY

For the year ended 31 December 2018

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 2018.

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 2018. 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,

Andrew.....
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 2018

Opinion

I have audited the financial statements of Child Protection Authority, which comprise the Statement of Financial Position as at December 31, 2018, 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, 2018, 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, 2018

	Notes	2018	2017
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	(4)	**403,277**	**416,676**
Current Assets:			
Cash in Hand and in Bank	(3)	2,939,259	584,937
Accounts Receivable	(5)	9,684	10,075
Total Current Assets		**2,948,943**	**595,012**
TOTAL ASSETS		**3,352,220**	**1,011,688**
EQUITY AND LIABILITIES			
Shareholder's Equity:			
Capital Grant	(7)	2,794,194	194,194
Government Contribution		892,745	892,745
Retained Deficit		(568,287)	(185,559)
Total Equity		**3,118,652**	**901,380**
Current Liabilities:			
Accounts Payable		115,377	47,882
Accrued Charges	(6)	118,191	62,426
Total Current Liabilities		**233,568**	**110,308**
TOTAL EQUITY AND LIABILITIES		**3,352,220**	**1,011,688**

Accompanying notes to the financial statements on pages 6 to 9

Approved on behalf of the Board of Directors

..... Director

..... Director

CHILD PROTECTION AUTHORITY

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	2018	2017
Incomes:			
Government Subvention		3,014,826	3,014,826
Grant Income		6,264	6,264
Adoption Fees		4,007	18,088
Donation Income	(8)	1,826	9,280
Total Incomes		**3,026,923**	**3,048,458**
Less: Client Direct Expenses	(9)	1,478,289	1,326,571
Surplus before General and Administration Expenses		**1,548,634**	**1,721,887**
General and Administration Expenses:			
Legal and Professional Fees		1,671	15,743
Advertising and Promotion		1,350	1,359
Bank Service Charges		2,803	2,192
Depreciation Expenses		49,851	56,835
Bad Debts written off and Penalties		0	34,687
NIS Contribution		64,567	63,206
Board and Committee Expenses		45,527	61,274
Travel Expenses		6,960	14,639
Rent Expenses		107,800	110,500
Charitable Donation		175	150
Repairs and Maintenance		20,381	37,767
Salaries, Wages and Allowances		1,410,281	1,241,004
Stationery and Printing		40,300	30,466
Relocation Expenses		0	21,919
Motor Vehicle Expenses		47,124	35,736
Electricity Expenses		40,616	32,764
Telephone and Internet Expenses		80,708	71,820
Water Expenses		4,984	1,734
Total General and Administration Expenses		**1,925,098**	**1,833,795**
Net Deficit for the year		**(376,464)**	**(111,908)**

CHILD PROTECTION AUTHORITY

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

	Government Contribution	Capital Grant	Retained Deficit	Total
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**
Capital Grant Income		(6,264)		(6,264)
Receipt of Capital Grant		2,600,000		2,600,000
Net Deficit for the year			(376,464)	(376,464)
Balance as per December 31, 2018	**892,745**	**2,787,930**	**(562,023)**	**3,118,652**

CHILD PROTECTION AUTHORITY

Notes to the Financial Statements as at December 31, 2018

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, 2018 (Cont'd)

3. CASH IN HAND AND AT BANK

	2018	2017
RBL – Current Account # 92006672	2,897,168	543,193
RBL – FMHB Account # 92021992	30,479	30,479
CO-OP Bank – Savings Account # 100002890	7,937	7,962
CO-OP Bank Account # 113000346	70	70
Petty Cash	3,605	3,233
Total Cash in hand and in bank	**2,939,259**	**584,937**

4. PROPERTY, PLANT AND EQUIPMENT

	Building	Furniture & Equipment	A/C Units	Motor Vehicle	Total
COST/VALUATION:					
Balance as at 31/12/17	304,374	501,308	49,503	153,527	1,008,712
Additions	4,822	28,988	2,642	0	36,452
Balance as at 31/12/18	**309,196**	**530,296**	**52,145**	**153,527**	**1,045,164**
ACC. DEPRECIATION:					
Balance as at 31/12/17	76,092	370,607	21,811	123,526	592,036
Charge for year	7,730	31,176	3,445	7,500	49,851
Balance as at 31/12/18	**83,822**	**401,783**	**25,256**	**131,026**	**641,887**
Net Book Value 31/12/18	**225,374**	**128,513**	**26,889**	**22,501**	**403,277**
Net Book Value 31/12/17	228,282	130,701	27,692	30,001	416,676

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%

CHILD PROTECTION AUTHORITY

Notes to the Financial Statements as at December 31, 2018 (Cont'd)

8. DONATION INCOME:	2018	2017
Corporate Contribution	326	5,029
Individual Donation	1,500	4,253
Total	**1,826**	**9,279**

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, 2018

9. Client Direct Expenses	2018	2017
Dorothy Hopkin Centre	186,000	186,000
Queen Elizabeth Home	312,000	312,000
Bel Air Children's Home	403,992	371,673
Father Mallaghan Home for Boys	109,284	61,291
Medical Expenses	20,103	17,325
Supplies	8,241	4,059
Rent	21,840	9,840
Foster Carer's Allowances	405,575	360,550
Other Expenses	11,254	3,833
Total	**1,478,289**	**1,326,571**

5. ACCOUNTS RECEIVABLES

	2018	2017
Subvention Receivable	0	0
Staff Loan Receivables	0	391
Security Deposit	9,684	9,684
Total	**9,684**	**10,075**

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

6. ACCRUED CHARGES

	2018	2017
Professional Fees	1,500	1,500
UNICEF Project I	0	39,886
UNICEF Project II	110,994	0
One-off Payment – Trade Union Agreement	2,910	15,486
Board Stipend Payable	0	3,800
Union Dues Payable	2,787	1,754
Total	**118,191**	**62,426**

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.

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