



AUDIT DEPARTMENT

REPORT OF THE DIRECTOR OF AUDIT

GRENADA

on

**CHILD PROTECTION AUTHORITY
(CPA)**

For the year ended 31 December 2019

**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 2019.

*Gary Walters
Director of Audit*

TABLE OF CONTENTS

| | | |
|----|--|-------|
| 1. | Letter of Transmittal | 1 |
| 2. | Acknowledgement | 2 |
| 3. | Director of Audit Report on the Financial Statements of | |
| | <i>Statement of Financial Position</i> | 6 |
| | <i>Statement of Income and Expenditure</i> | 7 |
| | <i>Statement of Change of Equity</i> | 8 |
| | <i>Statement of Cash Flows</i> | 9 |
| 4. | Notes to the Financial Statements | 10-14 |

Ref. No.
In replying the above
Number and date of this
letter should be quoted.



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

Tel. Nos.: (473) 440-2264/6518
Fax: No.: (473) 435-0079

Ref. No. (61) in SB/25

18 July 2025

Hon. Dennis Cornwall
Minister for Finance
Ministry of Finance
Galleria Mall
Grand Anse
ST. GEORGE

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 2019. 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,

Gary Walters
DIRECTOR OF AUDIT

ACKNOWLEDGEMENT

I would like to thank the staff of Child Protection Authority for their courtesies and co-operation during the audit.

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 ON THE FINANCIAL STATEMENTS OF CHILD PROTECTION AUTHORITY

Qualified Opinion

I have audited the financial statements of Child Protection Authority, which comprise the statement of assets and liabilities as at 31 December 2019, 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, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respect, the financial position of Child Protection Authority as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

Basis for Opinion

The Child Protection Authority did not capitalize fixed assets purchases amounting to approximately \$18,000.00 in the financial statements. As a result, property, plant and equipment may be understated, and related depreciation expense may not be appropriately recognized. In addition, we were unable to obtain sufficient appropriate audit evidence to verify the existence and recoverability of security deposits totalling \$9,684.00, thereby resulting in an overstatement the accounts receivable.

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

The Authority 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, and for such internal control as the Authority 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, the Authority is responsible for assessing the Statutory Body'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 Statutory Body'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 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 Statutory Body'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 Statutory Body'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 Statutory Body 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.



Gary Walters
DIRECTOR OF AUDIT

Audit Department
GRENADA

CHILD PROTECTION AUTHORITY

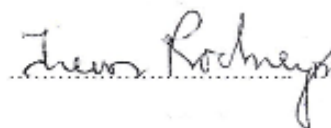
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

| | <u>Notes</u> | <u>2019</u> | <u>2018</u> <u>Restated</u> |
|--------------------------------------|--------------|-------------------------|--------------------------------|
| <u>ASSETS</u> | | | |
| Non-Current Assets: | | | |
| Property, Plant and Equipment | (4) | <u>2,833,166</u> | <u>403,277</u> |
| Current Assets: | | | |
| Cash in Hand and in Bank | (3) | 280,154 | 2,939,259 |
| Accounts Receivable | (5) | 16,906 | 9,684 |
| Total Current Assets | | <u>297,060</u> | <u>2,948,943</u> |
| TOTAL ASSETS | | <u>3,130,226</u> | <u>3,352,220</u> |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Shareholder's Equity: | | | |
| Capital Grant | (7) | 2,705,833 | 2,777,097 |
| Government Contribution | | 892,745 | 892,745 |
| Retained Deficit | | <u>(525,569)</u> | <u>(551,190)</u> |
| Total Equity | | <u>3,073,009</u> | <u>3,118,652</u> |
| Current Liabilities: | | | |
| Accounts Payable | | 35,509 | 115,377 |
| Accrued Charges | (6) | <u>21,708</u> | <u>118,191</u> |
| Total Current Liabilities | | <u>57,217</u> | <u>233,568</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>3,130,226</u> | <u>3,352,220</u> |

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, 2019**

| | Notes | <u>2019</u> | <u>2018 Restated</u> |
|---|-------|-------------------------|-------------------------|
| Incomes: | | | |
| Government Subvention | | 3,454,826 | 3,014,826 |
| Grant Income | | 71,264 | 17,097 |
| Adoption Fees | | 3,890 | 4,007 |
| Donation Income | (8) | <u>5,700</u> | <u>1,826</u> |
| Total Incomes | | 3,535,680 | 3,037,756 |
| Less: Client Direct Expenses | (9) | <u>1,499,635</u> | <u>1,478,289</u> |
| Surplus before General and Administration Expenses | | <u>2,036,045</u> | <u>1,559,467</u> |
| General and Administration Expenses: | | | |
| Legal and Professional Fees | | 13,500 | 1,671 |
| Advertising and Promotion | | 1,926 | 1,350 |
| Bank Service Charges | | 2,809 | 2,803 |
| Depreciation Expenses | | 101,062 | 49,851 |
| Bad Debts written off and Penalties | | 0 | 0 |
| NIS Contribution | | 64,652 | 64,567 |
| Board and Committee Expenses | | 45,769 | 45,527 |
| Travel Expenses | | 7,116 | 6,960 |
| Rent Expenses | | 106,800 | 107,800 |
| Charitable Donation | | 13 | 175 |
| Repairs and Maintenance | | 26,940 | 20,381 |
| Salaries, Wages and Allowances | | 1,437,183 | 1,410,281 |
| Stationery and Printing | | 36,205 | 40,300 |
| Motor Vehicle Expenses | | 25,400 | 47,124 |
| Electricity Expenses | | 43,579 | 40,616 |
| Telephone and Internet Expenses | | 91,464 | 80,708 |
| Water Expenses | | <u>6,006</u> | <u>4,984</u> |
| Total General and Administration Expenses | | <u>2,010,424</u> | <u>1,925,098</u> |
| Net Surplus/(Deficit) for the year | | <u>25,621</u> | <u>(365,631)</u> |

Accompanying notes to the financial statements from pages 6 to 9

CHILD PROTECTION AUTHORITY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Government Contribution | Capital Grant | Retained Deficit | Total |
|--|----------------------------|-------------------------|-------------------------|-------------------------|
| Balance as per December 31, 2017 | 892,745 | 2194,194 | (185,559) | 901,380 |
| Capital Grant Income | | (17,097) | | (17,097) |
| Receipt from Grant | | 2,600,000 | | 2,600,000 |
| Net Deficit for the year | | | <u>(365,631)</u> | <u>(365,631)</u> |
| Balance as per December 31, 2018 (Restated) | 892,745 | 2,777,097 | (551,190) | 3,118,652 |
| Capital Grant Income | | (71,264) | | (71,264) |
| Capital Grant | | | | |
| Net Surplus for the year | | | <u>25,621</u> | <u>25,621</u> |
| Balance as per December 31, 2019 | <u>892,745</u> | <u>2,705,833</u> | <u>(525,569)</u> | <u>3,073,009</u> |

Accompanying notes to the financial statements from pages 6 to 9

CHILD PROTECTION AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>2019</u> | <u>2018</u> <u>Restated</u> |
|---|---------------------------|--------------------------------|
| OPERATING ACTIVITIES: | | |
| Net surplus/(deficit) for the year | 25,621 | (365,631) |
| Non-cash adjustment: | | |
| Depreciation expenses | 101,062 | 49,851 |
| Working capital adjustments: | | |
| (Increase)/Decrease in Accounts Receivables | (7,222) | 391 |
| (Decrease)/Increase in Accounts Payable | (79,868) | 67,495 |
| (Decrease)/Increase in Accrued Charges | <u>(96,483)</u> | <u>55,765</u> |
| Net cash used by Operating Activities | <u>(56,890)</u> | <u>(192,129)</u> |
| INVESTING ACTIVITIES: | | |
| Purchase on Property, Plant and Equipment | <u>(2,530,951)</u> | <u>(36,452)</u> |
| Net cash used by Investing Activities | <u>(2,530,951)</u> | <u>(36,452)</u> |
| FINANCING ACTIVITIES: | | |
| Receipt of Capital Grant | | 2,600,000 |
| Decrease in Capital Grant | <u>(71,264)</u> | <u>(17,097)</u> |
| Net cash (used)/provided by Financing Activities | <u>(71,264)</u> | <u>2,582,903</u> |
| Net change in cash and cash equivalents | <u>(2,659,105)</u> | <u>2,354,322</u> |
| Add Opening Cash and Cash Equivalents Balance | <u>2,939,259</u> | <u>584,937</u> |
| Closing cash and cash equivalents balance | <u>280,154</u> | <u>2,939,259</u> |
| Represented by: | | |
| Cash and Cash Equivalent Balance | <u>280,154</u> | <u>2,939,259</u> |

Accompanying notes to the financial statements from pages 6 to 9

CHILD PROTECTION AUTHORITY

Notes to the Financial Statements as at December 31, 2019

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-five (65) 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, 2019 (Cont'd)

| 3. <u>CASH IN HAND AND AT BANK</u> | <u>2019</u> | <u>2018</u> |
|--|-----------------------|-------------------------|
| RBL - Current Account # 92006672 | 236,753 | 2,897,168 |
| RBL - FMHB Account # 92021992 | 30,479 | 30,479 |
| CO-OP Bank - Savings Account # 100002890 | 7,907 | 7,937 |
| CO-OP Bank Account # 113000346 | 70 | 70 |
| Petty Cash | <u>4,945</u> | <u>3,605</u> |
| Total Cash in hand and in bank | <u>280,154</u> | <u>2,939,259</u> |

4. PROPERTY, PLANT AND EQUIPMENT

| | <u>Building</u> | <u>Furniture & Equipment</u> | <u>A/C Units</u> | <u>Motor Vehicle</u> | <u>Total</u> |
|--------------------------------|-------------------------|--------------------------------------|----------------------|--------------------------|-------------------------|
| COST/VALUATION: | | | | | |
| Balance as at 31/12/18 | 309,196 | 530,296 | 52,145 | 153,527 | 1,045,164 |
| Additions | <u>2,526,542</u> | <u>4,409</u> | <u>0</u> | <u>0</u> | <u>2,530,951</u> |
| Balance as at 31/12/19 | <u>2,835,738</u> | <u>534,705</u> | <u>52,145</u> | <u>153,527</u> | <u>3,576,115</u> |
| ACC. DEPRECIATION: | | | | | |
| Balance as at 31/12/18 | 83,822 | 401,783 | 25,256 | 131,026 | 641,887 |
| Charge for year | <u>72,729</u> | <u>17,388</u> | <u>3,445</u> | <u>7,500</u> | <u>101,062</u> |
| Balance as at 31/12/19 | <u>156,551</u> | <u>419,171</u> | <u>28,701</u> | <u>138,526</u> | <u>742,949</u> |
| Net Book Value 31/12/19 | <u>2,679,187</u> | <u>115,534</u> | <u>23,444</u> | <u>15,001</u> | <u>2,833,166</u> |
| Net Book Value 31/12/18 | <u>225,374</u> | <u>128,513</u> | <u>26,889</u> | <u>22,501</u> | <u>403,277</u> |

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, 2019 (Cont'd)

| 5. <u>ACCOUNTS RECEIVABLES</u> | <u>2019</u> | <u>2018</u> |
|--------------------------------|----------------------|---------------------|
| Staff Loan Receivables | 7,222 | 0 |
| Security Deposit | <u>9,684</u> | <u>9,684</u> |
| Total | <u>16,906</u> | <u>9,684</u> |

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

| 6. <u>ACCRUED CHARGES</u> | <u>2019</u> | <u>2018</u> |
|---|----------------------|-----------------------|
| Professional Fees | 1,500 | 1,500 |
| UNICEF Project II | 16,526 | 110,994 |
| One-off Payment – Trade Union Agreement | 1,928 | 2,910 |
| Union Dues Payable | <u>1,754</u> | <u>2,787</u> |
| Total | <u>21,708</u> | <u>118,191</u> |

7. CAPITAL GRANT

A grant totaling EC \$250,573.00 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.

A grant of \$2,600,000.00 was received, in 2018, by the Child Protection Authority from the Government of Grenada for the purchase of a building, designated to be a home of young ladies (SMILES), at Golf Course in the Parish of St. George. This grant will be amortized over a period of Forty (40) years which will match the estimated useful life of the property purchased.

During the year ended 2019 adjustment was made to account for a Capital Grant that was received from the Government of Grenada for the Construction of the SMILES building in Golf Course St. George in 2018.

This was omitted from the accounts of the Authority and based on IAS 8 stipulated adjustments were made to prior year 2018 figures. The restatement included the inclusion of the grant for 2.6 mil to the Property plant and Equipment and Grant in the Statement of Financial Position. Adjustment also included the accounting of \$10,833.00 in amortization charge and grant income recognized in the Statement of Comprehensive income.

CHILD PROTECTION AUTHORITY

Notes to the Financial Statements as at December 31, 2019 (Cont'd)

| | | |
|-----------------------------------|---------------------|---------------------|
| 8. <u>DONATION INCOME:</u> | <u>2019</u> | <u>2018</u> |
| Corporate Contribution | 5,000 | 326 |
| Individual Donation | <u>700</u> | <u>1,500</u> |
| Total | <u>5,700</u> | <u>1,826</u> |

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, 2019

| | | |
|----------------------------------|-------------------------|-------------------------|
| 9. Client Direct Expenses | <u>2019</u> | <u>2018</u> |
| Dorothy Hopkin Centre | 186,000 | 186,000 |
| Queen Elizabeth Home | 312,000 | 312,000 |
| Bel Air Children's Home | 403,992 | 403,992 |
| Father Mallaghan Home for Boys | 114,095 | 109,284 |
| Medical Expenses | 25,035 | 20,103 |
| Supplies | 11,526 | 8,241 |
| Rent | 19,260 | 21,840 |
| Foster Carers' Allowances | 416,190 | 405,575 |
| Other Expenses | <u>11,537</u> | <u>11,254</u> |
| Total | <u>1,499,635</u> | <u>1,478,289</u> |