



# **AUDIT DEPARTMENT**

REPORT OF THE DIRECTOR OF AUDIT

GRENADA

on

**CHILD PROTECTION AUTHORITY  
(CPA)**

For the year ended 31 December 2021

**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 2021.

*Gary Walters  
Director of Audit*

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Number and date of this  
letter should be quoted.



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

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Ref. No. (59) 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 2021. 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 2021, 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 2021, 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

During the audit, I noted that the expenditure item "stationery and printing" was overstated by more than \$37,000. I also observed misclassification of items within the general ledger and the omission of assets purchased in the prior year from the accounting records. These matters result in a material misstatement of expenditure and asset balances, and they undermine the reliability of the financial reporting. Consequently, users of the financial statements may be misled regarding the entity's actual financial performance and position.

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**

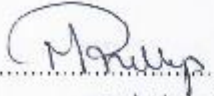
**CHILD PROTECTION AUTHORITY**

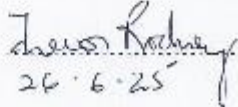
**STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021**

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	(4)	2,847,648	2,888,749
<b>Current Assets:</b>			
Cash in Hand and in Bank	(3)	176,518	419,889
Accounts Receivable	(5)	23,088	14,636
<b>Total Current Assets</b>		<b>199,606</b>	<b>434,525</b>
<b>TOTAL ASSETS</b>		<b>3,047,254</b>	<b>3,323,274</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Equity:</b>			
Capital Grant	(7)	2,563,305	2,634,569
Government Contribution		892,745	892,745
Retained Deficit		(489,828)	(340,162)
<b>Total Equity</b>		<b>2,966,222</b>	<b>3,187,152</b>
<b>Current Liabilities:</b>			
Accounts Payable		49,521	19,049
Accrued Charges	(6)	31,511	117,073
<b>Total Current Liabilities</b>		<b>81,032</b>	<b>136,122</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,047,254</b>	<b>3,323,274</b>

Accompanying notes to the financial statements on pages 6 to 9

Approved on behalf of the Board of Directors

.....  ..... Director  
26/6/25

.....  ..... Director  
26.6.25

Accompanying notes to the financial statements from pages 6 to 9

**CHILD PROTECTION AUTHORITY**

**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Notes	<u>2021</u>	<u>2020</u>
<b>Incomes:</b>			
Government Subvention		3,995,405	3,761,490
Grant Income		71,264	71,264
Adoption Fees		0	1,999
Donation Income	(8)	<u>3,878</u>	<u>0</u>
<b>Total Incomes</b>		<b>4,070,547</b>	<b>3,834,753</b>
Less: Client Direct Expenses	(9)	<u>1,545,803</u>	<u>1,578,139</u>
<b>Surplus before General and Administration Expenses</b>		<b><u>2,524,744</u></b>	<b><u>2,256,614</u></b>
<b>General and Administration Expenses:</b>			
Legal and Professional Fees		32,605	13,580
Advertising and Promotion		1,984	0
Bank Service Charges		2,525	2,721
Depreciation Expenses		180,417	109,781
NIS Contribution		96,254	68,496
Board and Committee Expenses		50,276	46,399
Travel Expenses		9,404	10,164
Rent Expenses		185,530	106,800
Property Taxes		0	3,022
Charitable Donation		1,350	0
Repairs and Maintenance		35,393	29,397
Salaries, Wages and Allowances		1,823,671	1,487,525
Stationery and Printing		67,971	44,779
Motor Vehicle Expenses		45,498	26,323
Electricity Expenses		44,880	32,558
Telephone and Internet Expenses		91,366	84,787
Water Expenses		<u>5,286</u>	<u>5,875</u>
<b>Total General and Administration Expenses</b>		<b><u>2,674,410</u></b>	<b><u>2,071,207</u></b>
<b>Net Surplus for the year</b>		<b><u>(149,666)</u></b>	<b><u>185,407</u></b>

*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, 2021**

	<b>Government Contribution</b>	<b>Capital Grant</b>	<b>Retained Deficit</b>	<b>Total</b>
<b>Balance as per December 31, 2019</b>	<b>892,745</b>	<b>2,705,833</b>	<b>(525,569)</b>	<b>3,073,009</b>
Capital Grant Income		(71,264)		(71,264)
Net Surplus for the year			<u>185,407</u>	<u>185,407</u>
<b>Balance as per December 31, 2020</b>	<b>892,745</b>	<b>2,634,569</b>	<b>(340,162)</b>	<b>3,187,152</b>
Capital Grant Income		(71,264)		(71,264)
Net Surplus for the year			<u>(149,666)</u>	<u>(149,666)</u>
<b>Balance as per December 31, 2021</b>	<b><u>892,745</u></b>	<b><u>2,563,305</u></b>	<b><u>(489,828)</u></b>	<b><u>2,966,222</u></b>

*Accompanying notes to the financial statements from pages 6 to 9*

**CHILD PROTECTION AUTHORITY**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>OPERATING ACTIVITIES:</b>		
Net surplus/(deficit) for the year	(149,666)	185,407
Non-cash adjustment:		
Depreciation expenses	180,417	109,781
Working capital adjustments:		
Decrease/(Increase) in Accounts Receivables	(8,452)	2,270
(Decrease) in Accounts Payable	30,472	(16,406)
Increase/(Decrease) in Accrued Charges	<u>(85,562)</u>	<u>95,365</u>
<b>Net cash used by Operating Activities</b>	<b><u>(32,791)</u></b>	<b><u>376,363</u></b>
<b>INVESTING ACTIVITIES:</b>		
Purchase on Property, Plant and Equipment	<u>(139,316)</u>	<u>(165,364)</u>
<b>Net cash used by Investing Activities</b>	<b><u>(139,316)</u></b>	<b><u>(165,364)</u></b>
<b>FINANCING ACTIVITIES:</b>		
Receipt of Capital Grant	0	0
Decrease in Capital Grant	<u>(71,264)</u>	<u>(71,264)</u>
<b>Net cash (used)/provided by Financing Activities</b>	<b><u>(71,264)</u></b>	<b><u>(71,264)</u></b>
<b>Net change in cash and cash equivalents</b>	<b><u>(243,371)</u></b>	<b><u>139,735</u></b>
Add Opening Cash and Cash Equivalents Balance	<u>419,889</u>	<u>280,154</u>
<b>Closing cash and cash equivalents balance</b>	<b><u>176,518</u></b>	<b><u>419,889</u></b>
<b>Represented by:</b>		
<b>Cash and Cash Equivalent Balance</b>	<b><u>176,518</u></b>	<b><u>419,889</u></b>

*Accompanying notes to the financial statements from pages 6 to 9*

## CHILD PROTECTION AUTHORITY

### Notes to the Financial Statements as at December 31, 2021

#### 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 three (63) 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, 2021 (Cont'd)**

<b>3. <u>CASH IN HAND AND AT BANK</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
RBL - Current Account # 92006672	377,396	377,396
RBL - FMHB Account # 92021992	30,469	30,469
CO-OP Bank - Savings Account # 100002890	7,877	7,877
CO-OP Bank Account # 113000346	70	70
Petty Cash	<u>4,077</u>	<u>4,077</u>
<b>Total Cash in hand and in bank</b>	<b><u>419,889</u></b>	<b><u>419,889</u></b>

<b>4. <u>PROPERTY, PLANT AND EQUIPMENT</u></b>						
	<u>Leasehold Improvement</u>	<u>Building</u>	<u>Furniture &amp; Equipment</u>	<u>A/C Units</u>	<u>Motor Vehicle</u>	<u>Total</u>
<b>COST/VALUATION:</b>						
Balance as at 31/12/20	0	2,913,918	621,889	52,145	153,527	3,741,479
Additions	<u>91,456</u>	<u>20,708</u>	<u>5,262</u>	<u>1,890</u>	<u>20,000</u>	<u>139,316</u>
<b>Balance as at 31/12/21</b>	<b><u>91,456</u></b>	<b><u>2,934,626</u></b>	<b><u>621,151</u></b>	<b><u>54,035</u></b>	<b><u>173,527</u></b>	<b><u>3,880,795</u></b>
<b>ACC. DEPRECIATION:</b>						
Balance as at 31/12/20	0	229,281	445,277	32,146	146,026	852,730
Charge for year	<u>2,286</u>	<u>138,365</u>	<u>26,633</u>	<u>3,634</u>	<u>9,499</u>	<u>180,417</u>
<b>Balance as at 31/12/21</b>	<b><u>2,286</u></b>	<b><u>367,646</u></b>	<b><u>471,910</u></b>	<b><u>35,780</u></b>	<b><u>155,525</u></b>	<b><u>1,033,147</u></b>
<b>Net Book Value 31/12/21</b>	<b><u>89,170</u></b>	<b><u>2,566,980</u></b>	<b><u>155,241</u></b>	<b><u>18,255</u></b>	<b><u>18,002</u></b>	<b><u>2,847,648</u></b>
Net Book Value 31/12/20	0	<u>2,684,637</u>	<u>176,612</u>	<u>19,999</u>	<u>7,501</u>	<u>2,888,749</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, 2021 (Cont'd)

<b>5. <u>ACCOUNTS RECEIVABLES</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Staff Loan Receivables	13,404	4,952
Security Deposit	<u>9,684</u>	<u>9,684</u>
<b>Total</b>	<b><u>23,088</u></b>	<b><u>14,636</u></b>

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

<b>6. <u>ACCRUED CHARGES</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Other	26,713	103,594
Professional Fees	0	1,500
UNICEF Projects	1,087	8,268
One-off Payment – Trade Union Agreement	1,928	1,928
Union Dues Payable	<u>1,783</u>	<u>1,783</u>
<b>Total</b>	<b><u>31,511</u></b>	<b><u>117,073</u></b>

### 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.

A grant of \$2,600,000 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.

**CHILD PROTECTION AUTHORITY**

**Notes to the Financial Statements as at December 31, 2021 (Cont'd)**

<b>8.</b>	<b><u>DONATION INCOME:</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
	Corporate Contribution	0	1,999
	Individual Donation	<u>0</u>	<u>0</u>
	<b>Total</b>	<b><u>0</u></b>	<b><u>1,999</u></b>

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, 2021**

<b>9.</b>	<b>Client Direct Expenses</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
	Dorothy Hopkin Centre	192,275	186,000
	Queen Elizabeth Home	323,000	312,000
	Bel Air Children's Home	416,915	403,992
	Father Mallaghan Home for Boys	78,250	71,733
	SMILES -Home for Girls	14,521	0
	Medical Expenses	15,922	20,473
	Supplies	10,283	18,108
	Rent	800	13,000
	Foster Carers' Allowances	489,183	543,230
	Other Expenses	<u>4,654</u>	<u>9,603</u>
	<b>Total</b>	<b><u>1,545,803</u></b>	<b><u>1,578,139</u></b>