

*The National Drug Council in review 1st July 2015 to 30th June 2016*

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# Message from Chair of Council

Dear Hon. Alden M McLaughlin Jr., MBE, JP, MLA



As the Chair of the National Drug Council (NDC) and pursuant to section 24 of the National Drug Council Law (2003 Revision), it is my pleasure to present you with the Annual Report of The National Drug Council for the period July 1, 2015 to June 30, 2016.

I want to take this opportunity to thank each of you who has supported the NDC throughout this past year and we look forward to continued success at the NDC.

Sincerely,

Mrs. Dorothy Scott  
Chairman, NDC



# Message from the Director



Dear Friends,

The National Drug Council (NDC) wishes to thank you for making 2015/16 an outstanding year through your ongoing support, volunteerism, partnerships and funding.

During this year the dedicated staff of the NDC has delivered prevention and educational presentations in schools, prisons, workplaces and at community venues, with over 400 presentations having been conducted to thousands of participants on issues of alcohol, tobacco and other drugs. Policy advice and advocacy included feedback to legislation and policy aimed at addressing bullying; regulations for The Liquor License Law (Responsible Service of Alcohol Certification) 2015 and providing feedback to the initial discussions on medical marijuana in the Cayman Islands, to name a few.

The NDC's efforts to ensure evidence is available to support policy and programming is ongoing through our research initiatives, data collection and reporting. In its eighth cycle, The Cayman Islands Student Drug Use Survey (CISDUS) saw revisions in its methodology whereby separate instruments were utilized for middle (grades 7-9) and senior (grades 10 and higher) high school students. Her Majesty's Cayman Islands Prison Services Survey (HMCIPSS) which is in its fourth cycle was also conducted. Both of these surveys are among the most consistent conducted through the region, and are ongoing studies of the behaviours, attitudes and values of participants. These studies are aimed at describing the extent and patterns of alcohol, tobacco and other drugs and contribute to a better understanding of both current and changing rates of alcohol, tobacco and other drugs of abuse.

Evaluation is a critical component to programme development and in strengthening the efforts as it relates to services locally, the NDC undertook the evaluation of the Men's Non-Violence Programme in order to determine key indicators to the success of participants.

It is with much anticipation that the NDC looks forward to its continued growth and development all of which is not possible without your continued support. Please visit our website at [www.ndc.ky](http://www.ndc.ky) or contact us for any further information or to find out how you can further support our efforts.

Warmest Regards,

A handwritten signature in black ink, appearing to read 'Joan West-Dacres'. The signature is stylized and cursive.

Joan West-Dacres

# The National Drug Council - About Us

## Nature and Scope of Activities

The scope of the National Drug Council activities includes:

- **Policy and Prevention:** To formulate policies intended to prevent or reduce drug abuse and to promote and encourage the implementation of such policies and programmes and to advise the Minister on matters of law reform relating to the misuse of drugs.
- **Surveillance, Research and Information Dissemination:** To conduct or support surveys/research and publish reports or other documentation on drug abuse and maintain a database of information on issues related to the use, misuse and abuse of substances in the Islands;
- **Monitoring and Evaluation:** To co-ordinate the efforts of drug abuse prevention, treatment and rehabilitation. Through monitoring and evaluation of the implementation of anti-drug programmes within the Cayman Islands.

## The National Drug Council activities include

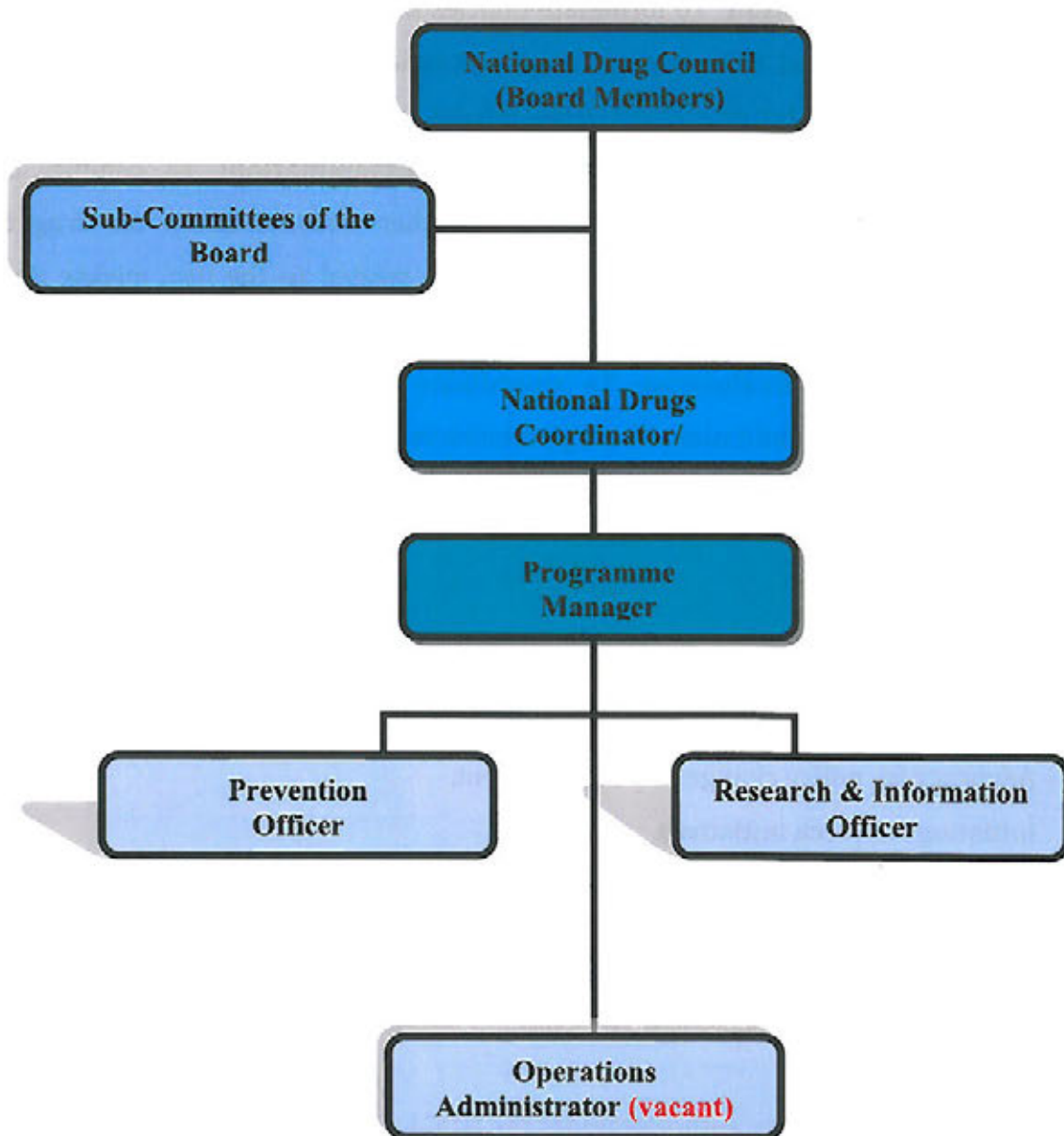
- Review and proposals for legislative/policy change and development
- Advocacy for policy change and development,
- Initiating Research initiatives,
- Publication of reports and other documentation on drug abuse

## Governance

- The NDC is a statutory authority under the NDC Law (2003 Revision)

## Our People

### Organizational Chart



## **The Board - (Council Members)**

as at June 30<sup>th</sup> 2016

**Mrs. Dorothy Crumbley**, Chairman

**Mr. Rayle Roberts**, Vice-Chairman

**Hon. Chief Magistrate Nova Hall**, Member

**Dr. Mark Lockhart**, Member

**Mrs. Esme Watler-Hydes**, Member

**Mrs. Teresa Echenique-Bowen**, Member

**Chief Officer**, Ministry of Health, Youth, & Culture, Ex-Officio

**Chief Officer**, Ministry of Community affairs, Ex-Officio

**Chief Officer**, Ministry of Education, Employment & Gender Affairs, Ex-Officio

**Minister of Finance & Economic Development**, Ex-Officio

**Commissioner of Police**, Ex-Officio

**NDC Coordinator, Mrs. Joan West-Dacres**, Ex-Officio

.....

## **Our Staff**

as at June 30<sup>th</sup> 2016

**Joan West-Dacres**, Director, since September 2007

**Brenda Watson**, Programme Manager, since January 2014

**Luisa McLaughlin**, Research & Information Officer, since January 2008

**Simon Miller**, Prevention Officer, since June 2000

| <b>Personnel emoluments</b>        | <b>2015/16</b> |
|------------------------------------|----------------|
| Salaries & Wages                   | 314,548        |
| Medical Insurance                  | 25,448         |
| Pension                            | 15,727         |
| Accrued Time off in Lieu           | 4,708          |
| Motor Car Allowance                | 4,475          |
| Movement in annual leave provision | 3,033          |
| Bonus                              | 6,403          |
| <b>Total</b>                       | <b>374,342</b> |

The NDC participates in a defined contribution plan. Contributions of 5% are made by the employee and matched by the employer as required under the National Pensions Law. Health insurance is also paid on behalf of the employees. Employees are responsible for any payments for dependents covered under the plan.

All staff at the NDC are Caymanian with the required qualifications for their positions. Ongoing training occurs at regional and international forums to ensure professional development and the organisations ability to ensure best practices in its activities.

**In 2015/16 training opportunities included the following:**

The Director completed the Certificate in Evaluation programme through distance learning at Claremont University in California. Claremont Graduate University offers one of the leading certificate programs in the world for the Advanced Study of Evaluation where participants build and renew their knowledge and skills in the rapidly expanding field of Evaluation. Advanced methodologies for conducting evaluation and the intersection of evaluation theory and research with on-the-ground practice are covered in depth. The program culminates with a practicum experience tailored to the current practice or research interests of each student. The program has been designed to cover five key areas of professional evaluation:

1. Reflective Practice,
2. Technical Practice,
3. Situational Practice,
4. Management Practice,
5. Interpersonal Practice.



The Prevention Officer completed his TIPS certification to facilitate the certification of food and beverage servers. TIPS® (Training for Intervention ProcedureS) is a dynamic, skills-based training program designed to prevent intoxication, drunk driving and underage drinking by enhancing the fundamental "people skills" of servers, sellers and consumers of alcohol. TIPS give individuals the knowledge and confidence they need to recognize potential alcohol-related problems and intervene to prevent alcohol-related tragedies. As the final step of a TIPS session, participants complete a multiple-choice exam. Participants who pass the exam receive a certification card, valid for three years in most areas. Exams, grades and other relevant information are maintained online for review.

The Research Officer was afforded the opportunity to attend the Centre for Addiction and Mental Health (CAMH) Canada where the following processes were reviewed and key areas for development were undertaken:

#### Survey Design

- a) Review Cayman Islands Student Drug Use Survey (CISDUS) instrument, review of variables/questions (rewording and/or removing), design and format.
- b) Review CAMH's Ontario Student Drug Use and Health Survey and provide guidance/reviewing of CAMH methodology used to administer the survey, confidentiality, parents' consent, etc.
- c) Identify new methods of data collection to consider implementing in NDC surveys/CAYDIN: prison, household, workplace, other agencies, etc.

#### Reporting:

- a) Identify new approaches for data report and dissemination of information.
- b) Develop plan for ethics committee

## MANAGEMENT DISCUSSION & ANALYSIS - Highlight of Achievements/Successes

### POLICY & PREVENTION

Policy advocacy and development is significant to addressing the negative impacts of alcohol, tobacco and other drugs in our communities. In 2015/16 the NDC provided feedback to *The Labour Relations Bill 2015*, presenting the issues of drug and alcohol abuse throughout the workforce and the vulnerable industries therein. We took the opportunity to make recommendations for addressing these issues in what is a proactive and comprehensive manner.

With the progression of Mental Health initiatives in the Cayman Islands, the NDC continued its ongoing participation in the development of the Mental Health Policy facilitated by the Ministry of Health.

*As the Cayman Islands consider the legalization of medical marijuana it must also consider the impact of such changes to legislation, social framework and the community as a whole. We must also consider that marijuana is the most widely used illicit drug in the Cayman Islands. In 2014, 407 students in the Cayman Islands were current (i.e., past-month) marijuana users. The prevalence of current marijuana use has increased over time from 7.4% in 2010 to 14.3% in 2014 (CISDUS 2014).*

The NDC submitted draft regulations for The Liquor License Law (Responsible Service of Alcohol Certification) 2015.

With the debate commencing on legalizing marijuana for medical use, the NDC provided feedback to the initial discussions on this issue in the Cayman Islands highlighting the pros and cons, but furthermore included a number of matters for consideration.

Additionally feedback was given to the commission as it considers legal/policy moves to address bullying, presenting the impacts of bullying and substance abuse and the findings that have linked these issues over the past few years.

## Prevention & Education

Prevention and education are key components of our efforts at the NDC. These components are conveyed through the provision of various presentations to students, parents, community/special interest groups and teachers in Grand Cayman and Cayman Brac as requested. High schools have been the principal audience of programming and have been ongoing for several years, however, in the last two years the NDC has piloted programming in the primary schools, first at the Bodden Town Primary School in 2014/15 and in this year we facilitated presentations at the Edna Moyle Primary School and the East End Primary School. Such presentations focus on being healthy and creating healthy habits.

Consequently in 2015/16 the NDC provided over 400 presentations delivering information on the harmful effects of alcohol, tobacco and other drugs on our bodies, families and the communities in which we live.

### Participating schools:

- Alternative Education Centre (AEC)
- Cayman Prep & High School
- Cayman Islands Further Education Centre (CIFEC)
- Clifton Hunter High School (CHHS)
- East End Primary School (EEPS)
- Edna Moyle Primary School
- John Gray High School (JGHS)
- Layman Scott High School
- St. Ignatius High School
- University College of the Cayman Islands (UCCI)



### Groups and Community-Based presentations included:

- Bethel Refuge Apostolic Church - Summer Camp
- George Town CODAC - Summer Camp
- George Town CODAC - Back To School Fair
- Cayman Islands Youth Development Consortium (CIYDC) - Summer Camp



- Savannah United Church (Youth Group)
- Kiwanis
- Family Resource Centre (FRC)
- Seventh Day Adventist Church  
Pathfinders
- Savannah Seventh Day Adventist  
Church (Youth Group)
- John Gray High School JGHS
- Elmslie Memorial United Church
- Her majesty Cayman Islands Prison Services (HMCIPS)- Northward



In addition the NDC worked to support prevention initiatives and educational activities in other areas which included meetings as follows:



- JGHS school counsellors to discuss logistics for additional Boys to Men (B2M) programme targeted at younger males (year 7-8) who have been identified as At-Risk (JGHS).
- BAAM committee to discuss future drug prevention needs for the Brac and to solicit partnership for NDC future initiatives.
- CIFEC regarding training needs for teachers and services for year 12 students.
- Cayman Prep scheduling for year 8 students in 2016
- Services for students at Cornerstones.
- JGHS meeting with PTA personnel to discuss arising matters parents are facing with teens.
- Discussion of a partnership for a proposed pilot programme for youth who are not functioning in mainstream school environment.
- Meetings to facilitate discussions for a year 11 debate on Marijuana legalization.



Programme and curriculum development included:

- Research into trending topics related to prevention (Vape Pens, e-cigarettes, infused cannabis, subliminal advertising, marijuana legalization, medical marijuana, etc).
- Revised presentations for Drug Education
- Designed a training module for a Teen Leadership Workshop.
- Created a new training module for Teachers; Teachers as Detectors 'TAD' to address traditional vs New Age detection (signs and symptoms) of drug use among adolescences.
- Meeting with school counselors and head of security to discuss strategies to combat fighting on the school campus.
- Created a new learning strategy (mnemonics) to improve the retention of SBDP information for at-risk students.
- Created a visual knowledge assessment pre-test to address literacy levels of at-risk students.
- Met with Lifeskills Coordinator and made logistical changes to the ASDAN lesson plan.
- Created visuals for drug education topics.
- Finalized the learning strategy (buttons) to complement SBDP.
- Designed a Pre-Assessment tool to determine adolescence attitude towards drug use.
- Designed a simulation exercise which focused on a "Party" environment for the FRC Teen Maze.
- Modules were structured to assist students with understanding how expectations for and consequences of their behavior align with life choices.
- Amended training module for Youth Leaders; to address traditional vs. new age detection (signs and symptoms) of drug use among adolescences.
- Meeting with representatives of DART to discuss training opportunities for young men of Boys to Men (B2M).
- Meetings with representatives of the RCIPS to discuss community strategy for ex-offenders.



- Developed NDC Summer Tips for an informational article to be included in the Youth Services Unit Magazine.

- Developed and facilitated an interactive drug education activity that educates adolescents on the science and related consequences of licit and illicit substances.



**PROGRAMS**

Messages, Lifestyles]:

- church and youth leaders
- community groups
- tertiary institutions
- Develop an evaluation resource to provide feedback on the delivery of prevention sessions e.g. Facilitator effectiveness, materials, content, engagement, acquisition of knowledge.

- Develop a new strategy to address the decreased "Perception of Risk" of marijuana for John Gray High School.

- Expansion of Phase 6 for Adults [Media, Visual

## Youth Conferences

### ✚ Youth 2 Youth (Y2Y) Leadership Conference – Cayman Brac

A local leadership conference was hosted in Cayman Brac for teens aged 13-17 as a part of our annual recruitment and revitalisation of the Youth 2 Youth Programme. The conference was led by Youth 2 Youth leaders of the NDC and hosted over 40 teens from both Grand Cayman and Cayman Brac. The two and a half-day conference took students through a series of activities, workshops, games, discussions and exercises, which encouraged them to think critically about the choices they are making every day.



The opportunity to engage with other teens in this setting set the stage for their individual development and growth as well as encouraged the implementation of their own ideas to create positive changes in their schools and communities. Teens walked away with a new or renewed passion for student engagement, as well as practical tools and resources that are immediately applicable, engaging and fun which can be used in their communities and school settings.



## Youth 2 Youth (Y2Y) International Conference



The NDC supported a group of three (3) teens and one (1) adult in their attendance at the annual Youth 2 Youth International Conference held in Ohio, USA. Youth 2 Youth (Y2Y) is the recognised leader for engaging youth in positive change. Each summer Y2Y International offers tremendous leadership opportunities for high school aged students and the

adults that work with them. This one-of-a-kind conference experience, led by trained teens alongside adults, is the training that groups like ours depends on to serve as a vital catalyst to initiate or improve youth prevention programming. Our teens were able to attend the four-day conference, meet and befriend drug-free teens from all over the world, develop skills to make positive choices, attend interactive and informative workshops, hear nationally known speakers, develop action plans to create change back home in their communities and schools, learn leadership skills they can use for a lifetime and most importantly have fun.



## **Cayman Islands National Drug & Alcohol Facts Week Activities**

National Drug Facts Week (NDFW) is a health observance week first launched in 2010 by the National Institute on Drug Abuse (NIDA) designed to address the myths about drugs and drug abuse, using education as its platform. The

National Institute on Alcohol Abuse and Alcoholism became a partner starting in 2016 and alcohol has now been added as a separate topic area. The week of January 25<sup>th</sup> to 31<sup>st</sup> was our sixth year observing National Drug & Alcohol Facts week (NDAFW). We encouraged educators to



get their students involved as we work together to unravel some of the myths in our society as it relates to drug use and abuse. Additionally, we invited every high school student to take part in shattering the myths of Drugs and Alcohol by participating in some of the week's activities.

The culminating activity was for students to create and submit posters, photographs and or video submissions shattering the Myths of Drugs and Alcohol. Of the hundreds of submissions, winners were voted on by professionals and the winning entries in each category received prize packs and were featured on Cayman 27's Daybreak where they discussed their submissions in detail.

## Alcohol Awareness Month

One of the best ways to help kids avoid issues with alcohol and drugs is to talk with them. During the month of April the National Drug Council, along with organisations around the world focused its efforts on Under Age Drinking as part of observing Alcohol Awareness Month. The efforts embraced the theme, **Talk Early, Talk Often: Parents Can Make a Difference in Teen Alcohol Use**. During this time the NDC arranged with Radio Cayman to record new PSA's for Alcohol Awareness month 2016, liaised with all radio stations in regards to the airing of our PSA's for Alcohol Awareness Month, continued daily Alcohol Awareness messages throughout the month of April on Facebook and issued press releases.





## International Day Against Drug Abuse and Illicit Trafficking

The United Nations General Assembly in 1987 began observing the 26<sup>th</sup> June as International Day against Drug Abuse and Illicit Trafficking. This effort is an expression of the UN's determination to strengthen action and cooperation to achieve the goal of an international society free of drug abuse. The United Nations Office on Drugs and Crime (UNODC) selects themes for the International Day and launches campaigns to raise awareness about the global drug problem. This year's theme is **"Listen First"**.



Representatives of the National Drug Council, students and staff of the John Gray High School participated in the first annual drug march locally observed. This event took place on Friday June 24<sup>th</sup>, just days before the International Day against Drug Abuse and Illicit Trafficking day of observance.

At approximately 8:45am a team of musical youth played the steel pan, while the entire school body lined up on the field where students and staff proudly marched waving hand-made banners and personalized flags depicting powerful drug-free messages. The march, a first of its kind showed the unified efforts all made to pledge for a drug-free campus. The National Drug Council looks forward to including other local high schools in its 2017 Drug March.

To view the video please see <https://youtu.be/zfKOpjifFmU>.

## Purple Ribbon Bus (PRB) & Designated Driver Campaign

This year marked fifteen (15) years since the inception of the Purple Ribbon Bus & Designated Driver Campaign. The programme is a partnership between the NDC and local



# After the Celebrations ...

Ride home safely this New Year's Eve on the NDC Purple Ribbon Bus

it's easy and it's **FREE!**  
9 pm - 4 am

- wait outside major restaurants/bars or bus stops along the route.
- look for a bus with a purple ribbon logo on the front.
- ask driver where the bus is heading.
- if it is heading in your direction then simply get on board.
- if it is not, then the driver will tell you what number bus to take to get you where you want to go.

organizations to provide the New Year's Eve Purple Ribbon Bus service and the Designated Driver Programme during the Holiday Season. Despite the legislation, the increased patrols by the police and public education and awareness campaigns, drunk driving remains a serious issue in the Cayman Islands. Over the years, thousands of revelers have utilized the free bus service on New Year's Eve, which was established with the aim of reducing the number of drunk driving incidents on our roads. The Purple Ribbon Bus service ran on New Year's Eve, 31<sup>st</sup> December 2015 from 9 pm to 4 am and was made possible through the generous sponsorship of **Dart, Ecay, High Impact Media, Greenlight RE, Jacques Scott Group Ltd. and Cayman National Bank.**



Over thirty local restaurants, bars and clubs participated in the Designated Driver Programme again this year. With this programme, persons who identify themselves as a Designated Driver to their server can receive free non-alcoholic beverages all evening, and will be given a purple wristband bracelet identifying them as the designated driver. The NDC is grateful for the participating

establishments for doing their part to reduce drunk driving during this holiday season.

## RESEARCH & INFORMATION

The NDC continuously seeks to initiate and support research in the area of substance use, misuse and abuse geared at garnering information that will inform programmes and policies. The NDC designs and administers surveys, conducts the data analysis, and writes the reports, using methodology in line with best practices.

### **Cayman Islands Student Drug Use Survey (CISDUS)**

Over the past 16 years the National Drug Council (NDC) has conducted the Cayman Islands Student Drug Use Survey (CISDUS). The NDC conducted *Cycle Eight (8)* of the CISDUS from February 29<sup>th</sup> through March 17, 2016 with approximately 2,800 students participating. The Cayman Islands Student Drug Survey (CISDUS) is an ongoing study of the behaviours, attitudes and values of high school students. These studies describe the extent and patterns of alcohol, tobacco and other drugs used among students in grades 7 to 13 across the Islands and contribute to a better understanding of both current and changing rates of alcohol, tobacco and other drugs of abuse. Information about alcohol, tobacco and other drugs of abuse as well as prevalence rates is usually gathered through epidemiological surveys, such as the Cayman Islands Student Drug Use Survey.

The results of the data will be issued in early 2016/17 once the data analysis and reporting is completed.

### **Her Majesty's Cayman Islands Prison Services Survey (HMCIPSS)**

Her Majesty's Cayman Islands Prison Service Survey 2015 (HMCIPSS2015) reflects the need to know the pattern of drug use in prisons of the Cayman Islands. Findings are presented for the extent and patterns of illicit drug use among inmates of the two prison services: Northward and Fairbanks.

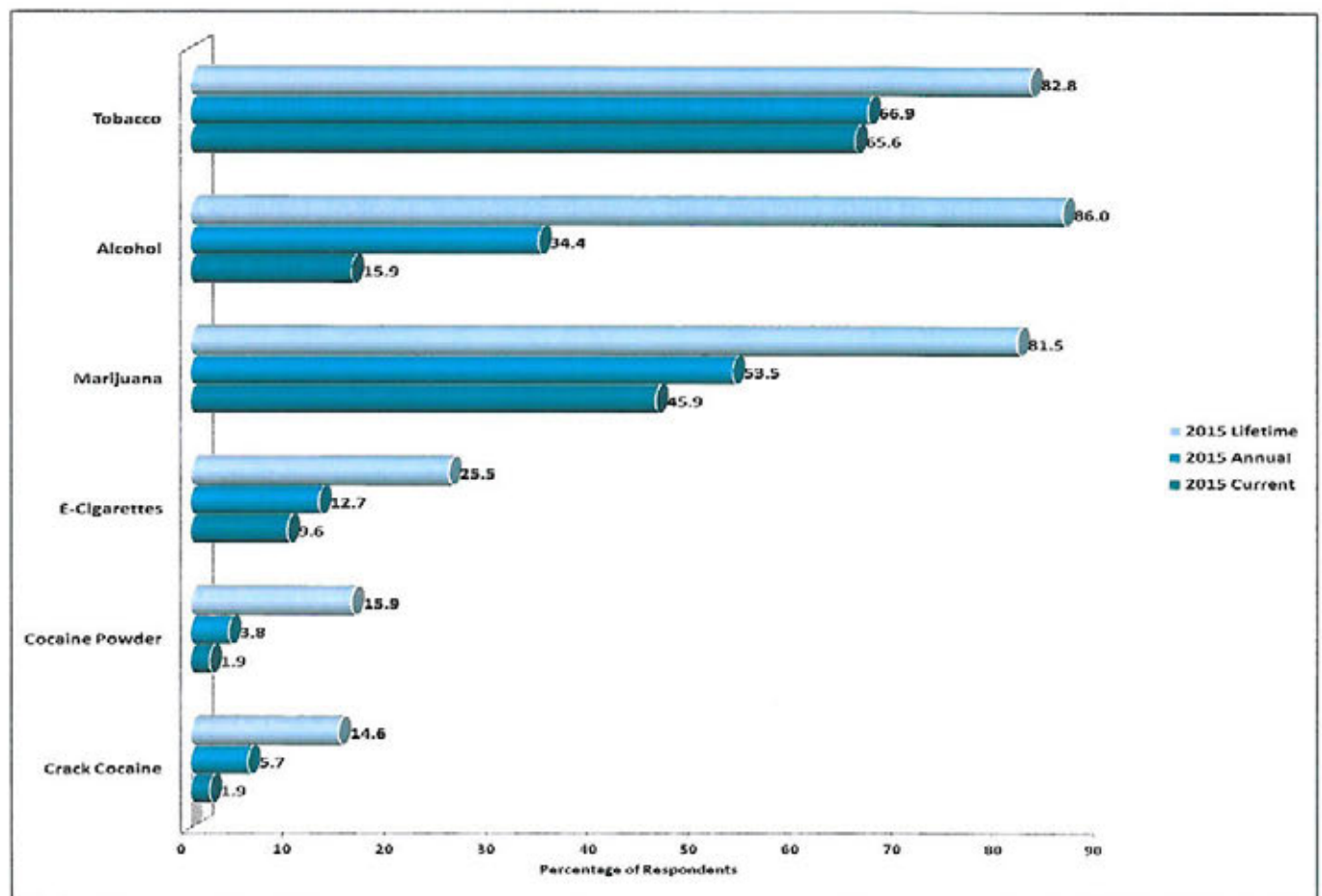
The prison population presents different epidemiological parameters to the general population. In this context, various international agencies recommended that the collection of data on health



needs of the population must consider inmates as part of it. Similarly, the Caribbean and Latin-American Observatories on Drugs declared the need for continued vigilance on drugs in prisons.

In order to develop this strategy of surveillance, it was necessary to conduct this survey among the inmate population. Such a study allows for the analysis of factors including family, personal use, health, criminal history, weapons, drug market and other indicators that seek to highlight parameters elaborated in the study.

**FIGURE 2.1.1**  
*LIFETIME, ANNUAL AND CURRENT USE BY PERCENTAGE OF RESPONDENTS – 2015 (%)*





The age of first use of any substance, or early onset, is considered one of the best predictors of later addiction problems according to a number of studies<sup>1</sup>. Gathering data about age of first use of various substances will help in the determination of effective tools for prevention programmes. All initiation rates are based on offenders who reported having used a substance at least once in their lifetime. The mean age of first use for the licit substances (tobacco and alcohol – except e-cigarettes) was less than all illicit drugs.

Tobacco and alcohol first use was started at similarly early ages. Among illicit substances, marijuana donkey weed and other drugs started before 20 years old. The data suggests that the use of crack cocaine, cocaine powder, heroin, ecstasy, LSD, methamphetamine, season spliff and magic mushrooms was initiated during the ages 20-29yrs, compared with valium/benzodiazepines and methadone that was initiated during the ages 30yrs or above.

*Table 2.1.2: Age of First Use of Various Substances (%)*

|                                    | 2015 |                  |              |
|------------------------------------|------|------------------|--------------|
|                                    | n    | Age of first use |              |
|                                    |      | Mean (yrs)       | Median (yrs) |
| <b>Tobacco</b>                     | 130  | 10               | 10           |
| <b>E-Cigarette</b>                 | 40   | 29               | 29           |
| <b>Alcohol</b>                     | 135  | 10               | 9            |
| <b>Marijuana</b>                   | 128  | 13               | 14           |
| <b>Crack Cocaine</b>               | 23   | 26               | 26           |
| <b>Cocaine Powder</b>              | 25   | 24               | 26           |
| <b>Ecstasy</b>                     | 4    | 24               | 24           |
| <b>LSD</b>                         | 5    | 26               | 24           |
| <b>Methamphetamine</b>             | 2    | 24               | 24           |
| <b>Valium/<br/>Benzodiazepines</b> | 11   | 32               | 30           |
| <b>Methadone</b>                   | 1    | 33               | 33           |
| <b>Donkey Weed</b>                 | 14   | 18               | 15           |
| <b>Season Splif</b>                | 12   | 29               | 29           |
| <b>Magic Mushrooms</b>             | 9    | 23               | 23           |
| <b>Other Drug</b>                  | 5    | 13               | 13           |

<sup>1</sup> DAUGHERTY, Raymond P. (1998). "Reducing the Risk for Substance Abuse. A Lifespan Approach." Prevention Research Institute. Lexington, Kentucky. (Accessed October 19, 2015).

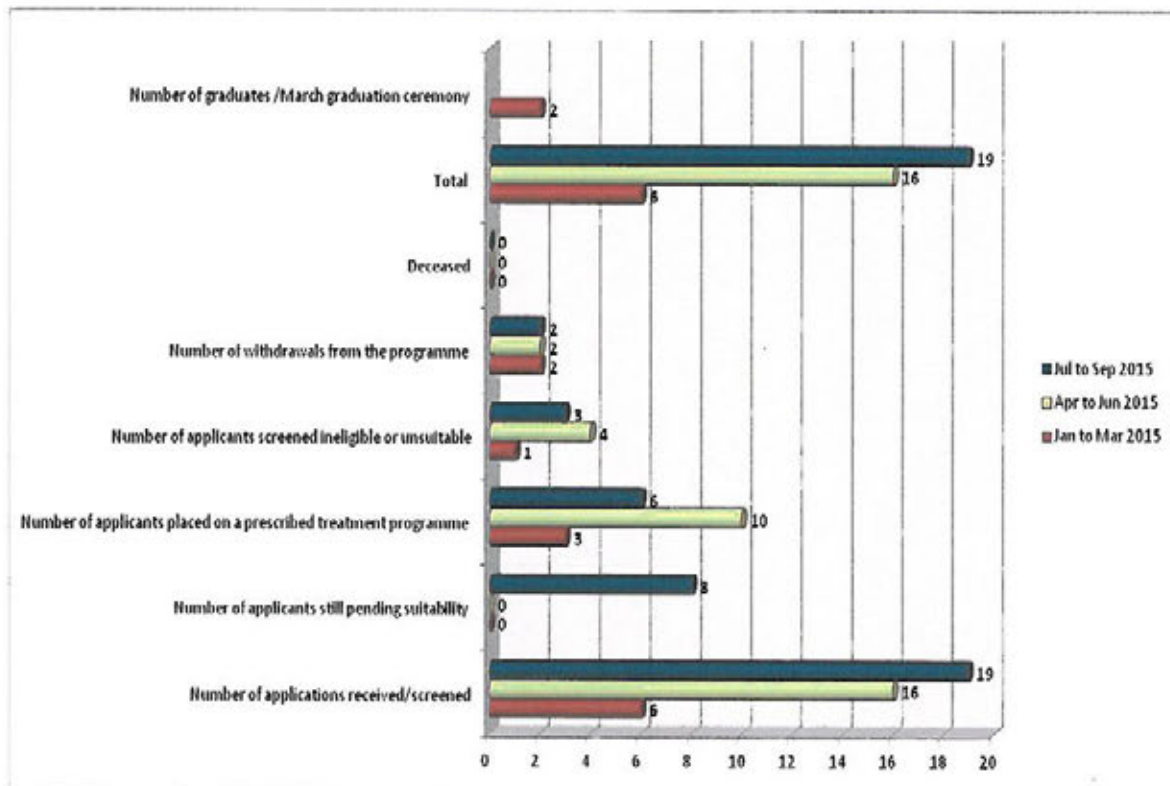


## Cayman Islands Drug Information Network (CAYDIN)

Data is collected to assist in developing a broader understanding of the impacts of drugs in our communities. While we aim to collect data from a number of stakeholders this continues to be a challenge. However it is important to acknowledge the continued support of the following departments:

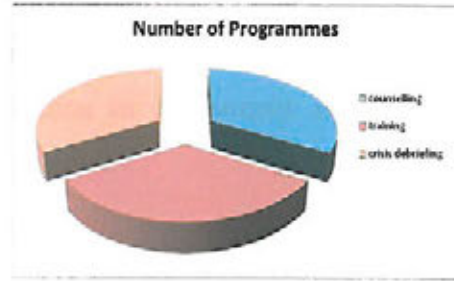
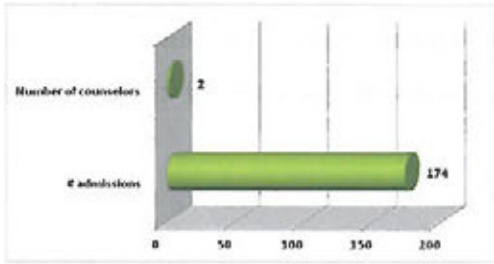
- Drug Court
- Employee Assistance Programme
- National Workforce Development Agency
- Department of Community Rehabilitation
- Department of Customs
- Her Majesty's Prison Services
- Liquor Licence Board

### Drug Court:





**Employee Assistance Programme (EAP):**



## MONITORING and EVALUATION

Throughout the year the NDC continues meetings and partnerships with stakeholders to discuss projects and programmes for the purposes of learning from experiences, improving practices and activities, to make informed decisions on initiatives and to promote empowerment of recipients. Several meetings occurred to provide ongoing support to programme development, oversight and consultative assistance. Such meetings and support included:

- Save Our Youth (SOY)
- Department of Children and Family Services (DCFS) Child Month Committee
- Cayman Islands Youth Development Consortium (CIYDC)
- Met with Director / Writers of socially conscious film series “Influenced” about alcohol, drug addiction and other issues facing Cayman’s youth.
- Department of Community Rehabilitation
- Her Majesty’s Cayman Islands Prisons Services
- Behavior Support Services, Department of Education Services
- Savannah United Church

### **Evaluation**

An evaluation was conducted to provide insight into, and determine any key markers or indicators in the successful completion of participants in the “Men’s Non-Violence Programme” (MNVP) at The Department of Community Rehabilitation (DCR), in the Cayman Islands. While the programme has been operating for several years, having gone through several changes over time, there has been no formal or external review of the processes, practices, effects or impacts of the programme on participants.

The MNVP was established to provide services for perpetrators of domestic violence being referred for; or seeking intervention to address their violent behaviours. During the evaluation process it was quite evident that the participants of this programme are primarily referred through the courts with offenders being placed on bail conditions to attend; however, there have been referrals through the police services, the parole board and a minority of individuals who have self-referred.

The MNVP was originally established in 2004 and for approximately two years operated as a twelve-week programme. In 2006 the decision was made to expand the programme to twenty-eight weeks and review methods that would be more suitable for the population being served by the department. Another review of services took place just one year later and in 2007 the MNVP programme began utilizing the Duluth Model and became a thirty-two week programme fully utilizing the Duluth approach. There are currently two MNVP's in Grand Cayman and one group in Cayman Brac (smaller sister island in the Cayman Islands). Each group allows for a new intake of participants every nine weeks, and they are facilitated by Duluth trained staff. Because of the small population of Cayman Brac and subsequently the small number of participants referred to the group, the modules are often conducted through the offering of individual sessions.

While some participants are only referred to participate in the MNVP, which takes approximately one year to complete, and are not expected to participate in other services; others participate in the MNVP and are involved in individual services and may be referred to external agencies to meet additional needs which may have been identified in the intake or assessment process.



In order to examine the success of persons in the MNVP, this evaluation assesses key indicators and determines any markers of persons who have successfully completed the programme and have not been referred back to DCR within one year of completion for the same or similar offence and review key indicators of persons who have been discharged or completed the programme but have referred back to the programme since discharge or completion. The evaluation includes a review of programme manuals, client contracts, attendance records and participation. A sample of persons with 90% participation or higher, 50% or lower or have been discharged prompts a complete file review and follow-up meetings with group managers or facilitators to determine any other indicators which may have been noted, to affect the participants' performance has been conducted.

The participants in the MNVP at the Department of Community Rehabilitation were predominantly involved in domestic violence incidents and therefore met the requirements of the programme. Of the sixty-one participants, forty-three had relationship statuses identified. Of



those forty-three persons twenty-eight were legally married or in common-law relationships as established by law. The review of the files indicated that of the sixty-two files reviewed only two participants were not domestic violence (DV) related and may have been due to the fact that they were self-referrals.

Sixty-two files were examined between 2011 and 2015 with a further examination of twenty-eight files conducted. These twenty-eight files were extracted based on participation, completion or discharge. Of the twenty-eight files only four persons returned for services of which only one was violence related after non completion and in neither instance completed the programme and was discharged on both occasions. According to the Duluth Model organisation, domestic abuse happens when men believe they have the right to authority over women who are their intimate partners. **DAIP's Men's Nonviolence Classes** help men stop battering and explore the consequences of the violence for themselves, their partner and their children. They also indicate that 90 to 100 men complete their 27-week Men's Nonviolence Class every year with seven out of ten men who complete the program not being arrested again for domestic assault. The programme at DCR does meet and exceed the reports that seven out of ten (70%) men who complete are not arrested again for domestic assault.

Additionally the findings of this evaluation did reveal what was also indicated in the report by the Department of Justice (DoJ) 2003 which is that the successful population of the participants in the MNVP were employed, had high school education or higher, married (in common-law relationships or involved with a partner), had stable housing and family support. Programme length is also reported as an indicator of success. The length of the program at thirty-two weeks is in line with the findings of the Brooklyn study which indicates that batterers who participated in a 26 week programme were less likely than those who participated in an eight-week programme to commit fewer new violent acts. As reported by the DoJ report, while attending the program had no effect on the incidence of physical violence; offenders who were employed, married, and/or owned a home were less likely to batter again. Younger men and men with no stable residence (regardless of age) were more likely to abuse their partners. Older men who owned a home were less likely to do so.

## MANAGEMENT DISCUSSION & ANALYSIS - Challenges

While the NDC has enjoyed many successes this year we are continuing to be limited in many areas. Most importantly are the following:

- No guiding strategy at a national level to direct the efforts of drug control;
- A dated legislative framework that does not provide the NDC with the ability to function or enforce as is necessary. Areas necessary to improve functioning of the organisation includes, but is not limited to:
  - Collection of data
  - Board composition
  - Functions as dictated in the law
- Limited resources
  - Staffing levels are too low for the needs of the community
  - Funding does not allow for the impacts that need to be made in our communities especially when it relates to education and prevention materials and promotions
- **Risk management**
  - Key risks for the NDC are those which are organisational in nature. These include working outside of the necessary frameworks required for strategically addressing the issues related to alcohol, tobacco and other drugs, lack of personnel, inability to achieve outcomes or targets and delivery of services. To this end the NDC relies on volunteers, constantly reviews its programming delivery to ensure areas of priority are addressed and works closely with stakeholders. The NDC continues to advocate for an update to the governing legislation and for the implementation of a National Anti-Drug Strategy to address supply and demand control for the Cayman Islands.
  - Compliance risk for reporting as required by stakeholders and CIG. With limited staffing and a vacancy for the administrative and financial position the NDC relies on external accounting services to ensure sound financial management. In addition the NDC has recently proposed the addition of an accounting professional to the board of directors.

- **Financial Performance and analysis**
  - Please see attached financial statements for 2015/16
- **Scrutiny by Parliament and Public**
  - To our knowledge no aspects of the NDC was discussed by Parliament.
  - There were no FOI requests in 2015/16
  - There were no complaints in 2015/16
- **Internal and External Audit updates**
  - Outline progress to address control issues as identified by IA for audit of 2014/15 conducted in the 2015/16 year.

#### Delayed Deposit of Collection

1. The policy and procedure manual will be updated to reflect the practice of NDC depositing any funds received even in the uncertainty of a project being undertaken and refunding donation amount to the donor if the project in fact is ceased. This is instead of holding a cheque until confirmation of project.
2. The policy and procedure manual will be updated to reflect that in the absence of key personnel that any deposits will be made within 3 days of the return of key personnel to office. Allowing access to the safe by additional staff undercuts the NDC's efforts in its financial management and has proven to not be prudent in the past.

**Implementation Date:** *Policy and procedure manual update – First Quarter 2016/17 (i.e. no later than September 30, 2016)*

#### Inadequate Handover and Reconciliation of Collections

1. To establish appropriate handover procedures to increase accountability within the cash collections process. Such procedures should necessitate the documentation of amounts being handed over and require the signatures of the transferor and the transferee signifying agreement with the amounts recorded;
2. Counts of collections/reconciliations are conducted and documented on each occasion that collections are received. Evidence of said reconciliations should be maintained for audit purposes.

**Implementation Date:** *January 31, 2017 a log/journal book will be kept to address handover and counts of receipts of any CASH received.*



### Lack of Review and Approval Trail

1. The Director of NDC will ensure that evidence of review and approval is documented and maintained for all accounting entries and reconciliations.

**Implementation Date:** By first review scheduled in 2016/17

- No HR audits were conducted.
- **Forward looking:**
  - The NDC has received additional funding for 2016/17 budget year which has been earmarked to increasing personnel which will allow for the further development and implementation of programming in our communities. One position will be based in Cayman Brac, the other post will be based in Grand Cayman and will provide for additional services especially for primary aged children in the schools.
  - The NDC intends to advocate for changes to the following areas of legislation (or further development of policies in these areas):
    - National Drug Council Law
    - Misuse of Drugs Law
    - Customs Law
  - The need for a strategic manner to address alcohol, tobacco and other drugs is critical to the success of reducing the negative impacts of these substances in our communities. The NDC intends to again present a National Anti-Drug Strategy for the Cayman Islands, a four year plan to strategically address supply and demand reduction.



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**Financial Statements  
Of the**

*National Drug Council*

**For the 2015-2016 Financial Year**



National Drug Council

Financial Statements

Year ended 30 June 2016

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**National Drug Council  
Financial Statements  
30 June 2016**

**STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS**

These financial statements have been prepared by the National Drug Council in accordance with the provisions of the provisions of Section 22(1) of the *National Drug Council Law (2003 Revision)* and of the *Public Management and Finance Law (2013 Revision)*. The financial statements comply with generally accepted accounting practice as defined in International Public Sector Accounting Standards.

We accept responsibility for the accuracy and integrity of the information in these Financial statements and their compliance with the *National Drug Council Law (2010 Revision)* and the *Public Management and Finance Law (2013 Revision)*.

As Executive Director and Chairperson, we are responsible for establishing and maintaining a system of internal controls designed to provide a reasonable assurance that the transactions recorded in the financial statements are authorized by law and properly record the output transactions of the National Drug Council.

As Executive Director and Chairperson we are responsible for the preparation of the National Drug Council financial statements and the judgments made therein.

The financial statements fairly present the financial position, financial performance and cash flows of the National Drug Council for the financial year ended 30 June 2016.

To the best of our knowledge we represent that these financial statements:

- a) completely and reliably reflect the financial transactions of the National Drug Council for the year ended 30 June 2016 and
- b) fairly reflect the financial position as at 30 June 2016 and performance for the year ended 30 June 2016; and
- c) comply with International Public Sector Accounting Standards as set by the International Accounting Standards Board

  
Mrs. Dorothy Scott  
Chairperson

  
Mrs. Joan West-Dacres  
Director

Date: 21<sup>st</sup> October 2016

Date: 21<sup>st</sup> October 2016





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## AUDITOR GENERAL'S REPORT

### TO THE GOVERNING COUNCIL OF THE NATIONAL DRUG COUNCIL

I have audited the accompanying financial statements of National Drug Council, ("the Council"), which comprise the statement of financial position as at 30 June 2016 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 21 in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2013 Revision)*.

#### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards, 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.

#### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

**AUDITOR GENERAL'S REPORT (continued)**

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, these financial statements present fairly, in all material respects, the financial position of the National Drug Council as at 30 June 2016 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.



**Sue Winspear, CPFA**  
Auditor General

21 October 2016  
Cayman Islands

**National Drug Council**  
**STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2016  
(Stated in Cayman Islands Dollars)

|  | Notes   | <u>2015/16</u> | <u>2014/15</u> |
|--|---------|----------------|----------------|
| <b>ASSETS</b>                            |         |                |                |
| <b>Current Assets</b>                    |         |                |                |
| Cash and Cash Equivalents                | 2(b)    | 340,250        | 302,038        |
| Accounts Receivable and Prepaid Expenses | 4       | 62,454         | 95,911         |
| <b>Total current assets</b>              |         | <b>402,704</b> | <b>397,949</b> |
| <br>                                     |         |                |                |
| Fixed assets                             | 2(c), 3 | 7,479          | 10,242         |
| <b>Total assets</b>                      |         | <b>410,183</b> | <b>408,191</b> |
| <br>                                     |         |                |                |
| <b>LIABILITIES AND EQUITY</b>            |         |                |                |
| <b>Current Liabilities</b>               |         |                |                |
| Accounts Payable                         |         | 4,686          | 25,221         |
| Accrued Audit Fees                       |         | 10,000         | 10,000         |
| Accrued Accounting Fees                  |         | 4,360          | 2,370          |
| Accrued Vacation                         |         | 19,427         | 16,393         |
| Time off in lieu                         |         | 13,086         | 8,378          |
| <b>Total current liabilities</b>         |         | <b>51,559</b>  | <b>62,362</b>  |
| <br>                                     |         |                |                |
| <b>EQUITY</b>                            |         |                |                |
| Retained earnings                        |         | 358,624        | 345,829        |
| <b>Total liabilities and equity</b>      |         | <b>410,183</b> | <b>408,191</b> |

*The accompanying notes form an integral part of these financial statements.*

**National Drug Council**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**For the Year ended 30 June 2016**  
**(Stated in Cayman Islands Dollars)**

|   | Notes   | <u>2015/2016</u> | <u>2014/2015</u> |
|---|---------|------------------|------------------|
| <b>General surplus</b>                        |         |                  |                  |
| <b>Revenues</b>                               |         |                  |                  |
| Outputs to Government                         | 2(e), 6 | 552,958          | 552,958          |
| Other Income                                  | 7       | 9,450            | 5,713            |
| <b>Total revenues</b>                         |         | <u>562,408</u>   | <u>558,671</u>   |
| <b>Expenses</b>                               |         |                  |                  |
| Personnel emoluments                          | 8       | 374,342          | 355,423          |
| Rent  | 9       | 66,000           | 66,000           |
| Audit and accounting fees                     | 11      | 20,000           | 23,650           |
| Travelling and subsistence                    | 14      | 19,979           | 23,711           |
| Utilities                                     | 12      | 18,504           | 19,507           |
| Operating maintenance                         |         | 18,345           | 7,197            |
| Grants and contributions – special events     | 15      | 6,447            | 1,000            |
| Supplies and materials                        |         | 6,314            | 4,765            |
| Computer services                             |         | 5,234            | 9,448            |
| Youth development                             | 10      | 4,226            | 9,068            |
| Surveys and other public information projects | 16      | 3,846            | 2,589            |
| Depreciation                                  | 3       | 3,348            | 5,009            |
| Monitoring and evaluation                     | 13      | 3,027            | 23,285           |
| Advertising and promotion                     |         | -                | 6,899            |
| <b>Total expenses</b>                         |         | <u>549,612</u>   | <u>557,551</u>   |
| <b>Net Income for period</b>                  |         | <u>12,796</u>    | <u>1,120</u>     |

*The accompanying notes form an integral part of these financial statements.*



**National Drug Council**  
**STATEMENT OF CHANGES IN NET WORTH**  
**For the Year then ended 30 June 2016**  
**(Stated in Cayman Islands Dollars)**

|   | Note | <u>2015/16</u> | <u>2014/15</u> |
|---|------|----------------|----------------|
| <b>At 01 July 2015</b>                    | 5    | 345,829        | 342,709        |
| Prior year adjustment                     |      | -              | 2,000          |
| <b>Restated Closing balance net worth</b> |      | <u>345,829</u> | <u>344,709</u> |
|   |      | <b>2015/16</b> | <b>2014/15</b> |
| At 01 July 2015 (restated)                |      | 345,829        | 344,709        |
| Net Income for the year                   |      | 12,796         | 1,120          |
| <b>Balance at 30 June 2016</b>            |      | <u>358,625</u> | <u>345,829</u> |

*The accompanying notes form an integral part of these financial statements.*

**National Drug Council**  
**STATEMENT OF CASH FLOWS**  
**For the Year ended 30 June 2016**  
**(Stated in Cayman Islands Dollars)**

|   | Notes | <u>2015/2016</u> | <u>2014/2015</u> |
|---|-------|------------------|------------------|
| <b>Cash Flow From Operating Activities</b>              |       |                  |                  |
| Net surplus from operations after prior year adjustment |       | 12,796           | 1,120            |
| Adjustment for non cash transactions:                   |       |                  |                  |
| Prior Year Adjustments                                  |       | -                | 2,000            |
| Depreciation Expense                                    |       | 3,348            | 5,009            |
|   |       | <u>16,144</u>    | <u>8,129</u>     |
| Adjustments for:  |       |                  |                  |
| Decrease in Receivables and prepaid expenses            |       | 33,457           | 122,099          |
| (Decrease)/ Increase in accounts payable                |       | (20,535)         | 19,793           |
| Decrease in Accrued Vacation                            |       | 3,033            | 8,160            |
| Increase / (Decrease) in Accrued Accounting fees        |       | 1,990            | (8,090)          |
| Increase / (Decrease) in Payroll Liabilities            |       | 4,708            | (5,156)          |
| <b>Net cash from operating activities</b>               |       | <u>22,653</u>    | <u>136,806</u>   |
| <b>Cash Flow From Investing Activity</b>                |       |                  |                  |
| Purchase of fixed assets                                | 3     | (585)            | (1,736)          |
| Net cash (used in) investing activities                 |       | <u>(585)</u>     | <u>(1,736)</u>   |
| <b>Net change in cash and cash equivalents</b>          |       | <u>38,212</u>    | <u>143,199</u>   |
| Cash, beginning of year                                 |       | <u>302,038</u>   | <u>158,839</u>   |
| Cash, end of year                                       |       | <u>340,250</u>   | <u>302,038</u>   |

*The accompanying notes form an integral part of these financial statements.*

**National Drug Council**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

---

**1. Organization**

The National Drug Council (the "NDC") became a statutory body in the Cayman Islands with the passage of the National Drug Council Law, 1997 and began operations on January 1, 1998. Its functions are diverse and include many aspects of coordinating the efforts in the Cayman Islands in respect of drug abuse education, treatment and rehabilitation, to support drug demand and supply reductions programmes; and to provide overall advisory capabilities to the Ministry of Home Affairs ("the Ministry") with the collection of data, coordination of resources and manpower, and reports or laws addressing drug abuse and prevention and rehabilitation. As at 30 June 2016, the NDC had 4 full time employees (2015: 5 employees).

**2. Significant accounting policies**

In conformity with the Public Management & Finance law (2013 revision), the financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Financial Reporting Standards applicable to the public sector have been used. The measurement base applied is historical cost adjusted for revaluations of certain assets. There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will have a significant impact on these financial statements other than enhanced disclosures. These financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented. The financial statements are presented in Cayman Islands dollars and the measurement base applied to these financial statements is the historical cost basis.

Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Operational Segments

The NDC has no operational segments.

**National Drug Council**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

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The significant accounting policies adopted by the Council are as follows:

a) *Use of Estimates*

The preparation of financial statements is in conformity with International Public Sector Accounting Standards that requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

b) *Cash and cash equivalents*

Cash and cash equivalents include amounts due from bank on demand and interest bearing deposits with an original maturity of three months or less. All cash and cash equivalents are held with a bank in the Cayman Islands.

c) *Fixed Assets*

Certain assets are donated and are recognised at their fair value at the time of receipt. Depreciation is calculated on a straight-line basis, based on the opening cost over the estimated useful lives of the purchased or donated assets as follows:

|                       | Purchased Assets<br>Useful Lives |
|-----------------------|----------------------------------|
| Office equipment      | 3                                |
| Office furniture      | 6                                |
| Computer equipment    | 3                                |
| Computer Software     | 3                                |
| Leasehold Improvement | 3                                |

**Disposals**

Gains and losses on disposals of property, plant and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Statement of Financial Performance.



**National Drug Council  
Notes to the Financial Statements  
For the Year ended 30 June 2016**

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*c) Fixed Assets (continued)*

**Impairment**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the period end. Assets that are subject to amortisation are reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value for use in service. The Council has not tested its assets for impairment in the current year.

*d) Deferred grant funds and income*

Donation and grant income received for specific projects are credited to income in periods in which expenses on such projects are incurred.

*e) Outputs to Government*

Government has agreed to purchase certain outputs from the NDC. These outputs include public education and information campaigns, research and statistics, policy advice and Law reform. As the NDC has no other significant source of funding for its operational expense, its ability to continue as a going concern is contingent on this continued support from Government. Output revenue is recognized as income when earned.

*f) Disclosure about Fair value of Financial Instruments*

The National Drug Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognised in the Statement of Financial Position.

**Classification**

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and prepayments.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial instruments comprise of accounts payable and accrued expenses.

**Recognition**

The National Drug Council recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the statements of financial performance.

**National Drug Council  
Notes to the Financial Statements  
For the Year ended 30 June 2016**

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*g) Disclosure about Fair value of Financial Instruments (continued)*

**Measurement**

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

**De-recognition**

A financial asset is de-recognition when National Drug Council realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset.

A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

*h) Foreign Currency Translation*

Revenue and expense transactions involving currencies other than Cayman Islands dollars are translated to Cayman Islands dollars at the exchange rates ruling at the time of those transactions. Assets and liabilities included in these financial statements are translated to Cayman Islands dollars at the rates of exchange prevailing at the balance sheet dates. Gains and losses on exchange are taken to the statement of net surplus and retained earnings.

*i) Budget amounts*

The original and final budget amounts for the financial year are as presented in the 2015/16 Annual Budget Statement and approved by the Legislative Assembly at a sitting on the 19<sup>th</sup> June 2015. Where the Budget is presented in a format that is different from the financial statements, a statement of comparison of budget and actual amounts is included in the financial statements.

*j) Expenses*

Expenses are recognised in the accounting period in which they are incurred.

*k) Operating leases*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property. Lease payments under operating lease, net of lease incentives received, are recognised as expenses on a straight-line basis over the lease term. Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

*l) Cash and Cash Equivalents*

Cash and cash equivalents include cash on hand, cash in-transit and bank accounts with a maturity of no more than three months from the date of acquisition.

**National Drug Council  
Notes to the Financial Statements  
For the Year ended 30 June 2016**

---

*m) Prepayments*

The portion of recognised expenditure paid in advance of receiving services has been recognised as a prepayment and is classified as accounts receivable in these financial statements.

*n) Employee Benefits*

Employee entitlements to salaries and wages, annual leave, time in lieu and other similar benefits are recognised in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the National Drug Council are paid to one agreed Pension Funds provider. Contributions of 5% on behalf of the employees are made to the designated funds by the Council. Employees contribute 5% from their salaries to the funds as well.

Health insurance coverage is paid by the National Drug Council for the employees of the organization. Employees must pay for any dependents covered under the plan

*o) Contingent Liabilities and Assets (including guarantees)*

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realised.

*p) Comparative Figures*

The presentation of the prior year financial statements has been changed to include a comparison of actual amounts with amounts in the original and final budget. Comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

*q) Reporting Period*

The annual reporting period is for the twelve months ended 30 June 2016.

**National Drug Council  
Notes to the Financial Statements  
For the Year ended 30 June 2016**

**3. Fixed Assets**

|   | Office<br>Equipment | Office<br>Furniture | Computer<br>Equipment | Computer<br>Software | Lease<br>Improvements | Total         |
|---|---------------------|---------------------|-----------------------|----------------------|-----------------------|---------------|
| <b>Cost:</b>                              |                     |                     |                       |                      |                       |               |
| Balance at 1 July 2015                    | 41,114              | 35,593              | 38,585                | 19,139               | 24,020                | 158,451       |
| Additions during year                     | -                   | -                   | 585                   | -                    | -                     | 585           |
| Disposal during the year                  | -                   | -                   | -                     | -                    | -                     | -             |
| Balance at 30 June 2016                   | 41,114              | 35,593              | 39,170                | 19,139               | 24,020                | 159,036       |
| <b>Accumulated depreciation:</b>          |                     |                     |                       |                      |                       |               |
| Balance at 1 July 2015                    | 41,114              | 27,325              | 36,611                | 19,139               | 24,020                | 148,209       |
| Depreciation for year                     | -                   | 2,118               | 1,230                 | -                    | -                     | 3,348         |
| Disposal during the year                  | -                   | -                   | -                     | -                    | -                     | -             |
| Balance at 30 June 2016                   | 41,114              | 29,443              | 37,841                | 19,139               | 24,020                | 151,557       |
| <b>Net book value at<br/>30 June 2016</b> | <b>-</b>            | <b>6,150</b>        | <b>1,329</b>          | <b>-</b>             | <b>-</b>              | <b>7,479</b>  |
| <b>Net Book value at<br/>30 June 2015</b> | <b>-</b>            | <b>8,268</b>        | <b>1,974</b>          | <b>-</b>             | <b>-</b>              | <b>10,242</b> |

**4. Account Receivables & Prepaid Expenses**

|                   | 2015/16       | 2014/15       |
|-------------------|---------------|---------------|
| Trade Receivables | 55,466        | 93,939        |
| Prepaid Expenses  | 6,988         | 1,971         |
|                   | <u>62,454</u> | <u>95,911</u> |

Trade receivables relate to outputs supplied to the Ministry for which funds had not been received at 30 June 2016.

**5. Prior Year Adjustments**

Prior year adjustments relate to classification of various expenses, principally audit fee and professional service fee to the correct years.

|                          | 2015/2016 | 2014/2015    |
|--------------------------|-----------|--------------|
| Prior Year Adjustments * | -         | 2,000        |
|                          | <u>-</u>  | <u>2,000</u> |



**National Drug Council**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

**6. Outputs to Government**

|                       | 2015/16 | 2014/15 |
|-----------------------|---------|---------|
| Outputs to Government | 552,958 | 552,958 |
|                       | 552,958 | 552,958 |

NDC output costs relate to outputs supplied in the normal course of business, to the Ministry of Home Affairs, and relate to all expenses for the year based on activity and time spent and takes into consideration supplies and resources.

**7. Donations & Fee Income**

|                        | 2015/16 | 2014/15 |
|------------------------|---------|---------|
| Donations              | 8234    | 3,843   |
| Fee Income             | -       | 637     |
| Gain on Asset Disposal | -       | 1,000   |
| Fundraising activities | 991     | 233     |
| Boardroom rental       | 225     | -       |
|                        | 9,450   | 5,713   |

**8. Personnel emoluments**

|                                    | 2015/16 | 2014/15 |
|------------------------------------|---------|---------|
| Salaries & Wages                   | 314,548 | 306,210 |
| Medical Insurance                  | 25,448  | 26,286  |
| Pension                            | 15,727  | 15,235  |
| Accrued Time off in Lieu           | 4,708   | (5,156) |
| Motor Car Allowance                | 4,475   | 4,688   |
| Movement in annual leave provision | 3,033   | 8,160   |
| Bonus                              | 6,403   | -       |
|                                    | 374,342 | 355,423 |

The NDC participates in a defined contribution plan. Contributions of 5% are made by the employee and matched by the employer as required under the National Pensions Law. Health insurance is also paid on behalf of the employees.

During the ordinary course of its business, staff may perform duties beyond their normal working hours. Employees who accumulate any such time are allowed to recover it in subsequent periods when they are not busy. The Council Policy now states that a maximum of 187.50 hours (5days) can be taken over to the next annual year but must be used within the first quarter of that annual year or it will be written off.

**9. Rental expense & Future Commitments**

On 1st November 2007, the NDC entered into a three-year lease agreement with Orville Williams for the premises at Caymanian Village for \$5,500 per month, due to sale of property on 6<sup>th</sup> April 2015 the NDC entered into an agreement with International Logistics and Consulting LLC ( c/o Meri Tarlova ).The terms and conditions along with the monthly cost remained the same. The lease expires on the 5<sup>th</sup> April 2020.

**National Drug Council**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

**10. Youth Development**

Youth to Youth is a youth empowerment movement seeks to help youth develop leadership skills while creatively promoting a drug-free lifestyle. There was an active chapter of the movement in the Cayman Islands back in the 1990s, but the programme was dormant for almost ten years. In 2013 the NDC reintroduced the movement to the youth of the Cayman Islands.

Portions of the Government grant income have been made to support the following Youth Development projects:

|                | 2015/16      | 2014/15      |
|----------------|--------------|--------------|
| Peer Mentor    | -            | 1,056        |
| Youth to Youth | 4,226        | 8,012        |
|                | <u>4,226</u> | <u>9,068</u> |

**11. Audit & Accounting fees**

The fees relate to statutory audit fee and professional accountancy services.

**12. Utilities**

|             | 2015/16       | 2014/15       |
|-------------|---------------|---------------|
| Electricity | 7,250         | 8,554         |
| Telephone   | 10,904        | 10,604        |
| Water       | 350           | 349           |
|             | <u>18,504</u> | <u>19,507</u> |

**13. Monitoring and Evaluation**

Portions of the Government grant income have been made to support the following significant Monitoring and Evaluation projects:

|                                 | 2015/16      | 2014/15       |
|---------------------------------|--------------|---------------|
| Policy Development and Advocacy | 3,027        | 23,285        |
| Cayman Against Substance Abuse  | -            | -             |
|                                 | <u>3,027</u> | <u>23,285</u> |

**14. Travelling and Subsistence**

Portions of the Government grant income have been made to support the following significant Travelling and Subsistence events:

|                             | 2015/16       | 2014/15       |
|-----------------------------|---------------|---------------|
| Travel expense              | 9,191         | 15,303        |
| Executive Director Training | 6,592         | 6,853         |
| Research officer Training   | 3,387         | 225           |
| Prevention Officer Training | 409           | -             |
| Administrative Training     | 250           | 550           |
| Programme Manager Training  | 150           | 231           |
| Staff Development           | -             | 549           |
|                             | <u>19,979</u> | <u>23,711</u> |

**National Drug Council**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

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**15. Grants & Contributions – Special events**

A portion of the Government purchases of outputs and public contributions have been made to support the following significant special events:

|                   | 2015/16 | 2014/15 |
|-------------------|---------|---------|
| Purple Ribbon Bus | 6,447   | 1,000   |
|                   | 6,447   | 1,000   |

**16. Surveys and other public information projects**

Portions of the Government grant income and public contributions have been made to support the following significant surveys and other public information projects:

|                         | 2015/16 | 2014/15 |
|-------------------------|---------|---------|
| Census and Surveys      | 2,052   | 656     |
| SPSS Expense            | 996     | 1,019   |
| Teleform                | 798     | 806     |
| TIPS                    | -       | 108     |
| PIC – Alcohol & Tobacco | -       | -       |
| Total                   | 3,846   | 2,589   |

**17. Related parties**

The NDC is a statutory body of the Government of the Cayman Islands. The Council is economically dependent upon the Ministry for the purchase of its services in accordance with the purchase agreement with Government. For the year ended 30 June 2016, the Council billed \$552,958 (2015: \$552,958) to the Government for services sold, while the NDC exceeded the outputs by a total of \$92,068 the final billed amount was billed in accordance with the Purchase Agreement.

Key Management Personnel

There is one full time personnel on an open ended employment agreement that is considered to be at the senior management level. The total remuneration includes: regular salary, pension contribution and health insurance contribution. The pension and health insurance benefits provided to key management personnel are the same to those provided for all employees. Total remuneration in 2016 for senior management was approximately \$110,000 (2015 \$105,000).

Governing Council members

There are 12 members that make up the NDC Governing Council. No stipend is paid to any of the members.

**18. Contingent Liabilities**

**Labour Dispute**

Ms. Catherine Chestnut by letter dated 6 March 2007 resigned from her position as National Drug Coordinator and on 28 May 2007 lodged a complaint with the Labour Board alleging that she had been constructively dismissed and claiming CI\$ 48,559, being statutory compensation for alleged unfair dismissal, statutory severance pay, accrued holiday pay, unpaid salary and one month's pay in lieu of notice. Ms. Chestnut's allegation that she was constructively dismissed is not accepted by the National Drug Council, who accordingly lodged a reply with the Director of Labour dated 21 June 2007 maintaining that Ms. Chestnut resigned her position and is owed nothing. A letter dated March 4th 2008 indicated that the hearing that was scheduled for March 17th 2008 was postponed. To date, the Director of Labour has yet to indicate the new date when this matter will go to hearing.

**19. Other Disclosures**

**Suspected Fraud**

During the year 2011/12, management became aware of suspicious activity relating to its cash balances. Specifically, an amount of around CI\$ 5,500 had been misappropriated from its bank accounts. A further unquantified amount had been misappropriated through fraudulent time booking leading to wage overpayment to a former employee. The matter is under investigation with the Courts and management awaits its conclusion

**20. Currency and Interest Risk**

The NDC has no significant exposure to currency exchange loss risk and interest risk.

**21. Credit Risk**

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The credit risk of the NDC's assets is not considered significant since all the deposits are placed with highly reputable institutions in the Cayman Islands and receivables are owed to NDC by the Cayman Islands Government.



**National Drug Council**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**For the Year ended 30 June 2016**  
**(Stated in Cayman Islands Dollars)**

|  |    | 2015/2016<br>Actual | 2015/2016<br>Budget | Variances      |
|--|----|---------------------|---------------------|----------------|
| <b>General surplus:</b>                      |    |                     |                     |                |
| <b>Revenues</b>                              |    |                     |                     |                |
| Outputs to Government                        |    | 552,958             | 552,958             | -              |
| Other Income                                 | 1  | 9,450               | 6,500               | 2,950          |
| <b>Total revenues</b>                        |    | <u>562,408</u>      | <u>559,458</u>      | <u>2,950</u>   |
| <b>Expenses</b>                              |    |                     |                     |                |
| Personnel emoluments                         | 2  | 374,342             | 393,974             | (19,632)       |
| Rent   |    | 66,000              | 66,000              | -              |
| Prevention Surveys Monitoring and Evaluation | 3  | 17,546              | 31,668              | (14,122)       |
| Travelling and Subsistence                   | 4  | 19,979              | 12,950              | 7,029          |
| Audit and accounting fees                    | 11 | 20,000              | 16,500              | 3,500          |
| Utilities                                    |    | 18,504              | 20,917              | (2,413)        |
| Computers                                    |    | 5,234               | -                   | 5,234          |
| Operating maintenance                        | 7  | 18,345              | 9,375               | 8,970          |
| Depreciation                                 |    | 3,348               | 2,574               | 774            |
| Supplies & Materials                         |    | 6,314               | 5,500               | 814            |
|  |    | <u>549,612</u>      | <u>559,458</u>      | <u>(9,846)</u> |
| <b>Net Income for period</b>                 |    | <u>12,796</u>       | <u>-</u>            | <u>12,796</u>  |

**National Drug Council**  
**STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS**  
**As at 30 June 2016**  
**(Stated in Cayman Islands Dollars)**

|   |    | 2015/2016<br>Actual | 2015/16<br>Budget | Variances |
|---|----|---------------------|-------------------|-----------|
| <b>ASSETS</b>                               |    |                     |                   |           |
| <b>Current Assets</b>                       |    |                     |                   |           |
| Cash and cash equivalents                   | 8  | 340,250             | 191,852           | 148,398   |
| Prepaid expenses and other receivables      | 9  | 62,454              | 160,172           | (97,718)  |
| <b>Total current assets</b>                 |    | <u>402,704</u>      | <u>352,024</u>    | 50,680    |
| Fixed assets                                | 10 | 7,479               | 6,343             | 1,136     |
| <b>Total assets</b>                         |    | <u>410,183</u>      | <u>358,367</u>    | 51,816    |
| <b>LIABILITIES AND EQUITY</b>               |    |                     |                   |           |
| <b>Current Liabilities</b>                  |    |                     |                   |           |
| Accounts Payable                            | 11 | 4,686               | 5,428             | (742)     |
| Accrued Vacation                            | 12 | 19,427              | 11,169            | 8,258     |
| Accrued Audit Fees                          | 13 | 10,000              | 10,000            | -         |
| Time off in Lieu                            | 14 | 13,086              | 6,759             | 6,327     |
| Accrued Accounting Fess                     |    | 4,360               | 1,741             | 2,619     |
| <b>Total current liabilities</b>            |    | <u>51,559</u>       | <u>35,097</u>     | 16,462    |
| <b>EQUITY</b>                               |    |                     |                   |           |
| Retained earnings                           |    | 358,624             | 336,009           | 22,615    |
| Profit & Loss for the year                  |    | -                   | -                 | -         |
| <b>Total current liabilities and equity</b> |    | <u>410,183</u>      | <u>358,367</u>    | 51,816    |

**National Drug Council**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**  
**Statement of Comparison between Actual and Budget**

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1. Other Income (over by \$ 2,950) - Donations and fundraising events exceeded budgeted amounts.
2. Personnel emoluments variance (under by \$19,632) – Due to changes in the staffing levels during this financial year there were positions vacant for a period of time.
3. Prevention Surveys Monitoring and Evaluation and other public information projects variance (under by \$14,122) – Volunteers were used in the administration of the surveys which allowed for reducing the cost of this line item. Monitoring and evaluation project was undertaken by the Director as part of certification in evaluation development. The funds were utilised from this area to support training.
4. Travelling and Subsistence (over by \$7,029) – The Director completed a Certificate in Evaluation programme which allows for increased capacity at the NDC.
5. Utilities (under by \$ 2,413) – The NDC continues to seek methods to reduce overheads and has practices in place for A/C controls as well as turning off lights in non-essential areas.
6. Audit and Accounting Fees variance (over by \$3,500) – In the absence of the Operations Administrator there was an increase use of services by an external accounting agency.
7. Operating Maintenance variance (over by \$8,970) – The Cayman Islands Student Drug Use Survey (CISDUS) was conducted in 2016 and due to the need for additional printing supplies (paper, ink, maintenance and servicing) to administer the survey to almost 3,000 students this line item was increased. External printing would have cost more than twice the cost of the consumable utilised.
8. Cash and Cash equivalents (over by 148,398) – Changes in staffing levels reduced the overall budget for salaries, pension and health. Limited staffing also did not allow for increasing some of the areas of programming and the necessary supplies.
9. Prepaid Expenses and Other Receivables (under by 97,718) – The NDC completed and invoiced for services delivered to the CI Government earlier in the fiscal year than at year end as expected.
10. Fixed Assets (over by 1,136) – Increase due to additions in 2015/16.
11. Accounts Payable (under by 742) – All efforts were made to ensure that all invoices were received by the organisation by close of fiscal year to ensure timely payments to vendors.
12. Accrued Vacation (over by \$8,258) – While leave has been applied for and approved for the year, as the NDC operates on a calendar year ( and not the fiscal year) for the purposes of leave this figure represents leave which has not been taken at 30th June 2016.
13. Time of In Lieu (over by \$6,327) – Due to staff shortages and demands of services for the NDC there has been an increased accrual of comp time as staff have needed to work

**National Drug Council**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**  
**Statement of Comparison between Actual and Budget**

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14. Additional hours to ensure the effective operations of the organisation, programming and services are delivered.



