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# Annual Report

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#17 Caymanian Village



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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 1<sup>st</sup> January to 31<sup>st</sup> December 2020.

The participation of our volunteers, stakeholders and partners has been critical to the continued growth and development and I am pleased with the progress made in providing such vital services to our communities.

I want to take this opportunity, on behalf of the Board, thank our partners in the public and private sectors who has supported the NDC throughout this past year and we look forward to a successful 2021 as we continue to progress the goals of the NDC.

Sincerely,

Mrs. Dorothy Scott  
Chairman, NDC

## Message from the Acting Director

The National Drug Council (NDC) wishes to thank our stakeholders, friends, colleagues, sponsors, and partners for making 2020 a remarkable year through your continued 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 450 presentations having been conducted to thousands of participants on issues of alcohol, tobacco, and other drugs.



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 22<sup>nd</sup> year, the eleventh cycle of The Cayman Islands Student Drug Use Survey (CISDUS) saw the highest student participation rate to date. CISDUS is aimed at describing the extent and patterns of alcohol, tobacco and other drugs contributing to a better understanding of both current and changing rates of alcohol, tobacco, and other drugs of abuse.

It is with great anticipation that the NDC looks forward to its continued growth and development all of which is not possible without continued support.

Warmest Regards,

A handwritten signature in black ink, which appears to read 'Brenda Watson'. The signature is fluid and cursive.

**Brenda Watson**  
Programme Manger  
(Acting Director)

# 2020 HIGHLIGHTS

## Strategic Highlights

- ▶ The Cayman Brac National Drug Council office was officially re-opened and provides full-time services to the Cayman Brac population.
- ▶ In its 11<sup>th</sup> cycle, the Cayman Islands Student Drug Use Survey (CISDUS) was conducted and provided an opportunity to expand its support to key stakeholders and included for a second cycle a focus on mental health.

## Financial Highlights

- ▶ Through fundraising, private sector support and commitment, the NDC received CI \$14,117 in 2020 which was primarily used to support youth initiatives as well as the 20<sup>th</sup> annual Arrive Alive Campaign formerly known as the Designated Driver & Purple Ribbon Bus.

## Operating Highlights

- ▶ Launch of Youth to Youth Junior (Y2Y Jr) for primary schools
- ▶ Re-launched Youth to Youth in Cayman Brac
- ▶ Launched 1<sup>st</sup> annual virtual Youth to Youth (Y2Y) Local Conference
- ▶ Conducted the 10<sup>th</sup> National Drugs and Alcohol Facts Month (NDAFM) with the inclusion of a Shattering the Myths “Chat Day” featuring a panel of experts.
- ▶ Increased the number of participants in CISDUS by engaging with additional schools/facilities.
- ▶ Further developed the survey reporting to increase usability.

*Approximately 500 presentations were conducted between schools and the community in 2020.*

## Looking Ahead - 2021

- ▶ Address NDC legislation to provide for support to the functions of the organisation.
- ▶ Increase our private partnerships in education and the business sector.
- ▶ Development of a comprehensive prevention and education component to substance abuse.

# 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 (2010 Revision)

# Our People

## THE BOARD - (COUNCIL MEMBERS)

as at December 31<sup>st</sup> 2020

**Mrs. Dorothy Crumbley**, Chairman

**Rev. Yvette Noble-Bloomfield**, Vice-Chairman

**Dr. Susanne Neita**, Member

**Mr. Richard Christian**, Member

**Dr. Francisco Martinez-Saborido**, Member

**Ms. Kirsten Whitley**, Member

**Mrs. Patsy Cotterell**, Member

**Mr. Greg Miller**, Member

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

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

**Chief Officer**, Ministry of Education, Youth, Sports, Agriculture, and Lands, Ex-Officio

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

**Commissioner of Police**, Ex-Officio

**NDC Coordinator, Mrs. Brenda Watson**, Ex-Officio

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## OUR STAFF

as at December 31<sup>st</sup> 2020

**Brenda Watson**, Programme Manager (Acting Director), employed since January 2014

**Simon Miller**, Prevention Specialist, employed since June 2000

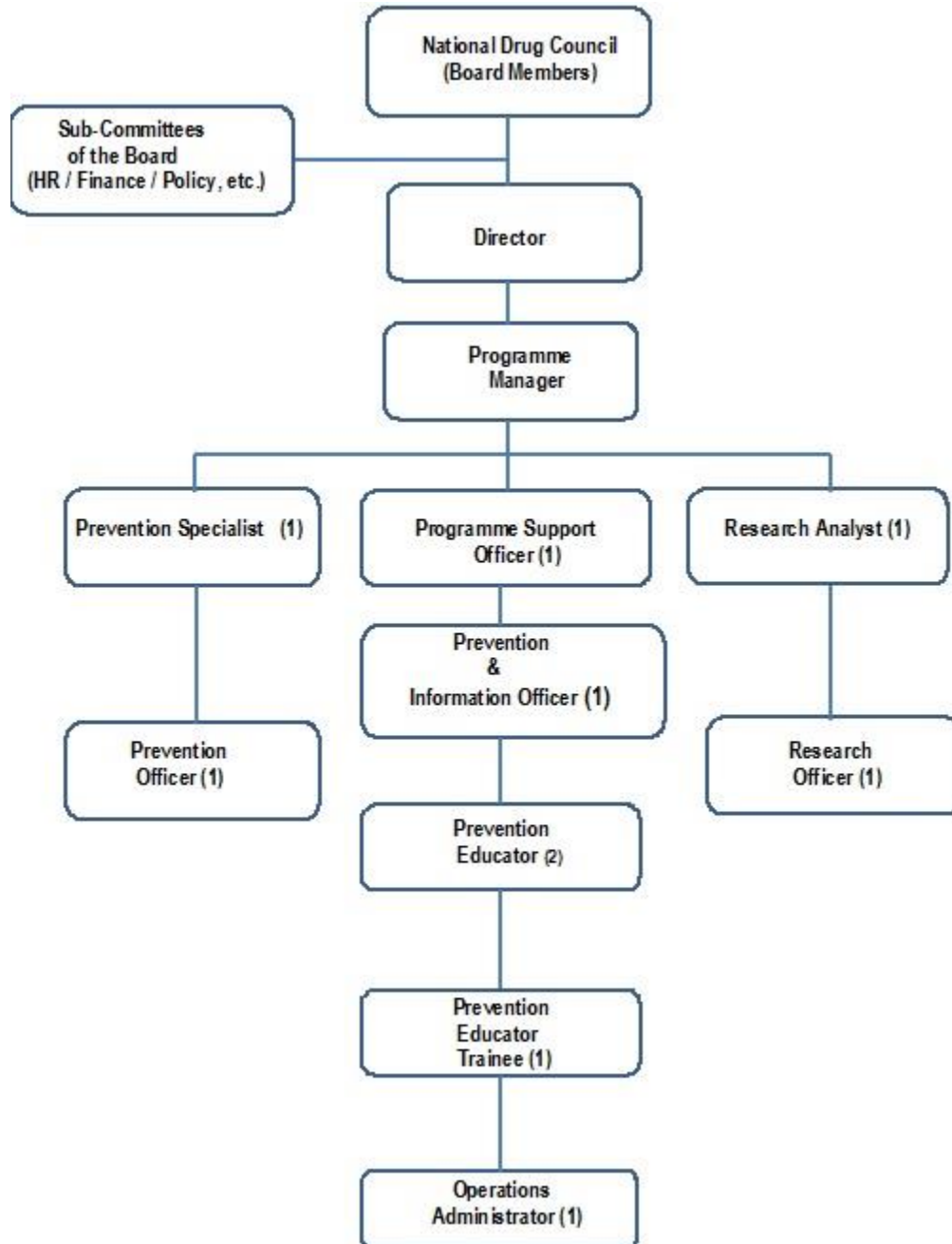
**Delisa Hernandez**, Prevention Officer, employed since August 2019

**Ivan Mclean**, Prevention & Information Officer, employed since August 2019

**Shaneeka Taylor**, Prevention Educator (GCM), employed since August 2019

**Keino Daley**, Prevention Educator (CB), employed since August 2020

## ORGANISATIONAL CHART



*The NDC team is completely compiled of Caymanians with the required qualifications for their positions. Ongoing training occurs at local, regional and international forums to ensure professional development and the organisations ability to ensure best practices in its activities.*



# OUR EFFORTS

## POLICY

Policy advocacy and development continues to be a key factor for the National Drug Council. In 2020 the NDC continued its advocacy for the revision of the relevant legislative changes and for the support to training of staff who sell and serve alcohol through Training for Intervention Procedures (TiPS). Proven effective by third-party studies, TiPS is a skills-based training program designed to prevent intoxication, underage drinking, and drunk driving. Over the past 35 years, TiPS has certified more than 5 million participants and trainers. TiPS training is conducted in all 50 states, the District of Columbia, and in over 50 different countries. In 2020 we provided feedback to policies as they relate to the Tobacco Law, 2008 as it relates to our students and communities. E-cigarettes produce an aerosol by heating a liquid that usually contains nicotine—the addictive drug in regular cigarettes, cigars, and other tobacco products—flavourings, and other chemicals that help to make the aerosol. Users inhale this aerosol into their lungs. Bystanders can also breathe in this aerosol when the user exhales into the air. It is difficult for consumers to know what e-cigarette products contain. For example, some e-cigarettes marketed as containing zero percent nicotine have been found to contain nicotine<sup>1</sup>. E-cigarette aerosol can contain chemicals that are harmful to the lungs and youth e-cigarette use is associated with the use of other tobacco products, including cigarettes.



POLICY

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<sup>1</sup> US Department of Health and Human Services. [E-cigarette use among youth and young adults: a report of the Surgeon General](#) [PDF-8.47 MB]. Atlanta, GA: US Department of Health and Human Services, CDC; 2016.

## PREVENTION & EDUCATION

Prevention and education are key factors of our efforts at the NDC and are delivered through the provision of presentations to students, parents, teachers, the community and special interest groups in Grand Cayman and Cayman Brac upon request. While programming has been focused on students in the high school, there has been an increase in requests for programming to extend to students in the primary school. The NDC developed a primary curriculum for years K-6 with an emphasis on overall health and wellbeing and offer a Parents as Preventers 4-part workshop which encompasses key principals for preventing substance use, misuse and addiction.

In 2020, the NDC provided just over 450 presentations delivering information on the harmful effects of alcohol, tobacco and other drugs on our brains, bodies, families and the communities in which we live.

### **Participating schools:**

- University College of the Cayman Islands
- Cayman Island Further Education Centre
- John Gray High School
- Clifton Hunter High School
- Layman Scott High School
- Cornerstones Secondary Inclusion Unit
- Steppingstones Primary Inclusion Unit
- Cayman Prep & High School
- Cayman Academy
- George Town Primary
- East End Primary School
- Prospect Primary School
- West End Primary
- Spot Bay Primary

### Agencies, Groups and Community-Based presentations included:

- Cayman Islands Youth Development Consortium
- Boys to Men
- Emslie Memorial United Church – Youth Group
- Family Resource Centre (FRC)
- Her Majesty Cayman Islands Prison Services (HMCIPS)-  
Northward
- Caribbean Haven
- Francis Bodden Girls' Home
- Bonaventure Boys Home
- Department of Children & Family Services
- ST. Ignatius Catholic Church – Outreach Group
- ST. Vincent De Paul – Outreach Group
- YMCA Cayman Islands



### Enhancing Community Partnerships:

The NDC has been instrumental in helping students achieve the required hours through:

- Making referrals to stakeholders,
- Strengthening community partnership with Royal Cayman Islands Police Service (RCIPS) to with increase reports of students with substance abuse and behavioural issues,
- Increasing student involvement for National and Alcohol Facts Month activities
- Assisting year 11 boys who displayed challenging behaviours with acquiring the required community service hours prior to graduation.
- Expansion of services in behavioural modification intervention (BMI).



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Drug

## Programme and curriculum development included:

- Research and curriculum development of trending topics related to prevention (Vape Pens, e-cigarettes, infused cannabis, subliminal advertising, marijuana legalisation, medical marijuana, etc).
- Implementation of vaping modules and session plans for School Based Drug Prevention.
- Curriculum development and implementation of CODE – using their platform to lead, motivate and inspire their (prefects, peer counselors, and student councils).
- Expanded services in the area of behavioural modification to schools who experiencing behaviour issues from young males.
- Expanded services to schools who were experiencing behaviour issues from young females.
- Designed a Pre-Assessment tool to determine adolescents' attitude towards drug use.
- Developed NDC Year-Round Tips to be included in the Cayman Parent Magazine.
- Developed and facilitated an interactive drug education activity educating adolescents on the science and related consequences of licit and illicit substances.
- Expansion of Phase 6 for Adults [Media, Visual 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.

EARLY  
ELEMENTARY  
Yr. 4

DRUG AWARENESS &  
PREVENTION  
EDUCATION



peers

were



*Teaching people of all ages to respect and take better care of themselves in order to live longer, healthier lives.*



## Youth 2 Youth (Y2Y)

### Creating Positive Change!

Youth to Youth, founded in Columbus Ohio in 1982, is a community-drug prevention and youth leadership program focusing primarily on middle school and high school students. The primary goal of Youth to Youth is to harness the powerful influence of peer pressure making it a positive force that encourages young people to live free of alcohol, tobacco, and other drugs. Youth to Youth also encourages personal growth, presents techniques for teens to change their own environments, while providing alternatives to drug use.



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In 2020, there were three Y2Y groups between Grand Cayman and Cayman Brac. There continues to be an increase in numbers of teen participants to which we attribute this growth to the NDC's continued partnership with the local YMCA chapter in offering our programme as an "Afterschool" activity.



The youth have also participated in community-based activities in 2020 including:

- Hosted a booth at the annual school career fairs at Clifton Hunter High School, John Gray High School, and the Bodden Town Primary School.
- Participated in volunteer activities.
- Y2Y Local Conference
- Y2Y International's virtual Conference



Youth to Youth also serves as a leadership building group and thus employs a Youth Advisory Board (YAB) as a method to further develop leadership skills. The YAB works to promote Youth to Youth's mission and educate their peers on the dangers of alcohol, tobacco, and other drugs. YAB teens serve as a link between the youth, their schools and the community and is a place for our teens to express ideas and opinions while building their leadership skills.







## Youth 2 Youth (Y2Y) Day Camp (Cayman Brac)

In 2020, a one-day camp for teens was held as an official relaunch of the Y2Y programme in Cayman Brac noting the attendance of approximately 19 teens. The event was hosted by Y2Y and led by the Y2Y adult leaders and YAB members and included icebreakers, energizers and games which give the teens an opportunity to learn about Y2Y and sign up.



## Youth 2 Youth Junior (Y2Y Jr.) (Grand Cayman and Cayman Brac)

Following Youth to Youth's mission of empowering youth to "create positive change together" we established a primary school chapter for students in grades 5 and 6 giving them an opportunity to be a part of something positive and fun. Y2Y Jr. is an afterschool club offered through the YMCA Extended After School Program. The aim of the Y2Y Jr. is to build character, social and leadership skills through games and activities, giving children a productive and safe outlet.



## CAYMAN ISLANDS NATIONAL DRUGS & ALCOHOL FACTS WEEK ACTIVITIES



**National Drug and Alcohol Facts Month** (NDAFM) links students with scientists and other experts to counteract the myths about drugs and alcohol that teens get from the internet, TV, movies, music, or from friends. It was launched in 2010 by scientists at the National Institute on Drug Abuse (NIDA) to stimulate educational events in communities so that teens can learn about what science has taught us about drug abuse and

addiction.

The NDC partnered with DMS Broadcasting to promote the 10th anniversary of the global campaign “National Drug and Alcohol Facts Week”. The aim is for teens to get factual science-based information which will inspire and encourage critical thinking for making informed decisions about drug use and their health.

Campaign Launch: registered with NIDA and recognised internationally are geared to Public and Private Schools – Commencement date March 1<sup>st</sup>, 2020 with the following:

- Decorate-A-Door – Incorporating of Art and Health education (Primary)
- Teen Competitions – “Shattering the Myths” (Secondary) through a TikTok Contest, Poster Competition, and Battle of the Canvasses Art Competition
- ND&AFW Drug Chat Day with a panel of professionals/experts geared towards answering the questions teens have and as well as equipping parents with prevention information.
- Street Challenge: Y2Y Teens will interview citizens to test their Drug IQ.
- Public Service Announcements aired in March and April.



## ALCOHOL AWARENESS MONTH

Alcohol Awareness Month provides a focused opportunity to increase awareness and understanding of alcohol addiction, its causes, effective treatment, and recovery. It is an opportunity to decrease stigma and misunderstandings to dismantle the barriers to treatment and recovery, and thus make seeking help more readily available to those who suffer from this disease. The theme — **“Connecting the Dots: Opportunities for Recovery.”**— is aimed at educating people about the prevention and treatment of alcohol addiction, particularly among our youth, and the important role that parents can play in giving kids a better understanding of the impact that alcohol can have on their lives.



## ALCOHOL AWARENESS MONTH

During this awareness campaign the NDC arranged with Radio Cayman, continued daily Alcohol Awareness messages throughout the month of April. Using Facebook, NDC issued an NDC-Aware Pamphlet on Tips for Dealing with "Stress - Drinking" or Alcoholism and circulated on the NDC website & social media pages. A motion graphic video was created and circulated in addition to promoting a Wellness Webinar, on Re-Building your coping skills.

## INTERNATIONAL DAY AGAINST DRUG ABUSE AND ILLICIT TRAFFICKING



The United Nations General Assembly in 1987 decided to observe 26 June as the International Day against Drug Abuse and Illicit Trafficking as an expression of its determination to strengthen action and cooperation to achieve the goal of an international society free of drug abuse. This year's theme **“Better Knowledge for Better Care”**. The field of addressing the drug problem has been 'plagued' by

misinformation of many kinds. This year's theme aims at improving the understanding of the world drug problem and at fostering greater international cooperation for countering its impact on health, governance and security and allowed us the opportunity to highlight our collaborative efforts in sharing the message on our platforms.



## #ARRIVEALIVE345 CAMPAIGN



The Designated Driver (DD) and Purple Ribbon Bus (PRB) programmes, originally launched by NDC in 2000 are proudly celebrating 20 years of keeping the Cayman community safe during the holiday season.

Hurley's Media and the National Drug Council teamed up once again in 2020 to bring Cayman Arrive Alive 345, a campaign created to promote safe driving and reduce road incidents through heightening an awareness of the dangers associated with the overindulgence or abuse of alcoholic beverages during the holiday season.

The campaign, dubbed as NDC'S most extensive proactive anti-drink driving campaign, combines three initiatives, the Purple Ribbon Pledge, the Designated Driver programme and the Purple Ribbon Bus.

### Highlights include:

- 4,000 purple ribbon magnets were distributed
- 95 restaurants across Grand Cayman and Cayman Brac participated in the Designated Driver programme
- 2,142 people in Grand Cayman and 20 in Cayman Brac rode the Purple Ribbon Busses

The success of this campaign is attributed to the enormous amount of support from the community. The NDC would like to recognise the following sponsors and partners for their generous contributions to the campaign: Jacques Scott, CG Britcay, Island Electronics, Blackbeards, Security Centre, Kirk Motors Napa, Davenport, Pestkil, CIBC First Caribbean, National Roads Authority, DART, Flex, CTMH Doctors Hospital, CUC, Rubis, Starbucks and CEL and in partnership with the Royal Cayman Islands Police Service (RCIPS).

# RESEARCH & INFORMATION

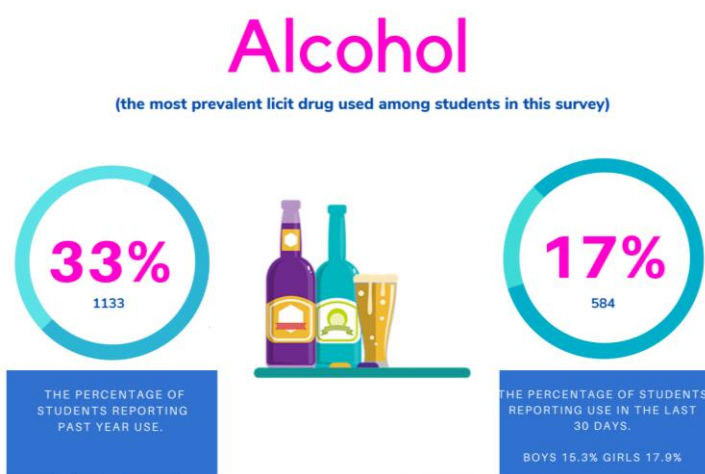
The NDC continuously seeks to initiate and support research in the area of substance use, misuse and abuse geared at garnering information that will inform programmes and policies. The NDC designs and administers surveys, conducts the data analysis, and writes the reports, using methodology in line with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

The Cayman Islands Student Drug Use Surveys (CISDUS) involved all students in years seven (7) through twelve (12), attending public and private schools in Grand Cayman and Cayman Brac. In total 3,478 students completed the self-administered questionnaire. Seventeen high schools in the Cayman Islands participated in 2020. Of the 3,485 (approximately) enrolled students, 3,478 completed questionnaires at a participation rate of 99%. Alcohol remained the most commonly reported drug used by adolescents in the Cayman Islands according to the Student Drug Use Survey.

## Alcohol

The survey average for lifetime alcohol use was 44.4% (table 6). The lifetime prevalence among the district ranged from 41.1-47.7%. The highest rate of lifetime alcohol prevalence (>44.4%) was found in West Bay (47.7%). All other districts reported rates below the survey average.

The lifetime average for boys was 43.6% and for girls 45%. This difference was however not statistically significant. A higher proportion for girls than boys was found in all districts except for George Town and North Side. Large differences between girls and boys were observed in East End (48.1% for girls versus 36.6% for boys; a 11.5 percentage points difference) and Cayman Brac (47.7% versus 35.1%; a 12.6 percentage points difference).

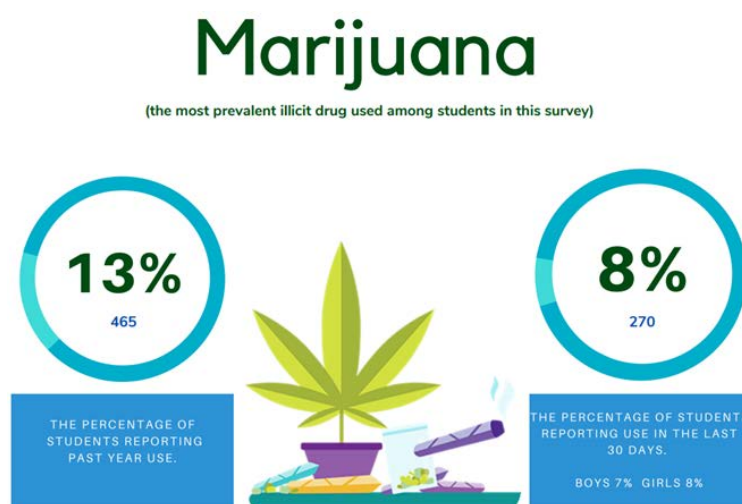


Alcohol use is an excellent place to start screening for risky health behaviours for two main reasons. First, whether parents or teachers, talking with adolescents about alcohol has the potential to save lives. Drinking is associated with three top causes of death among adolescents, the first being unintentional injury, usually by car crashes, followed by homicide and suicide (CDC, 2008). Second, starting with questions about drinking can help you determine whether asking questions about other risk behaviours is a high priority. Alcohol is the drug used by the greatest number of students in this survey and for many young people it is also the first substance they try (have access to). Youth who don't use alcohol are unlikely to use any other substances, whereas youth who are heavily involved with alcohol are at increased risk for using other substances and for other risk-taking behaviours<sup>2</sup>.

## Marijuana

The most prevalent illicit drug reported in the survey is marijuana. On average, 16.5% of the students have used marijuana at least once in their lifetime (Table 6). The district with the highest lifetime prevalence of marijuana use was West Bay (21.2%). Some 14-21% of students in all districts reported having used marijuana at least once in their lifetime. The lowest levels of marijuana use (14.1%) was reported for East End.

On average, girls reported significantly higher proportions of lifetime use than boys (17.3% versus 14.7%) -  $\chi^2=4.62$ ,  $p=.031$ . This was the case in five of the six districts with exception being West Bay - boys (21.3%) versus girls (20.5%). A notable higher proportion of girls in Cayman Brac reported lifetime use compared to boys (girls, 26.2% versus 10.5% - 15.7pp difference).



<sup>2</sup> <https://pubs.niaaa.nih.gov/publications/Practitioner/YouthGuide/YouthGuide.pdf>. Alcohol Screening and Brief Intervention for Youth: A Practitioner's Guide. National Institute on Alcohol Abuse and Alcoholism (NIAAA)

## E-Cigarettes

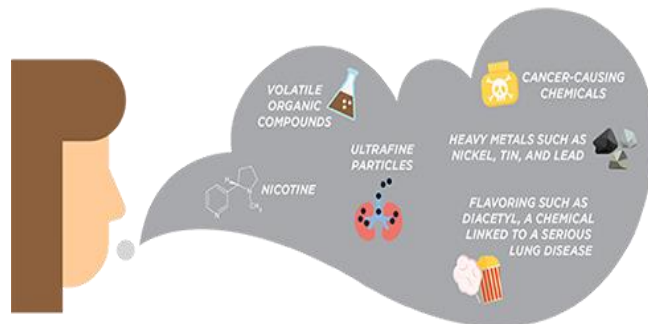
Overall lifetime prevalence of e-cigarettes was 29% - a little more than one in three students reported having tried cigarettes. Rates of e-cigarette smoking within the districts ranged between 26.3% and 35.4% (Table 6). In all but two districts, 29% or more of the students had tried smoking e-cigarettes at least once. The highest prevalence rates were found in the districts of East End (35.4%), followed by Cayman Brac (30.8%) and West Bay (30.6%). North Side reported the lowest prevalence (26.3%).

## E-cigarettes



The average lifetime prevalence of e-cigarette smoking was not dis-similar among boys and girls - boys (28.8%) and girls (28.5%), table 9. Across districts, girls were as likely as boys to have tried e-cigarettes. The three districts where girls reported a slightly higher prevalence than boys were Cayman Brac (30.8% versus 28.1%), West Bay (33.2% versus 28.2%), and East End (36.5% versus 31.7%). District with the largest gender difference was North Side (5.7pp - 27% for boys versus 21.3% for girls).

It is important to pay attention to the high prevalence of e-cigarettes use reported in this survey. E-cigarette aerosol can contain chemicals that are harmful to the lungs and youth e-cigarette use is associated with the use of other tobacco products, including cigarettes.



# Significant Changes

	2018		2020
ALCOHOL	45.1%	↓	-28%
E-CIGARETTES	22.2%	↓	-7%
MARIJUANA	22%	↓	-39%
CIGARETTES	6.7%	↓	-28%

Youth drinking, smoking, and drug use are continuously changing. Through ongoing monitoring and evaluation, we can gauge the effects of policies, prevention education programming and campaign objectives have been achieved. The role of education institutions, Ministry of Health, counselling services and other stakeholders involved in the process is notable as they provide support in policy making, counselling and education and prevention programming.

While the majority of youth continue to choose not to use alcohol, tobacco, and drugs, we should not dismiss the advantages of implementing prevention and education programmes and campaigns with the aim of providing support to students who are not using substances in maintaining a healthy lifestyle as well as for those students that consume these substances to educate and support them in discontinuing use and aiding them in making healthy decisions about substances use.

Reduction of access to Alcohol (teens continually report alcohol purchases from various type of liquor establishments) through regulations such as enforcing minimum age laws, restrictions on marketing, and with the implementation of a mandatory server training, Training for Intervention ProcedureS (TiPS) can reduce substance use among youth.

## MONITORING & EVALUATION

**Evaluation** is a systematic determination of a subject's merit, worth and significance, using criteria governed by a set of standards. It can assist an organisation, programme, project or any other intervention or initiative to assess any aim, realisable concept/proposal, or any alternative, to help in decision-making; or to ascertain the degree of achievement or value regarding the aim and objectives and results of any such action that has been completed. The primary purpose of evaluation, in addition to gaining insight into prior or existing initiatives, is to enable reflection and assist in the identification of future change.

# Management Discussion & Analysis

## Challenges

The NDC continues to face the same challenges and limitations as in previous years which include:

1. **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.**
2. **Lack of an effective and defined legislative framework** to provide the NDC with the ability to function successfully. Current legislation does not support the NDC's activities or **reflect the advancement of the organisation's oversight role** for demand and supply reduction efforts in the Cayman Islands.
  - a. Areas to address in the legislation to improve functioning of the organisation include, but are not limited to:
    - i. Facilitate the collection of national data.
    - ii. Review the composition of the board.
    - iii. Reassess the functions as dictated in the law.
    - iv. Provide for the coordination of DEMAND and SUPPLY reduction efforts in the Cayman Islands.
    - v. Require for the collection, analysis and reporting of data from a National Drug Information Network (CAYDIN).
    - vi. Stipulate conducting, coordinating and providing for the oversight of data collection and reporting of psychotropic and narcotics imported into the Cayman Islands to the International Narcotics Control Board (INCB).
    - vii. Providing or coordinating the licensing of persons in the food and beverage sector of the Cayman Islands through international licensing bodies.
    - viii. Address related ill effects of substance use, misuse and abuse which would include crime.
3. **The absence of a National Anti-Drug Strategy** (a guiding strategy at a national level) to direct the efforts of drug control efforts both for supply and demand reduction.
4. **Dated legislation** in the following areas which need urgent attention and further development as follows:
  - a. **Misuse of Drugs Law (2009 Revision)** – This are of legislation is not currently up to date. The schedules for substances have not been updated in several years and should be brought up to standard.
  - b. **Precursor Legislation** – Does not exist in the Cayman Islands and in light of recent findings of synthetic marijuana by law enforcement this area needs immediate consideration.
  - c. **Prescription Drug Monitoring** – There needs to be policies/controls/legislation to mitigate the abuse of prescribed drugs. There is evidence in the Student Surveys as well as in the collection and reporting of narcotic and psychotropic drugs that suggest the misuse and abuse of prescribed drugs.



## Risk Management

1. **Key risks** for the NDC are those which are organisational in nature and include:
  - a. working outside of the necessary framework required for strategically addressing the issues related to alcohol, tobacco and other drugs,
  - b. limited personnel,
  - c. inability to achieve outcomes or targets and delivery of services.

*To address risks in item 1., 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.*

2. **Compliance risk** for reporting as required by stakeholders and CIG.
  - a. Lack of segregation of duties.

*To address risks in item 2., With limited staffing and a vacancy for the Director, Research Analyst and administrative and financial position the NDC relies on external accounting services to ensure sound financial management.*

### 3. Financial Performance and analysis

- a. The audit for 2019 was completed and signed off prior to the legislated deadline. The NDC received an opinion which reflected that the financial statements present fairly in all material respects and that the financial position and performance of the NDC at 31<sup>st</sup> December 2019 ended in accordance with IPSAS. In August 2020 on behalf of the Standing Public Accounts Committee the NDC was awarded the Unqualified Audit Opinion Award 2018/2019.

### 4. Scrutiny by Parliament and Public

- a. To our knowledge no aspects of the NDC was discussed by Parliament.
- b. There were no complaints as at 31<sup>st</sup> December 2020.

### 5. Forward looking:

- a. Address NDC legislation to provide for support to the functions of the organisation.
- b. Develop a comprehensive prevention and education component to substance abuse by obtaining adequate funding.
- c. The Cayman Islands Government to mandate the development of a School Drug Education Strategy (SDES) for all public and private schools by 2023.
- d. The Cayman Islands Government to support an integrated strategy that includes the provision of information and education to deal with both illicit and licit drugs, such as alcohol and tobacco across grades 6 – 12 in both public and private schools.
- e. Mandate integrated drug education in the curriculum across grades 6 – 12 for all public and private schools.

6. The NDC intends to advocate for changes to the following areas of legislation (or further development of policies in these areas):
  - a. National Drug Council Law
  - b. Liquor Licensing Law
  - c. Misuse of Drugs Law
  - d. Customs Law





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Web: [www.ndc.ky](http://www.ndc.ky)

Appendix A

**Financial Statements  
Of the**

*National Drug Council*

**For the 2020 Financial Year**

National Drug Council

Financial Statements

Year ended 31 December 2020

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**National Drug Council**  
**STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

These financial statements have been prepared by the National Drug Council in accordance with the provisions of Section 22(1) of the *National Drug Council Act (2010 Revision)* and of the *Public Management and Finance Act (2020 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 Act (2010 Revision)* and the *Public Management and Finance Act (2020 Revision)*.

As Chairperson and Acting Director, 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 Act and properly record the output transactions of the National Drug Council.

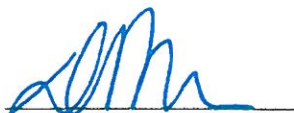
As Chairperson and Acting Director, we are responsible for the preparation of the National Drug Council financial statements and the judgments made therein.

The financial statements fairly present the statement of financial position as at 31 December 2020, statement of financial performance, statement of changes in net worth and statement of cash flows of the National Drug Council for the year ended 31 December 2020.

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 31 December 2020;
- b) fairly reflect the financial position as at 31 December 2020 and performance for the year ended 31 December 2020;
- c) comply with International Public Sector Accounting Standards as set out by the International Accounting Standards Board under the responsibility of the International Federation of Accountants.

The Office of the Auditor General, conducts an independent audit and expresses an opinion on the accompanying financial statements, which is carried out by its agent. The Office of the Auditor General and its agent have been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.



Mrs. Dorothy Scott  
Chairperson



Mrs. Brenda Watson  
Programme Manager  
(Acting Director)

Date: 30 April 2021

Date: 30 April 2021



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## AUDITOR GENERAL'S REPORT

To the Board of Directors and the Members of Parliament

### Opinion

I have audited the financial statements of the National Drug Council (the "Council"), which comprise the statement of financial position as at 31 December 2020, the statements of financial performance, changes in net worth and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at 31 December 2020, and its financial performance, changes in net worth and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

### Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the National Drug Council in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. In rendering my audit opinion on the financial statements of the Council, I have relied on the work carried out on my behalf by a public accounting firm that performed its work in accordance with International Standards on Auditing.

### Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Council'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 National Drug Council or to cease operations, or has no realistic alternative but to do so.

## AUDITOR GENERAL'S REPORT (continued)

### Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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


### Auditors' 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 auditors' 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 ISAs 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 ISAs, 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 Council'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 management'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 Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our auditors' 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 our auditors' report. However, future events or conditions may cause the National Drug Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of section 60(1)(a) of the *Public Management and Finance Act (2020 Revision)*. 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.



Sue Winspear, CPFA  
Auditor General

30 April 2021  
Cayman Islands

National Drug Council  
STATEMENT OF FINANCIAL POSITION  
As at 31 December 2020  
(Stated in Cayman Islands Dollars)

<b>ASSETS</b>	Notes	<b>2020</b>	<b>2019</b>
<b>Current Assets</b>			
Cash and cash equivalents		369,912	267,767
Accounts receivable and prepaid expenses	4	239,194	198,702
<b>Total Current Assets</b>		609,106	466,469
<b>Non-Current Assets</b>			
Security deposit		5,500	5,500
Fixed assets	3	9,456	7,019
<b>Total Non-Current Assets</b>		14,956	12,519
<b>Total Assets</b>		624,062	478,988
 <b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable		22,136	14,031
Accrued audit fees		15,000	15,000
Accrued accounting fees		14,000	5,850
Accrued payroll liabilities	5	29,892	9,115
<b>Total Current Liabilities</b>		81,028	43,996
 <b>EQUITY</b>			
Accumulated surplus		543,034	434,992
<b>Total Liabilities and Equity</b>		624,062	478,988

*The accompanying notes on pages 8-22 form an integral part of these financial statements.*



National Drug Council  
STATEMENT OF FINANCIAL PERFORMANCE  
For the year ended 31 December 2020  
(Stated in Cayman Islands Dollars)

	Notes	2020	2019
<b>Revenues</b>			
Outputs to Government	6	689,355	668,605
Other income	7	14,117	21,043
<b>Total revenues</b>		703,472	689,648
<b>Expenses</b>			
Personnel emoluments	8	387,994	472,899
Rent	9	66,000	66,000
Audit and accounting fees	11	29,000	30,480
Utilities	12	14,810	16,296
Surveys and other public information projects	15	28,597	4,837
Supplies & materials		3,079	6,207
Travelling and subsistence	13	6,622	4,270
Grants & contributions – special events	14	20,010	13,581
Operating maintenance		12,134	11,806
Youth development	10	1,982	1,227
Prevention, surveys, monitoring and evaluation		8,244	15,808
Computer services		9,900	6,886
Advertising and promotion		2,175	3,406
Depreciation	3	4,883	3,319
<b>Total expenses</b>		595,430	657,022
<b>Surplus for year</b>		108,042	32,626

*The accompanying notes on pages 8-22 form an integral part of these financial statements.*

National Drug Council  
 STATEMENT OF CHANGES IN NET WORTH  
 For the year ended 31 December 2020  
 (Stated in Cayman Islands Dollars)

	<b>Accumulated Surplus/(Deficit)</b>	<b>Total Net worth</b>
Balance as at <b>31 December 2018</b>	402,366	402,366
Surplus for the year	32,626	32,626
<b>Balance at 31 December 2019</b>	<b>434,992</b>	<b>434,992</b>
Surplus for the year	108,042	115,758
<b>Balance as at 31 December 2020</b>	<b>543,034</b>	<b>550,750</b>

*The accompanying notes on pages 8-22 form an integral part of these financial statements.*

National Drug Council  
STATEMENT OF CASH FLOWS  
For the year ended 31 December 2020  
(Stated in Cayman Islands Dollars)

	Notes	2020	2019
<b>Operating activities</b>			
Net surplus from operations		108,042	32,626
Adjustment for non-cash transactions:			
Depreciation Expense	3	4,883	3,319
		112,925	35,945
Adjustments to reconcile net surplus from operations to net cash provided by operating activities:			
Decrease/(increase) in accounts receivables and prepaid expenses		(40,492)	31,825
Increase in accounts payable		8,105	6,788
Increase/(decrease) in accrued payroll liabilities		20,777	(23,788)
Increase/(decrease) in accrued accounting fees		8,150	(1,230)
Net cash provided by operating activities		109,465	49,540
<b>Investing activity</b>			
Purchase of fixed assets	3	(7,320)	(3,200)
Net cash used in investing activities		(7,320)	(3,200)
Net change in cash and cash equivalents		102,145	46,340
Cash and cash equivalents, beginning of year		267,767	221,427
Cash and cash equivalents, end of year		369,912	267,767

*The accompanying notes on pages 8-22 form an integral part of these financial statements.*

National Drug Council  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2020

## 1. Organization

The National Drug Council (the “NDC” or “Council”) became a statutory authority in the Cayman Islands with the passage of the National Drug Council Act, 1997 and began operations on 1 January 1998. Its functions are diverse and include primary responsibility for the development, implementation and delivery of substance abuse prevention activities; the design and administration of survey and research initiatives as it relates to substance abuse and misuse in our communities; and the facilitation of monitoring and evaluation activities throughout programmes.

The NDC continuously monitors the situation as it relates to substance misuse and abuse in the Cayman Islands; with the aim of formulating drug prevention, treatment and rehabilitation policies and programmes. This monitoring takes place via ongoing research and the maintenance of data collected via stakeholders. The NDC operated under the Ministry of Health, Environment, Culture & Housing for the year ended 31 December 2020. During the year the NDC satisfied its mandates and obligations as agreed in the Purchase and Ownership Agreement. As at 31 December 2020, the NDC had 6 full time employees (2019: 5 employees), including the Council re-establishing its presence in Cayman Brac with one full-time employee from August 2020.

## 2. Significant accounting policies

### a) *Statement of Compliance*

In conformity with the Public Management & Finance Act (2020 revision), the financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) 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.

### b) *Basis of Preparation*

The measurement base applied is historical cost. 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 which is the functional currency.

### *New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2020 have not been early adopted by the Council*

Certain new accounting standards have been published that are not mandatory for the 31 December 2020 reporting period and have not been early adopted by the Council. The Council’s assessment of the impact of these new standards are set out below.

IPSAS 41, *Financial Instruments* was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, *Financial Instruments: Recognition and Measurement*. It is anticipated that IPSAS 41 will not have a significant impact on the NDC’s financial statements. This will be assessed completely closer to the effective date of adoption.

National Drug Council  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2020

**2. Significant accounting policies cont'd**

*b) Basis of preparation (continued)*

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is anticipated that IPSAS 42 will not have an impact on the NDC's financial statements, but this will be assessed completely closer to the effective date of adoption.

*c) 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.

*d) Corresponding Information*

The amounts for 2019 are for a 12-month reporting period and accordingly the corresponding amounts presented in these financial statements are comparable.

*e) Use of Estimates*

The preparation of financial statements in accordance with IPSAS requires management to make 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 experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

*f) 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.

*g) Fixed Assets*

Fixed assets are stated at historical cost less accumulated depreciation. Certain assets are donated and are recognised at their fair value at the time of receipt. Depreciation is calculated on a straight-line basis at the rates stipulated below based on the opening cost over the estimated useful lives of the purchased or donated assets as follows:

	Purchased Assets Useful Lives
Office equipment	3 years
Office furniture	6 years
Computer equipment	3 years
Computer software	3 years
Leasehold improvement	3 years

National Drug Council  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
For the year ended 31 December 2020

**2. Significant accounting policies cont'd**

*g) Fixed Assets (continued)*

*Disposals*

Gains and losses on disposal of fixed assets 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.

*Impairment*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the period end. Assets that are subject to depreciation are reviewed for impairment whenever events or 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.

*h) 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.

*i) Outputs to Government*

The Cayman Islands Government (the "Government") has agreed to purchase certain outputs from the NDC. These outputs include public education and information campaigns, research and statistics, policy advice and Act reform. Output revenue is recognized as income when earned. 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.

*j) Donations (Non-exchange)*

Donations are recorded when they are received, unless specifically intended for a certain fiscal year.

*k) Financial Instruments*

The National Drug Council is party to financial instruments as part of its normal operations.

*Classification*

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

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 liabilities comprise of accounts payable, accrued audit fees, accrued accounting fees and accrued payroll liabilities.

*Recognition*

The National Drug Council recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument.

National Drug Council  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
For the year ended 31 December 2020

**2. Significant accounting policies cont'd**

*k) 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 financial assets are recorded at amortized cost using the effective interest rate method.

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.

Short term financial assets and liabilities are recorded at historical cost, which is considered to approximate amortised cost due to the short-term nature of these instruments.

*De-recognition*

A financial asset is derecognized when the NDC realizes 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.

*l) 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 statement of financial position date. Financial gains and losses arising on translation are included in the statement of financial performance.

*m) Budget amounts*

The original budget amounts for the financial year are as presented in the 2020 Annual Budget Statement and approved by the Parliament on 28 November 2019. 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, see note 19.

The appropriations presented in a Budget Statement covers a budget period of two financial years. The 2020-2021 Ownership agreement covers the two financial years commencing 1 January 2020 to 31 December 2021. During the two-year period funds can be transferred between the financial years. Unused appropriations from the 2020 budget can be carried over to 2021 to increase budgeted amounts. The 2020-2021 appropriations will lapse at the end of the budget period ending 31 December 2021. Any surplus at the end of the budget period will be repayable to Government.

*n) Expenses and prepaid expenses*

Expenses are recognised in the accounting period in which they are incurred. The portion of recognised expenditure paid in advance of receiving services has been recognised as prepaid expenses.

National Drug Council  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 For the year ended 31 December 2020

**2. Significant accounting policies cont'd**

*o) Operating leases*

Operating lease payments net of lease incentives received 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 incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

*p) Employee Benefits*

Employees are entitled to salaries and wages, annual leave, time in lieu and other similar benefits which 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 Council. Employees must pay for any dependents covered under the plan.

*q) 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.

	Office Equipment	Office Furniture	Computer Equipment	Computer Software	Lease Improvements	Total
<b>3. Fixed Assets</b>						
<b>Balance at 01 Jan 2019</b>	<b>42,470</b>	<b>35,593</b>	<b>45,503</b>	<b>19,139</b>	<b>24,020</b>	<b>166,725</b>
Additions during year	-	-	3,200	-	-	3,200
<b>Balance at 31 Dec 2019</b>	<b>42,470</b>	<b>35,593</b>	<b>48,703</b>	<b>19,139</b>	<b>24,020</b>	<b>169,925</b>
Additions during year	-	4,900	-	-	2,420	7,320
<b>Balance at 31 Dec 2020</b>	<b>42,470</b>	<b>40,493</b>	<b>48,703</b>	<b>19,139</b>	<b>26,440</b>	<b>177,245</b>
<i>Accumulated depreciation:</i>						
<b>Balance at 01 Jan 2019</b>	<b>41,114</b>	<b>34,737</b>	<b>40,577</b>	<b>19,139</b>	<b>24,020</b>	<b>159,587</b>
Depreciation for period	452	756	2,111	-	-	3,319
<b>Balance at 31 Dec 2019</b>	<b>41,566</b>	<b>35,493</b>	<b>42,688</b>	<b>19,139</b>	<b>24,020</b>	<b>162,906</b>
Depreciation for year	452	917	3,178	-	336	4,883
<b>Balance at 31 Dec 2020</b>	<b>42,018</b>	<b>36,410</b>	<b>45,866</b>	<b>19,139</b>	<b>24,356</b>	<b>167,789</b>
<b>Net Book value at 31 Dec 2019</b>	<b>904</b>	<b>100</b>	<b>6,015</b>	<b>-</b>	<b>-</b>	<b>7,019</b>
<b>Net Book value at 31 Dec 2020</b>	<b>452</b>	<b>4,083</b>	<b>2,837</b>	<b>-</b>	<b>2,084</b>	<b>9,456</b>



National Drug Council  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 For the year ended 31 December 2020

**3. Accounts receivable & prepaid expenses**

	<b>2020</b>	<b>2019</b>
Accounts receivable	225,837	184,500
Prepaid expenses	13,357	14,202
	239,194	198,702

Accounts receivable of \$225,837 (2019: \$172,700) related to outputs supplied to the Ministry for which funds had not been received at 31 December 2020.

**4. Accrued payroll liabilities**

	<b>2020</b>	<b>2019</b>
Accrued vacation	2,922	4,048
Accrued salaries	20,274	-
Accrued other payroll liabilities	5,372	5,067
Accrued pension	1,324	-
	29,892	9,115

**5. Outputs to Government**

	<b>2020</b>	<b>2019</b>
Outputs to Government	689,355	668,605
	689,355	668,605

NDC's outputs are supplied in the normal course of business to the Ministry of Health, Environment, Culture and Housing. The output relates to all expenses for the year based on activity and time spent on the efforts of the Council and takes into consideration office and programme supplies as well as human resource costs.

**6. Other income**

	<b>2020</b>	<b>2019</b>
Donations	11,044	18,597
Fundraising activities	1,750	235
Boardroom rental	500	480
Other income	-	447
Discounts	823	1,284
	14,117	21,043

Donations include specific funds in the amount of \$10,000 received from the private sector which are earmarked towards the Purple Ribbon Bus service.

National Drug Council  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
For the year ended 31 December 2020

**7. Personnel emoluments**

	<b>2020</b>	<b>2019</b>
Salaries & wages	318,827	378,092
Medical insurance	47,455	52,271
Pension	15,556	20,324
Motor car allowance	7,000	6,793
Movement in annual leave provision	(1,126)	3,207
Movement in accrued time-in-lieu	282	12,212
	387,994	472,899

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 policy of the NDC is that a maximum of 37.5 hours (5 days) can be taken over to the next annual year. These must be used within the first quarter of the following annual year if it is suitable to the NDC, or it will be written off. The 2020 accrued time-in-lieu reflects the number of hours brought forward and eligible for carry over into the upcoming financial year (2021).

**8. Rent & future commitments**

On 4 April 2020 the NDC signed a new agreement for a five-year period with International Logistics and Consulting LLC (c/o Meri Tarlova) for the premises at Caymanian Village which maintains a rate of \$5,500 per month for each of the next five years and which covers the period from 30 April 2020 to 30 April 2025. Rental payments in 2020 in the amount of \$66,000 were made payable to Meri Tarlova. Future commitments for the 52 months total \$286,000 (\$66,000 of the future commitments are due within one year and the remainder of \$220,000 is due beyond one year to the end of the lease).

**9. Youth Development**

Peer mentoring continues in the schools and the NDC supports this initiative through education and awareness activities as well support to the awards and the Award Ceremony. Youth to Youth is a youth empowerment movement which seeks to help youth develop leadership skills while creatively promoting a drug-free lifestyle. 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:

	<b>2020</b>	<b>2019</b>
Peer Mentor	1,022	-
Youth to Youth	960	1,227
	1,982	1,227

National Drug Council  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 For the year ended 31 December 2020

**10. Audit & Accounting fees**

The fees relate to statutory audit fee and professional accountancy services amounting \$15,000 (2019:\$15,000) and \$14,000 (2019: \$15,480) respectively for the year ended 31 December 2020.

**11. Utilities**

	<b>2020</b>	<b>2019</b>
Electricity	4,966	6,359
Telephone	9,508	9,457
Water	336	480
	14,810	16,296

**12. Travelling and subsistence**

Portions of the Government grant income have been made to support training and development initiatives of the Council.

	<b>2020</b>	<b>2019</b>
Travel expense	3,776	3,721
Staff Development	-	375
Prevention Officer Training	2,680	-
Programme Manager Training	166	174
	6,622	4,270

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

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

	<b>2020</b>	<b>2019</b>
Purple Ribbon Bus	20,010	13,581
	20,010	13,581

National Drug Council  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 For the year ended 31 December 2020

**14. 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:

	<b>2020</b>	<b>2019</b>
SPSS Expense	1,102	1,071
Teleform	1,167	974
Census and Surveys	26,328	2,792
	28,597	4,837

**15. Related parties**

The NDC is a statutory authority of the Cayman Islands Government. The Council is economically dependent upon the Ministry of Health, Environment, Culture and Housing for the purchase of its services in accordance with the purchase agreement with Government. For the year ended 31 December 2020, the Council billed \$689,355 to the Government for services sold (2019: \$668,605). Of the billed amount, \$225,837 was receivables as at 31 December 2020 (2019: \$172,700). This amount is included in accounts receivable in the Statement of Financial Position.

Key Management Personnel

The pension and health insurance benefits provided to key management personnel are the same as that which are provided for all employees. Following the resignation of the Director, effective 30 September 2019, the Programme Manager has assumed the role in an acting capacity, effective 1 October 2019. Total remuneration, therefore, for the 2020 period for senior management, was \$102,930 (2019 \$138,207).

Governing Council members

There are currently 13 members that make up the NDC Governing Council. No stipend is paid to any of the members (2019 \$Nil).

Dividend Payments

Pursuant to Section 16 of the Public Management and Finance Act (2020 Revision), Section 39(3) of the Public Authorities Act, 2017, and section 19 of the Policy for the Payment of Annual Dividends by Statutory Authorities and Government Companies (“SAGCs”). The NDC is exempt from making dividend payments as we have met the prescribed criteria set out in section 19 for exclusions. The decision takes effect upon written request to the Accountant General as required by the regulations. Note that management deems that the NDC has met all requirements and the request has been submitted as of 22 March 2021. Final response from Accountant General is pending.

Cabinet granted approval pursuant to section 39(2) of the Public Authorities Act 2020, to exempt Statutory Authorities and Government Owned Companies from paying-over to Core Government surplus cash reserves for a period of more than ninety days as at 31 December 2020.

National Drug Council  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
For the year ended 31 December 2020 and 2019

**16. 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 \$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. During the year ended 31 December 2020 the Council has not been provided with an update on the matter.

**17. Financial instrument risks**

The Council is exposed to a variety of financial risks including credit risk and liquidity risk. The Entity's risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of up to date and reliable information systems. These risks are managed within the parameters established by the Financial Regulations (2020 Revision).

Credit risks

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Council. Financial assets which potentially expose the Council to credit risk comprise cash and cash equivalents and receivables.

The Council is exposed to potential loss that would be incurred if the counterparty to the bank balances fails to discharge its obligation to repay. All bank balances are with one financial institution located in the Cayman Islands which management considers to be financially secure and well managed.

The Council is also exposed to a significant concentration of credit risk in relation to receivables transactions, all of which are due from the Cayman Islands Government. No credit limits have been established. As at 31 December 2020, no provision for doubtful debts (2019:\$0) has been made on these receivables as management considers these debts to be recoverable in full.

The carrying amount of financial assets recorded in the financial statements represents the Council's maximum exposure to credit risk. No collateral is required from debtors.

Exchange rate risk

The Council does not have significant exposure to currency exchange rate risk as the Cayman Islands dollar is pegged to the United States Dollar.

Liquidity risk

Liquidity risk is the risk that the Council is unable to meet its payment obligations associated with its financial liabilities when they are due.

The Council maintains sufficient cash balances held in bank accounts which enables the entity to meet its payment obligations as they are due.

National Drug Council  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 For the year ended 31 December 2020

**18. Statement of comparison of budget and actual amounts**

**For the year ended 31 December 2020**

	Variance Notes	2020 Actual	2020 Budget	Variance (Actual vs. Budget)
<b>Revenues</b>				
Outputs to Government		689,355	689,355	-
Other Income	a	14,117	20,000	(5,883)
<b>Total revenues</b>		<b>703,472</b>	<b>709,355</b>	<b>(5,883)</b>
<b>Expenses</b>				
Personnel emoluments	b	387,994	542,721	154,727
Rent		66,000	66,000	-
Prevention, surveys, monitoring and evaluation	c	36,841	21,668	(15,173)
Travelling and subsistence	d	6,622	13,750	7,128
Audit and accounting fees		29,000	28,000	(1,000)
Utilities	e	14,810	17,150	2,340
Computer services	f	9,900	-	(9,900)
Operating maintenance		12,134	10,610	(1,524)
Youth development	g	1,982	-	(1,982)
Advertising & promotion	h	2,175	-	(2,175)
Depreciation		4,883	1,956	(2,927)
Supplies & materials	i	3,097	7,500	4,421
Grants & contributions – special events	j	20,010	-	(20,010)
<b>Total expenses</b>		<b>595,430</b>	<b>709,355</b>	<b>113,925</b>
Net surplus/(deficit) for the year	k	108,042	-	108,042

National Drug Council  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
For the year ended 31 December 2020

**19. Statement of comparison of budget and actual amounts cont'd**

<b>ASSETS</b>	<b>Variance Notes</b>	<b>2020 Actual</b>	<b>2020 Budget</b>	<b>Variance (Actual vs. Budget)</b>
<b>Current assets</b>				
Cash and cash equivalents	l	369,912	237,604	132,308
Account's receivables	m	225,837	195,741	30,096
Prepaid expenses	m	13,357	16,600	(3,243)
<b>Total Current Assets</b>		<u>609,106</u>	<u>449,945</u>	159,161
Security deposit		5,500	-	5,500
Fixed assets	n	9,456	2,219	7,237
<b>Total assets</b>		<u>624,062</u>	<u>452,164</u>	171,898
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Accounts payable	o	22,136	7,142	14,994
Accrued vacation	p	2,922	-	2,922
Accrued audit Fees		15,000	15,000	-
Accrued other payroll liabilities	q	26,970	13,320	13,650
Accrued accounting		14,000	9,000	5,000
<b>Total Current Liabilities</b>		<u>81,028</u>	<u>44,462</u>	36,566
<b>EQUITY</b>				
Accumulated surplus		<u>543,034</u>	<u>407,702</u>	135,332
<b>Total Liabilities and Equity</b>		<u>624,062</u>	<u>452,164</u>	171,898

National Drug Council  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 For the year ended 31 December 2020

**19. Statement of comparison of budget and actual amounts cont'd**

<b>Statement of Cash Flows</b>	<b>2020 Actual</b>	<b>2020 Budget</b>	<b>Variance (Actual vs. Budget)</b>
Net cash provided by operations	109,465	16,177	93,288
<b>Investing activity</b>			
Purchase of fixed assets	(7,320)	-	(7,320)
Net cash (used in) investing activities	(7,320)	-	(7,320)
Net change in cash and cash equivalents:			
Cash and cash equivalents, beginning of year	267,767	221,427	46,340
Net Change in Cash and cash equivalents	102,145	16,177	85,968
Cash and cash equivalents, end of year	<u>369,912</u>	<u>237,604</u>	<u>132,308</u>

- a. Other income (under by \$5,883) relate to the donations received and fundraising activities. Donations are budgeted on a contingency basis and actual amounts could be over or under budget in any given period. Actual donations are under budget in the current year, primarily due to an expected donation which did not materialise by 31 December 2020.
- b. Personnel emoluments (under by \$154,727) as the Council's budget would have been prepared for 8 full-time employees. However, due to changes in the staffing levels in the prior and current financial year there were positions vacant for a period of time. One of the three vacant posts was filled mid-year in the capacity of Prevention Educator.
- c. Prevention, surveys, monitoring and evaluation and other public information projects (over by \$15,173) This category includes the administration of the bi-annual Cayman Islands Student Drug Use Survey to approximately 3800 students. While the data collection was facilitated by volunteers and we utilized local resources which reduced the costs of related expenses; external printing was utilised due to the quantity and quality of surveys needed. In addition, the variance is also as a result of the analysis and reporting which was conducted externally as the post of Research Analyst remained vacant. Therefore, the actual costs incurred was over budget.
- d. Travelling and subsistence (under by \$7,128) variance is related to the overseas travel expenses both between islands, regionally and internationally which were significantly reduced for NDC staff and Youth to Youth leaders and participants as a result of the COVID-19 Global Pandemic shutdown and travel restrictions.
- e. Utilities (under by \$2,340) – While the NDC continually seeks methods to reduce its utility expenses; including the implementation of practices for the use of air conditioning, lighting and all efforts are utilized to manage usage of telephone services, the variance is also as a result of the COVID-19 Global Pandemic shutdown forcing the office to remain closed and staff to work remotely.



National Drug Council  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
For the year ended 31 December 2020

**19. Statement of comparison of budget and actual amounts cont'd**

- f. Computer services (over by \$9,900) – The variance is as a result of the ongoing upgrades, service and support to the computer network and additional costs incurred due to the additional services needed to facilitate the capacity for staff to work from home during the COVID-19 Global Pandemic shutdown.
- g. Youth development (over by \$1,982) variance represents the allocation of funds towards the efforts of the organisation in its relaunching of the Youth-To-Youth (Y2Y) Cayman Brac contingent, Youth-to-Youth Junior (Y2Y Jr) pilot programming launched on Grand Cayman and Cayman Brac, Peer Mentoring and Boys2Men Programming development. These costs in 2020 were separated from the overall theme of Prevention, surveys, monitoring and evaluation in order to accurately demonstrate the development activities in these areas.
- h. Advertising & promotion (over by \$2,175) the variance relates to the discounted promotional rate NDC received through acquiring two spotlight spaces in the Cayman Parent Magazine which due to COVID-19 was considered as an avenue for the distribution of information to the community. These ads ran in each edition in 2020 and provided a forum for education of alcohol and drug related issues.
- i. Supplies & materials (under by \$4,421) also as a result of the national shutdown due to COVID-19, employees working from home and therefore less supplies and materials required.
- j. Grants and contributions (over by \$20,010) variance relates mainly to the Arrive Alive 345 Campaign which includes the Designated Driver and Purple Ribbon Bus operations in 2020. This is one of Council's initiatives to promote safety on the roads.
- k. Surplus (over by \$108,042) – The budget is prepared on a break-even basis. Therefore, the surplus is due to the Council billing and recognising its full appropriation for 2020 and the various savings noted in the analysis above. The most savings was realised in personnel emoluments as described in point b. and further savings as achieved due to the COVID-19 impact, leading to reduce spend.
- l. Cash and Cash equivalents (over by \$132,308) the variance is largely as a result of the surplus achieved for the current and the savings realised due to reduction in headcount and the reduced spend from the COVID-19 impact.
- m. Accounts receivables and prepaid expenses (over by \$26,853) – The variance is largely due to the a larger than expected Q4 billing Cabinet, which remained unpaid at the end of the financial year. Q4 billing was more than anticipated, given the level of activity undertaken by NDC in Q4 compared to Q2 and Q3 where activity was reduced due to COVID-19.
- n. Fixed Assets (over by \$7,237) The variance relate to the purchases approved for expenditure and capital items such as boardroom chairs and a locked storage area which were not budgeted for in 2020.
- o. Accounts Payable (over by \$14,994) - the majority of the variance represents 50% of the annual Arrive Alive 345 Campaign expenses explained under point j. which are not paid in full prior to year-end. We remit 50% in the current year and hold 50% until the completion of the campaign/event. In addition to this payable, there was also a 50% increase in additional costs incurred from this campaign which is attributed to the additional safety measures implemented due to COVID-19 restrictions. These payables were not contemplated at the time of budget preparation.

National Drug Council  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
For the year ended 31 December 2020

**19. Statement of comparison of budget and actual amounts cont'd**

- p. Accrued Vacation (over by \$2,922) - Employees are due and expected to take leave in the year assigned. Due to staff shortages and organisational commitments employees were not always able to leave as requested in 2020.
- q. Accrued other payroll liabilities (over by \$13,650) variance represents \$7,716 as payroll remuneration accrual for two employees for the period, due to the Implementation of the Public Authorities Act, Section 47 Job Evaluation Results report. Also, as a result of the accrued Time-In-Lieu "TOIL" due to employees at the end of year. Due to staff shortages and demands of services there has been an increased accrual of TOIL as staff needed to work additional hours to ensure the effective operations of the organisation, programming and services delivered. The cost of living adjustment "CoLA", which was awarded in 2020 in alignment with Cabinet approval for the entire financial year, was accrued at year end.

**20. Subsequent events**

In preparing these financial statements, management has evaluated and disclosed all material subsequent events up to 30 April 2021 which is the date that the financial statements were available to be issued.