



ANNUAL REPORT

2022



**PREVENTION.
EDUCATION.
POLICY & RESEARCH.**

<u>TABLE OF CONTENTS</u>	<u>Page No.</u>
MESSAGE FROM CHARIMAN OF THE BOARD	2
ABOUT US	4
NATURE AND SCOPE OF ACTIVITIES	4
COMMITTEES / COMMISSIONS / COUNCILS	5
GOVERNANCE	5
REPORTS TABLED OR FILED BY STATUTORY DEADLINES	5
MANAGEMENT DISCUSSION AND ANALYSIS	6
HUMAN RESOURCES ANALYTICS	7
KEY ACHIEVEMENTS AND PROBLEM AREAS	8
RESEARCH AND INFORMATION	16
LEARNING AND DEVELOPMENT OF STAFF	20
RISK MANAGEMENT	22
SCRUTINY BY PARLIAMENT AND PUBLIC	23
MAINTENANCE OF CAPABILITY	23
PARLIAMENTARY QUESTIONS (PQ)	23
PUBLIC ACCOUNTS COMMITTEE (PAC)	23
FINANCE COMMITTEE	24
FREEDOM OF INFORMATION (FOI)	24
LOOKING FORWARD	25
FINANCIAL STATEMENTS	26

MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS



Dear Hon. Wayne Panton, MP

As the Chair of the National Drug Council (NDC) and pursuant to section 24 of the National Drug Council Act (2010 Revision), it is with pleasure I present you with the Annual Report of The National Drug Council for the period 1st January to 31st December 2022.

I wish to thank our public and private sector partners who have supported the NDC this past year. Profound gratitude is extended to all of the members of the Board for bringing their expertise, experience and support around the table, and for engaging in such fruitful, constructive dialogue. As we close this year, I am assured that we will continue to progress toward our goals and look forward to a successful year ahead.

Sincerely,

A handwritten signature in blue ink that reads "Yvette Noble-Bloomfield".

Rev Dr Yvette Noble-Bloomfield
Chairman, NDC

Message from the Director (Acting),

The scope of the National Drug Council activities includes Policy and Prevention, Surveillance, Research, and Information Dissemination, Monitoring and Evaluation. Prevention frameworks are a comprehensive approach towards understanding and addressing substance use and misuse.



Prevention initiatives seek to avert the onset of substance use and problems associated with using drugs which represent best practices within the field. The educational components enable youth & adults to develop the knowledge, skills, and attitudes to appreciate the benefits of healthy living. Comparatively, the community element fosters drug education while promoting responsibility towards the use of drugs and their impact on families, businesses, and the wellness of our islands.

This framework is driven by data and research to ensure that all services are appropriate for the populations they serve. All programming and services offered by the National Drug Council are grounded in research obtained from both international literature as well as the biennial Cayman Islands Student Drug Use Survey (CISDUS).

On behalf of the National Drug Council (NDC) I extend a heartfelt thank-you to our stakeholders, sponsors, partners, colleagues, and friends for a notable year of support, partnerships, and funding.

Warmest Regards,

A handwritten signature in black ink, appearing to read 'B. Watson'.

Brenda Watson
Programme Manager
Director (Acting)

ABOUT US

Outline of the National Drug Council

The nature and scope of the activities of the National Drug Council:

- **Policy and Prevention -:** To formulate policies intended to prevent or reduce drug abuse and 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 use and maintain a database of information on issues related to the use, misuse, and abuse of substances in the Islands.
- **Monitoring and Evaluation-:** To coordinate the efforts of drug abuse prevention, treatment, and rehabilitation through the monitoring and evaluation of anti-drug programmes that have been implemented within the Cayman Islands.

The National Drug Council's 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.

COMMITTEES / COMMISSIONS / COUNCILS

The Board - (Council Members)

as of December 31st 2022

Rev. Yvette Noble-Bloomfield, Chairman

Ms. Jeana Ebanks, Vice-Chairman

Dr. Susanne Neita, Member

Ms. Chanda Glidden, Member

Ms. Khadijah Chisholm, Member

Dr. Francisco Martinez-Saborido, Member

Ms. Kirsten Whitley, Member

Mrs. Patsy Cotterell, Member

Chief Officer, Ministry of Health and Wellness, Ex-Officio

Chief Officer, Ministry of Community Affairs (now Social Development) Ex-Officio

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

Financial Secretary (or Representative), Ex-Officio

Commissioner of Police (or Representative), Ex-Officio

NDC Coordinator, Mrs. Brenda Watson, Ex-Officio

REPORTS TABLED OR FILED BY STATUTORY DEADLINES

- Annual Report 2020
- Annual Report 2021

MANAGEMENT DISCUSSION AND 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 impact that needs 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 the functioning of the organisation include, but are not limited to:
 - i. Facilitate the collection of national data.
 - ii. Reassess the functions as dictated in the Act.
 - iii. Provide for the coordination of DEMAND and SUPPLY reduction efforts in the Cayman Islands.
 - iv. Require for the collection, analysis, and reporting of data from a National Drug Information Network (CAYDIN).
 - v. Providing or coordinating the licensing of persons in the food and beverage sector of the Cayman Islands through international licensing bodies.
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.
 - i. Address related ill effects of substance use, misuse, and abuse which would include crime.
4. **Dated legislation** in the following areas which need urgent attention and further development as follows:
 - a. **National Drug Council Act (2010 Revision)**
 - b. **Misuse of Drugs Act (2017 Revision)** – This area of legislation is not currently up to date as the schedules for substances have not been updated in several years and should be brought up to standard.
 - c. **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.
 - d. **Prescription Drug Monitoring** – There is a need for policies/controls/legislation to mitigate the abuse of prescribed drugs as there is evidence in the CISDUS as well as in the collection and reporting of narcotic and psychotropic drugs that suggest the misuse and abuse of prescribed drugs.

HUMAN RESOURCES ANALYTICS

In 2022, there were a total of 7 positions filled with 2 vacancies, for a total of 9 positions as per the budget. Our workforce at-a-glance is below:

Budgeted Posts	Number of Positions	Filled/Vacant	Nationality	Gender
Director	1	VACANT	-	-
Programme Manager	1	FILLED	Caymanian	Female
Prevention Specialist	1	FILLED	Caymanian	Male
Programme Support Officer	1	FILLED	Caymanian	Female
Research Analyst	1	FILLED	Caymanian	Female
Prevention & Information Officer	1	FILLED	Caymanian	Male
Prevention & Education Officer	1	FILLED	Caymanian	Female
Prevention & Education Facilitator	2	FILLED (1) VACANT (1)	Caymanian -	Female -

KEY ACHIEVEMENTS AND PROBLEM AREAS

Prevention and education are key factors of our efforts at the NDC which are delivered through the provision of presentations to students, parents, teachers, the community, and special interest groups in both Grand Cayman and Cayman Brac.

As an addition to our research informed student education (RISE) programming, which primarily focuses on students across the primary and high school sectors, we have further developed proactive behavioural components such as campaigns, conferences, and training to encourage overall health and wellbeing. In addition, our evidence-based community support trainings and workshops are extended to parents, educators, youth workers, stakeholders, and the business sector with the aim of providing key principles for preventing substance use, misuse, and addiction across our islands.

In 2022, the NDC provided just over 565 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.

PREVENTION PROGRAMMING, TRAINING, AND CAMPAIGNS

Research Informed Student Education (RISE) | Years 1-6



A 6-8 week prevention programme that primarily focuses on the functions of the body, positive healthy life choices, medicine safety, and refusal skills while building on the science behind how substances impact the brain, body, and overall health. The outcome is an enhanced awareness of how our actions can either harm or help the body as well as the development of a range of refusal skills for harmful substances.

CODE | For students in leadership roles

A two-hour leadership training workshop focusing on what makes a good leader. The session seeks to equip students with important leadership skills such as communication & refusal skills. The outcomes are an enhanced ability to lead, gain respect, effectively communicate, diffuse conflict, & utilize refusal skills applicable to real-world situations.



Youth to Youth Jr. | Year 6 only (After-School Only)

A junior Y2Y programme designed to prepare younger youth for leadership roles through activities & games that emphasise personal growth, teamwork, and peer empowerment. The students' personal growth is encouraged & they are provided with alternatives to harmful behaviours. Students learn ways to have a positive impact on the world around them.



Healthy Bodies, Healthy Minds Month | VIRTUAL CAMPAIGN



A month-long educational campaign developed for students, their families & educators that emphasises health and wellness by promoting the benefits of exercise, healthy eating habits and positive thinking. The virtual campaign is extended to all primary schools as an electronic calendar that maps out a month of daily activities designed to engage and inform on the importance of good physical & mental well-being. The outcome is the proactive practice of healthy habits among students & their families in addition to an increased awareness of positive and healthy life choices.

Research Informed Student Education (RISE) | Years 7-11

A comprehensive 6-8 week drug prevention programme designed around the findings from the Cayman Islands Student Drug Use Survey & the United Nations Office on Drugs and Crime. This programme explores the science of drugs, interpersonal drug education, drug facts & trends, simulation learning, and the mass media. The outcome is enhanced drug prevention knowledge that is grounded in evidence-based techniques, skills for self-assessment, self-correcting, and intrinsic rewards.



National Drug & Alcohol Facts Month | Virtual Campaign



An annual campaign intended to ignite awareness & discussion around the misuse of alcohol and other drugs among youth. This campaign prioritises the use of science in its discussion to combat misinformation surrounding the misuse of alcohol and other drugs. The outcome is an increased dialogue about addiction and drug & alcohol misuse among youth through the use of critical thinking so that teens can make informed decisions about drug use & their health.

AWARE | Escape Room Campaign

An interactive and educational experience where students are required to work as a team and solve puzzles before time runs out. Students will be challenged to pay attention to the hidden clues embedded in this escape room where they will learn more about the facts of substance use while having fun. The outcome is enhanced drug prevention knowledge, communication skills, and the ability to problem solve.

Youth to Youth | Years 7-11 (After-School only)

A youth programme centered around youth leadership & youth-led prevention. The Y2Y mission is to equip and enable youth to educate their peers on the dangers of drugs in a creative, interactive, & fun way that fosters leadership and other important life skills. The programme equips students with the ability to lead, gain the respect of peers, communicate effectively, use refusal skills, and diffuse situations. As future community leaders, students leave the programme with skills that apply to real-world situations.



Youth to Youth | Youth Ambassador Training



Are you ready to start a Y2Y Chapter at your school? Let us train your youth and adult leaders through our training program. Attendees will be trained on: (1) how to plan, lead, and create weekly sessions; (2) the process for community involvement; and (3) fundraising events. We will also share information on how teens can promote positivity and healthy lifestyles through National Drug and Alcohol Facts Month (NDAFM) and other creative projects annually.

Youth to Youth Adult Advisor Training

This brief training programme is designed to energise, enlighten, and empower the adult involved in the positive development of young people. This training will enhance your expertise and confidence as well as provide practical resources, tools, and “real world” strategies proven to be effective in the field of youth-led programming. Adults will be confident in their ability to engage youth to serve as valuable resources in their school and community.

#WhatsTrending (CISDUS Dissemination)



An informational overview of the most recent findings from the Cayman Islands Student Drug Use Survey (CISDUS) as well as the corresponding recommendations for schools & parents from the NDC. The session will illustrate the risk & protective factors

associated with drug use as well as recommendations or programmes available for help. The outcome is an enhanced awareness of the local trends of licit & illicit drug use among youth.

aParently Speaking | for Parents, Educators, Youth Workers & Counsellors



A workshop designed to empower parents to navigate difficult conversations using evidence-based intervention and communication strategies. The workshop's aim is to help educators, youth workers, & counsellors detect the early warning signs of youth substance use. Information & communication strategies are explored in response to the trends amongst youth, and the role of media in influencing our attitudes & behaviours towards drugs.

Interpersonal Drug Education (IDE) | Educators



Interpersonal Drug Education is a tool for facilitating interpersonal skills to support drug education in schools. IDE is designed to guide students in exploring the complex social factors that influence their behaviours and attitudes. The training outcomes explore the complex social factors that influence student behaviours and attitudes and provide a comprehensive toolkit for facilitating interpersonal skills to support drug education in schools.

TIPS | Internationally Certified Training Recommended for Professionals Serving & Selling Alcohol



Training for Intervention ProcedureS (TIPS) trains employees to be proactive in the prevention of alcohol misuse related to alcohol sales & service. Participants will gain proficiency in recognizing the signs of intoxication in order to reduce the occurrence of alcohol-related incidents & align alcohol sales & service with local regulations.

Bridging the gap | HMCIPS & Community Programming

An 8-week series of educational workshops dedicated to helping participants make informed choices surrounding alcohol & other drug use by exploring the mental, physical, and psychological impacts of substance use. The workshop will equip participants to accurately evaluate the risks associated with decisions around alcohol & other drugs to minimize the risks of drug-related harms.

Arrive Alive 345 | Annual Campaign



An annual campaign dedicated to increasing awareness of alcohol misuse during the holiday season. The campaign promotes community prevention strategies such as the Purple Ribbon Pledge, Designated Driver, and the New Year's Eve

Purple Ribbon Bus as a means to reduce alcohol-related harms. This results in an enhanced awareness of safe driving during the holiday season as well as a greater sense of community and drive to keep others safe.

KEY ACHIEVEMENTS

JANUARY

Cayman Islands Student Drug Use Survey (CISDUS)

2022 marked the 11th cycle of the CISDUS. In January, the survey was transitioned onto an online platform in order to administer the survey online for the very first time. A pilot of the online survey was successfully conducted.

FEBRUARY

Cayman Islands Student Drug Use Survey (CISDUS)

The CISDUS was officially launched across 19 schools in both Grand Cayman and Cayman Brac:

- A participation rate of 83% was achieved.
- This was the first time that an online student drug use survey was successfully conducted within the Caribbean region.

MARCH

The NDC's prevention drug education programmes have been successful in changing attitudes about drug use among youth and parents. This is accomplished through the provision of information on the risks and consequences of drug use and highlighting the importance of healthy life choices and positive alternatives. These programmes aim to shift attitudes towards a more negative view of drug use and a more positive view of healthy behaviours.

The National Drug and Alcohol Facts Month (NDAFM) campaign was launched as an open virtual website for the first time. The website featured a calendar of activities that teachers and their students could participate in throughout the month of March. NDC partnered with Compass Media with an additional activity titled “Be the Creator of the Arrive Alive 2022 Video Commercial”

A vaping article for inclusion in the Cayman Parent Magazine was provided and published surrounding vape use among teens. Data from the CISDUS was provided to aid the article's development.

Policy Guidance was co-drafted for the Ministry of Youth, Sports, Culture, and Heritage regarding substance use policy in youth sports and facilities.

APRIL

Promoted the annual Alcohol Awareness Month to decrease the stigma and misunderstandings of alcohol addiction while also increasing an awareness and understanding of its causes, effective treatment, and recovery.

MAY

18 participants were successfully trained in TIPS Off-Premise and On-Premise and were presented with their internationally recognized three-year certification.

JUNE

The annual World Drug Day's theme: "Addressing drug challenges in health and humanitarian crises" was adopted and actioned through our social media platforms.

JULY

The NDC supported a group of 6 teens and 2 adults in their attendance at the annual Youth to Youth International Conference held in Ohio, USA. This one-of-a-kind conference experience, led by trained teens alongside adults, is the training that groups like ours depend on to serve as a vital catalyst to initiate or improve youth prevention programming.

AUGUST

Cayman Islands Student Drug Use Survey (CISDUS)

- Designed, finalized, and released the electronic briefs for CISDUS to the public.
- Conducted the presentation of results to the Ministry of Health, Ministry of Education, and Ministry of Youth, Sports, Culture, and Heritage

SEPTEMBER

Cayman Islands Student Drug Use Survey (CISDUS)

CISDUS dissemination started among all school principals and their senior staff members.

- 12 Schools received presentations.
- A total of 20 presentations were provided.

CISDUS dissemination also began for stakeholders including mental health providers, and youth-serving organizations.

- 14 Stakeholder agencies received presentations.

OCTOBER

CODE Training was delivered to a total of over 50 plus students across the private schools.

NOVEMBER

Healthy Bodies, Healthy Minds Month

The National Drug Council hosted its second annual health and wellness campaign titled “*Healthy Bodies, Healthy Minds*”. This month-long educational campaign originally developed for primary school students, and this year was extended to include preschool students.

#ArriveAlive345

To increase proactive engagement in the #ArriveAlive345 campaign, a community art piece was created to encourage people to take the pledge.

DECEMBER

The Designated Driver (DD) and Purple Ribbon Bus (PRB) programmes, originally launched by NDC in 2000 proudly celebrated 22 years of keeping the Cayman community safe during the holiday season.

- 114 bars and restaurants across Grand Cayman, Cayman Brac, and Little Cayman participated in the Designated Driver programme.
- 3,619 people in Grand Cayman and Cayman Brac rode the Purple Ribbon Busses.

RESEARCH AND 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 data analysis, and writes the reports, using methodology in line with best practices.

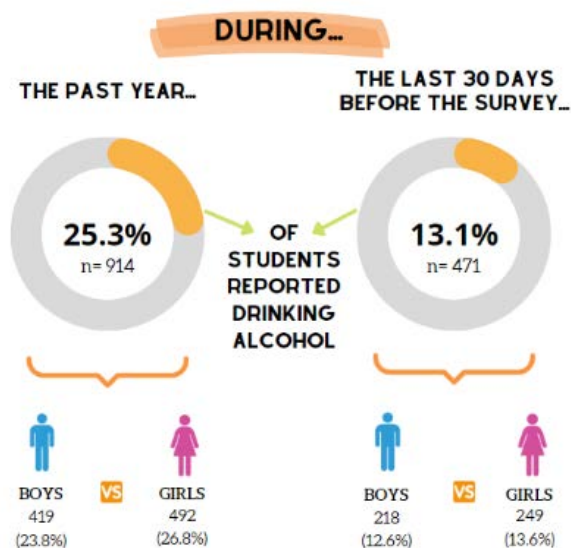
The Cayman Islands Student Drug Use Survey (CISDUS) involved all students in years 7 through 12, attending public and private schools in Grand Cayman and Cayman Brac. 2022 marked the 11th cycle of the school-based survey and is the first cycle to be administered in an online and modular format. Of the students enrolled, a total of 3,608 students across nineteen high schools participated.

This study intends to help with the accumulation of scientific evidence that can guide decision-making for both school policies and prevention programming that is aimed at the reduction of adolescent drug use and misuse.

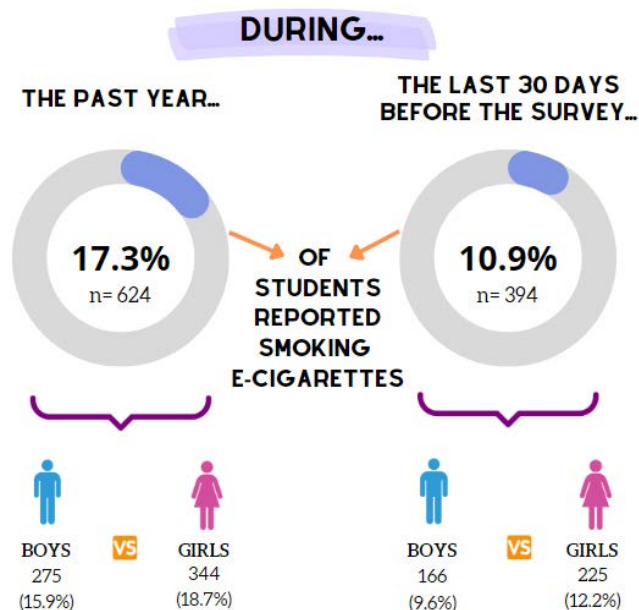
Key Findings from the Cayman Islands Student Drug Use Survey (CISDUS) 2022

Alcohol

- Alcohol was the most prevalent substance reported among students in this survey.
- The overall lifetime prevalence for alcohol was 40.5%, with slightly more girls (41.6%) reporting use when compared to boys (38.4%). This difference was not statistically significant.
- Overall, 13.1% of students reported using alcohol during the last 30 days. This was slightly different among girls (13.6%) and boys (12.6%) however, this was not statistically significant.



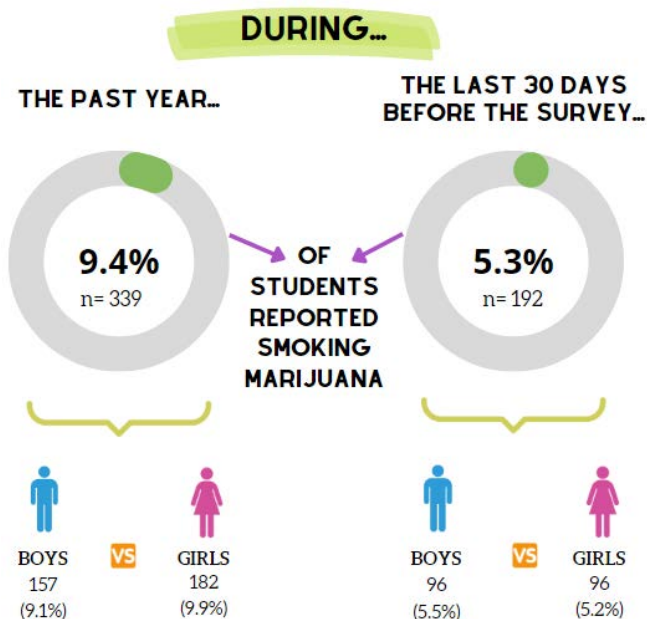
E-Cigarettes



- E-cigarettes were the second most prevalent substance reported in this survey.
- The overall lifetime prevalence of e-cigarettes was 29.3% - approximately one in three students have tried an e-cigarette.
- Slightly more girls (30.5%) reported having used an e-cigarette when compared to boys (28.1%), however, this difference was not statistically significant.
- On average, 10.9% of students reported using e-cigarettes during the past 30 days. When comparing current use by gender, 12.2% of girls reported use compared to 9.6% of boys. This difference was not statistically significant.

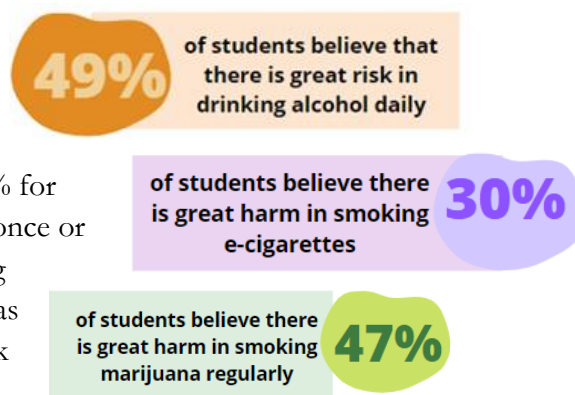
Marijuana

- Marijuana was the third most prevalent substance reported in this survey and was the most prevalent illicit drug reported in this survey.
- On average, 14.1% of students have consumed marijuana during their lifetime, with use reported by 14.9% of girls and 13.4% of boys.
- On average, 5.3% of students have consumed marijuana during the last 30 days, with similar use reported by boys (5.5%) and girls (5.2%).



Perceived Harm/Risk, Use-Related Risks, and Antisocial Behaviour: Perception of Harm

The results presented in this report indicate that many students are aware of the risks of substance use; however, a large percentage still did not believe that there is great risk from substance use. For example, students' perception of no risk related to various substance use ranged from a low of 3.6% for drinking alcohol daily to a high of 24.7% for trying marijuana once or twice. A reported 3.7% did not see any risk relating to smoking one or more packs of cigarettes a day, while 5.0% said there was no risk in smoking e-cigarettes, and 7.4% said there was no risk in smoking marijuana regularly.



Additionally, there were significant differences in the perceptions of risk of harm among boys and girls. As it relates to the perception of no risk, a slightly higher proportion of boys felt there was no risk of harm within all categories of substance use when compared to girls. For example, 11.4% of boys felt there was no risk of harm from smoking marijuana regularly compared to 5.1% of girls.

Alcohol, e-cigarettes, and marijuana are the main substances used by students in this survey cycle. Prevalence is relatively high but there is substantial variability within location (districts) and among boys and girls. The lifetime prevalence of cigarette use was relatively high at 8.6% but decreases considerably for current use at 1.1%. The evidence suggests that cigarette use is mainly for the purposes of experimentation, given that current use rates are low. What is interesting is the comparison of the use for cigarettes versus marijuana – past year marijuana prevalence (9.4%) surpassed past year cigarette prevalence (2.5%) by a factor of nearly four times (3.7 times). Current use in the last 30 days for marijuana (5.3%) was also notably higher than the current use of cigarettes (1.1%).

For over twenty years, data from the CISDUS has demonstrated that the trends of youth substance use are constantly changing. Through the monitoring and evaluation of these trends, we can gauge whether the objectives of various policies, prevention programming, and other anti-drug strategies have been achieved.

While the majority of youth continue choosing to not use alcohol and other drugs, we should not dismiss the advantage of implementing evidence-based prevention programming that educates and supports students who are using substances to discontinue their use, while also supporting students who are not using to maintain their healthy lifestyle choices. Although overall substance use has generally been decreasing, it is recommended that prevention programming targets the notably low perception of great risk/harm surrounding substance use, especially with respect to marijuana and e-cigarette use as well as the overall perception of risk among boys.

Recommendations

1. Prioritize prevention programming or campaigns that target students' attitudes and beliefs relating to the risks and harms of substance use, particularly marijuana, and e-cigarettes.

2. While community education about mental health is important and should continue, an increase in the provision of mental health resources and support for young people should be prioritized.
3. The high levels of Adverse Childhood Experience (ACEs) that were reported in this survey is of concern. The connection between youth substance use and social determinants (such as bullying, carrying a weapon, and other antisocial behaviour) and ACEs should be factored into prevention efforts and interventions. The monitoring of ACEs should continue across future survey cycles.
4. Students reported a high level of interest in receiving greater drug education at their school. Schools should ensure that evidence-based drug education is included in their school curriculum for young people to be informed about the facts and risks surrounding substance use.

LEARNING AND DEVELOPMENT OF STAFF

In 2022 training opportunities included the following courses, webinars, workshops, and certificate programmes:

- Data Protection Essential Knowledge completed by
 - Programme Manager, Director (Acting) Ms. Brenda Watson
 - Prevention Specialist, Mr. Simon Miller

- Alcohol Safety Training: Training for Intervention ProcedureS (TIPS) Train-the-Trainer Workshop. NDC's Certified Trainers include:
 - Prevention Specialist, Mr. Simon Miller
 - Programme Support Officer, Ms Angela Sealey
 - Prevention and Information Officer, Mr. Ivan McLean

- Emerging Trends and Fentanyl Awareness Training facilitated by U.S. Drug Enforcement Administration. Attendees learned about; synthetic drugs, types of fentanyl and other opiates, emerging trends, analysing evidence, and providing science-based research on controlled substances. In addition, the following was covered:
 - Acts and regulations surrounding synthetic drugs, and personal and protective equipment needed when handling fentanyl and other emerging narcotics.
 - Medical concerns about fentanyl and other emerging narcotics.
 - Environmental management is required when handling fentanyl and other emerging narcotics.
 - Challenges surrounding legal policies and acts on emerging narcotics.
 - Importance of enacting national legislation on emerging narcotics.

Completed by:

- Prevention Specialist, Mr. Simon Miller
- Prevention and Information Officer, Mr. Ivan McLean

- Global Alcohol Policy Alliance Virtual Event. The webinar was facilitated by Global Alcohol Policy Alliance; the purpose of the training is to understand the global initiatives/best practice in alcohol policy and points of interest for key actions. Attendees were provided with knowledge and information surrounding alcohol policy & interventions from key speakers across the globe in an interactive way. Completed by:
 - Research Analyst., Ms Laila Shim

- Alcohol Consumption in the Americas & PAHO Virtual Campus: Alcohol Per Capita Consumption. This course covered the estimation of alcohol per capita consumption in the

Americas as well as discussed, the cost-effective policies to prevent and reduce alcohol problems. Completed by:

- Research Analyst., Ms Laila Shim

Additional workshops and certificate courses completed by staff:

- Evidence-Based Workshop facilitated by Prevention Plus Wellness and explored content and steps for implementing the SPORT & InShape (Alcohol/Drug) Prevention Plus Wellness (PPW) programs for high school, middle school & elementary school-aged youth & young adults.
- Darkness To Light: Recognizing Child Abuse & Neglect Training. This program details how an individual is taught how to appropriately recognize the signs of neglect and child abuse, along with how to react responsibly.
- Darkness To Light: Stewards Of Children Training. A certification program that teaches adults how to identify, prevent, and react responsibly to child sexual abuse.
- International and Personnel Recovery Training: Engaging Dads in Services for Families Affected by Substance Use Disorders
- Debunking the Myths of Underage Drinking
- Alcohol Consumption in the Americas & PAHO Virtual Campus: Alcohol Per Capita Consumption
- Fetal alcohol spectrum disorders (FASD): Community approaches for prevention and care
- United Nations Office on Drugs and Crime: 65th UN Commission on Narcotic Drugs Side Events:
 - Impact of cannabis legalization from a scientific perspective
 - Decriminalization in the Americas: towards a more humane drug policy
 - Legalizing the drug wars: a regulatory history of UN Drug Control
- Women, Alcohol Consumption, and the COVID-19 Pandemic
- The WHO Global Alcohol Action Plan-7th Annual Caribbean Alcohol Reduction Day
- Global Alcohol Policy Alliance Virtual Event
- ISSUP Webinar: Alcohol Use Disorder and its Treatment with Medications and Nutrition
- ISSUP Webinar: Creating Persuasive Media Messages to Prevent Substance Misuse
- ISSUP Webinar: Let's talk about Mental Health
- ISSUP Webinar: Global Adult Tobacco Survey (GATS)-SA Implementation, Results, and Implications for Policy

RISK MANAGEMENT

Key risks faced by the National Drug Council	Impact	Actions taken to Mitigate risks	The Financial value of risks
<p>Key risks for the NDC are those which are organisational in nature and include:</p> <ul style="list-style-type: none"> a. working outside of the necessary framework required for strategically addressing the issues related to alcohol, tobacco and other drugs, b. limited personnel for the needs of the community c. inability to achieve outcomes or targets and delivery of services. 		<p>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.</p> <p>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.</p>	N/A
<p>Compliance risk for reporting as required by stakeholders and CIG.</p> <ul style="list-style-type: none"> a. Lack of segregation of duties. 		<p>To address risks in item 2., With limited staffing and vacancy, the Director, and administrative and financial positions there are limited opportunities for segregation, and as such the NDC relies on external accounting services to ensure sound financial management.</p>	N/A

MANTENANCE OF CAPABILITY

FINANCIAL PERFORMANCE RATIO	2022 Budget \$000s	2022 Actual \$000s
CURRENT ASSETS: CURRENT LIABILITIES	15.27	14.45
TOTAL ASSETS: TOTAL LIABILITIES	15:45	14.62

HUMAN CAPITAL MEASURES	2022 Budget \$000s	2022 Actual \$000s
TOTAL FULL-TIME EQUIVALENT STAFF EMPLOYED	9	7
STAFF TURNOVER (%)		
SENIOR MANAGER	0%	0%
PROFESSIONAL AND TECHNICAL STAFF	12.5	0%
ADMINISTRATIVE STAFF	-	-

PHYSICAL CAPITAL MEASURES	2022 Budget \$000s	2022 Actual \$000s
VALUE OF TOTAL ASSETS	667	758
CHANGES TO ASSET MANAGEMENT POLICIES	Ongoing Review of operational policies	Ongoing Review of operational policies

SCRUTINY BY PARLIAMENT AND PUBLIC

Parliamentary Questions (PQs)

This section describes Parliamentary Questions and how they were dealt with. It includes all entities and SAGCs under the remit of the Ministry of Health & Wellness.

- To our knowledge no aspect of the NDC was discussed by Parliament.

Public Accounts Committee (PAC)

This section describes issues monitored by the Public Accounts Committee and what actions were taken. It includes all entities and SAGCs under the remit of the Ministry of Health & Wellness.

- To our knowledge no aspect of the NDC was discussed by Parliament.

Finance Committee

This section describes issues monitored by the Finance Committee and what actions were taken. It includes all entities and SAGCs under the remit of the Ministry of Health & Wellness.

- To our knowledge no aspect of the NDC was discussed by Parliament.

Freedom of Information (FOI)

Note summary FOI requests and timeliness of response.

APPLICATION DETAILS	NUMBER
Total Applications Received	2
Total Applications Open	0
Total Applications Closed	2
Applications for Personal Information (Applicant's own)	0
Application for General Information	2
TIMELINE DETAILS	NUMBER
Request Information (Decision made within 30 days)	2
Request Information) Decisions made later than 30 days and no extension taken under section 7 (4)	0
Request Information (Decision extended under section 7 (4)	0
Request Information (Decision extended under section 7 (4) but responded to later than 60 days.	0
Internal Review (Decision made within 30 days)	0
Internal Review (Decision made later than 30 days)	0
FEES	
Fees levied under \$100.00	0
Fees levied \$101 - \$500	0
Fees levied \$501 – 1,000	0
Fees levied over \$1,000	0
Fees excused	0
AMENDMENTS AND ANNOTATIONS	
Request for Amendment or Annotation under section (28)	0
Number Amended	0
Number Annotated	0
INTERNAL REVIEWS	
Number of Requests for Internal Review	0
Number of Internal reviews Appealed	0

LOOKING FORWARD

Forward-looking:

1. 2023 marks the 25th anniversary of the National Drug Council (NDC).
2. Address NDC legislation to ensure provision for support to the functions of the organisation.
3. Advancing the Research Informed Student Education (RISE) in the Cayman Islands.
 - i. Conduct research at the tertiary education level.
4. Advocate for the Cayman Islands Government to mandate:
 - i. The development of a Research Informed Student Education Strategy with an emphasis on drug prevention for all public and private schools.
 - ii. Research Informed Student Education in the curriculum for all public and private 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 Act
- Liquor Licensing Act
- Misuse of Drugs Act

FINANCIAL STATEMENTS

**Audited Financial Statements
of the**

National Drug Council

For the 2022 Financial Year

National Drug Council

Financial Statements

Year ended 31 December 2022

Contents	Page
Statement of Responsibility for the Financial Statements	1
Independent Auditors' Report to the Auditor General	2-3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Net Worth	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-22

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 (2011 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 (2011 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 Acts and properly record the financial transactions of the National Drug Council.

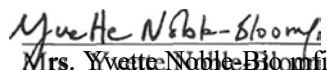
As Chairperson and Acting Director, we are responsible for the preparation of the National Drug Council financial statements and the judgments made therein.

The financial statements fairly present the statement of financial position as at 31 December 2022, 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 2022.


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 2022;
- b) fairly reflect the financial position as at 31 December 2022 and performance for the year ended 31 December 2022;
- 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. Yvette Noble-Bloomfield
Chairperson

Date: 29 April, 2023


Mrs. Brenda Watson
Programme Manager
Director (Acting)

Date: 29 April 2023



Phone: (345) - 244-3211
Fax: (345) - 945-7738
AuditorGeneral@oag.gov.ky
www.auditorgeneral.gov.ky

3rd Floor, Anderson Square
64 Shedden Road, George Town
PO Box 2583
Grand Cayman, KY1-1103, Cayman Islands

AUDITOR GENERAL'S REPORT

To the Members of the National Drug Council 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 2022, 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 2022, 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.

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

AUDITOR GENERAL'S REPORT (continued)

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 auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism 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.



Patrick Smith, CPA, CFE
Acting Auditor General

29 April 2023
Cayman Islands

National Drug Council
STATEMENT OF FINANCIAL POSITION
As at 31 December 2022
(Stated in Cayman Islands Dollars)

ASSETS	Notes	2022	2021
Current Assets			
Cash and cash equivalents	2(f)	508,580	350,951
Accounts receivable and prepaid expenses	4	240,390	339,266
Total Current Assets		748,970	690,217
Non-Current Assets			
Security deposit		5,500	5,500
Fixed assets	2(g), 3	3,573	6,478
Total Non-Current Assets		9,073	11,978
Total Assets		758,043	702,195
 LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable		2,927	11,771
Accrued audit fees		20,000	15,000
Accrued accounting fees		14,000	14,000
Accrued payroll liabilities	5	14,910	10,016
Total Current Liabilities		51,837	50,787
 EQUITY			
Accumulated surplus		706,206	651,408
Total Liabilities and Equity		758,043	702,195

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 2022
(Stated in Cayman Islands Dollars)

	Notes	2022	2021
Revenues			
Outputs to Government	6	714,855	689,355
Other income	7	26,978	32,443
Total revenues		741,833	721,798
Expenses			
Personnel emoluments	8	476,651	414,661
Rent	9	66,000	66,000
Audit and accounting fees	11	34,000	29,000
Utilities	12	16,237	14,328
Surveys and other public information projects	15	7,590	20,704
Supplies & materials		5,926	5,789
Travelling and subsistence	13	9,763	6,561
Grants & contributions – special events	14	21,812	14,397
Operating maintenance		13,731	11,855
Youth development	10	8,919	5,776
Prevention, surveys, monitoring and evaluation		9,796	9,852
Computer services		10,651	9,416
Advertising and promotion		3,054	1,212
Depreciation	3	2,905	3,873
Total expenses		687,035	613,424
Surplus for the year		54,798	108,374

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 2022
 (Stated in Cayman Islands Dollars)

	Note	Accumulated Surplus	Total Net worth
Balance as at 31 December 2020		543,034	543,034
Surplus for the year	19 —	<u>108,374</u>	<u>108,374</u>
Balance at 31 December 2021	19 —	<u>651,408</u>	<u>651,408</u>
Surplus for the year		<u>54,798</u>	<u>54,798</u>
Balance as at 31 December 2022		<u>706,206</u>	<u>706,206</u>

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 2022
(Stated in Cayman Islands Dollars)

	Notes	2022	2021
Operating activities			
Surplus Retained for the year		54,798	108,374
Adjustment for non-cash transactions:			
Depreciation Expense	3	2,905	3,873
		57,703	112,247
Adjustments to reconcile net surplus from operations to net cash provided by operating activities:			
Decrease/(increase) in accounts receivables and prepaid expenses		98,876	(100,072)
Decrease in accounts payable		(8,844)	(10,365)
Increase/(decrease) in accrued payroll liabilities		4,894	(19,876)
Increase/(decrease) in accrued audit fees		5,000	-
Net cash (used in)/provided by operating activities		157,629	(18,066)
Investing activity			
Purchase of fixed assets	3	-	(895)
Net cash used in investing activities		-	(895)
Net change in cash and cash equivalents		157,629	(18,961)
Cash and cash equivalents, beginning of year		350,951	369,912
Cash and cash equivalents, end of year		508,580	350,951

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 2022

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 and Wellness for the year ended 31 December 2022. During the year the NDC satisfied its mandates and obligations as agreed in the Purchase and Ownership Agreements. As at 31 December 2022, the NDC had 7 full time employees (2021: 6 employees).

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 2022 have not been early adopted by the Council

Certain new accounting standards have been published that are not mandatory for the 31 December 2022 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 in the next financial year.

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 in the next financial year.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

2. Significant accounting policies cont'd

b) Basis of preparation (continued)

IPSAS 43, Leases was issued in January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 43 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The impact on the Council's financial statements will be assessed in the next financial year.

c) 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

d) 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.

e) 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

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.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2022

2. Significant accounting policies cont'd

e) Fixed Assets (continued)

The recoverable amount is the higher of the asset's fair value less costs to sell and its value for use in service.

f) Deferred grant funds and income

Donation and grant income received for specific projects are initially recorded as liability called deferred grant funds and income. Subsequently, the related amounts are credited to income in periods in which corresponding expenses on such projects are incurred.

g) 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.

h) Donations (Non-exchange)

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

i) 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, cash equivalents, security deposit 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.

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.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2022

2. Significant accounting policies cont'd

k) Financial Instruments (continued)

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 2022-23 Ownership Agreement and approved by the Parliament on 6th December 2021. 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 cover a budget period of two financial years. The 2022-2023 Ownership Agreement covers the two financial years commencing 1 January 2022 to 31 December 2023. During the two-year period, funds can be transferred between the financial years. Unused appropriations from the 2022 budget can be carried over to 2023 to increase budgeted amounts. The 2022-2023 appropriations will lapse at the end of the budget period ending 31 December 2023. Any surplus at the end of the budget period will be repayable to Parliament.

n) Expenses

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

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) Prepayments

The portion of expenditures paid in advance of receiving services has been recognised as a prepayment.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2022

2. Significant accounting policies cont'd

q) 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 Fund provider. Contributions of 5% on behalf of the employees are made to the designated fund 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.

r) 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 obligation that may require an outflow of resources and the possibility of an outflow is not considered remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

3. Fixed Assets

	Office Equipment	Office Furniture	Computer Equipment	Computer Software	Lease Improvements	Total
Balance at 31 Dec 2020	42,470	40,493	48,703	19,139	26,440	177,245
Additions during year	-	500	395	-	-	895
Balance at 31 Dec 2021	42,470	40,993	49,098	19,139	26,440	178,140
Additions during year	-	-	-	-	-	-
Balance at 31 Dec 2022	42,470	40,993	49,098	19,139	26,440	178,140
<i>Accumulated depreciation:</i>						
Balance at 31 Dec 2020	42,018	36,410	45,866	19,139	24,356	167,789
Depreciation for year	452	816	1,798	-	807	3,873
Balance at 31 Dec 2021	42,470	37,226	47,664	19,139	25,163	171,662
Depreciation for year	-	900	1,198	-	807	2,905
Balance at 31 Dec 2022	42,470	38,126	48,862	19,139	25,970	174,567
Net Book value at 31 Dec 2021	-	3,767	1,434	-	1,277	6,478
Net Book value at 31 Dec 2022	-	2,867	236	-	470	3,573

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2022

4. Accounts receivable & prepaid expenses

	2022	2021
Accounts receivable	230,490	329,156
Prepaid expenses	<u>9,900</u>	<u>10,110</u>
	<u>240,390</u>	<u>339,266</u>

Accounts receivable is \$230,490 (2021: \$329,156) and relates to outputs supplied to the Ministry for which funds had not been received at 31 December 2022.

5. Accrued payroll liabilities

	2022	2021
Accrued vacation	5,880	5,296
Accrued salaries	2,429	13
Accrued other payroll liabilities	6,331	4,696
Accrued pension	<u>270</u>	<u>11</u>
	<u>14,910</u>	<u>10,016</u>

6. Outputs to Government

	2022	2021
Outputs to Government	<u>714,855</u>	<u>689,355</u>
	<u>714,855</u>	<u>689,355</u>

NDC's outputs are supplied in the normal course of business to the Ministry of Health and Wellness. 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.

7. Other income

	2022	2021
Donations	24,746	31,225
Payables Written-Off	570	-
Boardroom rental	400	200
Discounts	<u>1,262</u>	<u>1,018</u>
	<u>26,978</u>	<u>32,443</u>

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2022

8. Personnel emoluments

	2022	2021
Salaries & wages	375,609	337,928
Medical insurance	73,173	50,178
Pension	18,193	16,883
Motor car allowance	7,450	7,950
Movement in annual leave provision	584	2,374
Movement in accrued time-in-lieu	1,642	(652)
	476,651	414,661

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 2022 accrued time-in-lieu reflects the number of hours brought forward and eligible for carry over into the upcoming financial year (2023).

9. 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 expense incurred in 2022 amounted to \$66,000 and were paid to Meri Tarlova, therefore, future commitments for the remaining 28 months total \$154,000 (\$66,000 of the future commitments are due within one year and the remainder of \$88,000 is due beyond one year to the end of the lease).

10. Youth Development

Youth leadership and peer mentoring initiatives continues in the schools and the NDC supports these initiatives through education and awareness activities, youth training opportunities, and supporting the Life Skills curriculum and its annual student award. Youth to Youth (Y2Y) is a youth empowerment movement which seeks to aid youth in developing 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:

	2022	2021
Peer Mentor	1,016	1,587
Youth to Youth	7,903	4,189
	8,919	5,776

National Drug Council
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 For the year ended 31 December 2022

11. Audit & Accounting fees

The fees relate to statutory audit fee and professional accountancy services amounting \$20,000 (2021: \$15,000) and CIS 14,000 (2021: \$14,000) respectively for the year ended 31 December 2022.

12. Utilities

	2022	2021
Electricity	7,233	5,303
Telephone	7,705	8,666
Water	<u>1,299</u>	<u>359</u>
	<u>16,237</u>	<u>14,328</u>

13. Travelling and subsistence

Portions of the Government grant income have been made to support the training and development initiatives of the Council. All travel directly relates to the training undertaken by staff, Youth to Youth (Y2Y) leaders and teens/ambassadors.

	2022	2021
Travel expense	8,788	3,048
Prevention Officer Training	-	3,150
Programme Manager Training	250	363
Staff Development	<u>725</u>	<u> </u>
	<u>9,763</u>	<u>6,561</u>

14. 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:

	2022	2021
Arrive Alive 345 Campaign	<u>21,812</u>	<u>14,397</u>
	<u>21,812</u>	<u>14,397</u>

National Drug Council
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 For the year ended 31 December 2022

15. 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:

	2022	2021
SPSS Expense	1,332	1,160
Teleform	108	1,288
Census and Surveys	6,150	18,256
	7,590	20,704

16. Related parties

The NDC is a statutory body of the Government of the Cayman Islands. The Council is economically dependent upon the Ministry of Health and Wellness for the purchase of its services in accordance with the purchase agreement with Government. For the year ended 31 December 2022, the Council billed \$714,855 to the Government for services sold (2021: \$689,355). Of the billed amount, \$230,490 was receivables as at 31 December 2022 (2021: \$329,156). This amount is included in accounts receivable and prepaid expenses in the Statement of Financial Position.

The Auditor General has statutory responsibility for the audit of the National Drug Council's financial statements. The fee for the year was \$5,000 (2021:\$0).

Key Management Personnel

The pension and health insurance benefits provided to key management personnel are the same as that which is 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 senior management remuneration, therefore, in 2022 was \$103,606 (2021 \$106,272).

Governing Council members

There are currently 13 members that make up the NDC governing council. No stipend is paid to any of the members (2021: \$Nil).

Dividend Payments

Pursuant to Section 16 of the Public Management and Finance Act (2020 Revision), Section 39(3) of the Public Authorities Act (2020 Revision), and section 19 of the Policy for the Payment of Annual Dividends by Statutory Authorities and Government Companies, taken together, NDC is exempt from delivering dividend payments as NDC have met the prescribed criteria set out in section 19 for exclusions. Note that management deems that the NDC has met all requirements and the request has been submitted as of 20th of March 2023. Final response from Accountant General is pending.

Cabinet granted approval pursuant to section 39(2) of the Public Authorities Act (2020 Revision), to exempt Statutory Authorities and Government Companies from paying-over to Government surplus cash reserves for a period of more than ninety days as at 31 December 2022.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2022

17. Financial instrument risks

The Council is exposed to a variety of financial risks including credit risk, exchange rate risk and liquidity risk. The Council'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 (2021 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 2022, no provision for doubtful debts (2021:\$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.

18. 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. During the year ended 31 December 2022 the Council has not been provided with an update on the matter.

National Drug Council
Notes to the Financial Statements (continued)
For the year ended 31 December 2022

19. Statement of comparison of budget and actual amounts

For the year ended 31 December 2022

	Variance Notes	2022 Actual	2022 Budget	Variance (Actual vs Budget)
Revenues				
Outputs to Government		714,855	714,855	-
Other Income	a	26,978	25,000	1,978
Total revenues		<u>741,833</u>	<u>739,855</u>	<u>1,978</u>
Expenses				
Personnel emoluments	b	476,651	574,035	(97,384)
Rent		66,000	66,000	-
Prevention, surveys, monitoring and evaluation	c	17,386	19,110	(1,724)
Travelling and subsistence	d	9,763	15,500	(5,737)
Audit and accounting fees	e	34,000	29,000	5,000
Utilities	f	16,237	18,700	(2,463)
Computer services	g	10,651	-	10,651
Operating maintenance	h	13,731	10,830	2,901
Youth development	i	8,919	-	8,919
Advertising & promotion	j	3,054	-	3,054
Depreciation	k	2,905	-	2,905
Supplies & materials	l	5,926	7,500	(1,574)
Grants & contributions – special events	m	21,812	-	21,812
Total expenses		<u>687,035</u>	<u>740,675</u>	<u>(53,640)</u>
Net surplus/(deficit) for the year	n	<u>54,798</u>	<u>(820)</u>	<u>55,618</u>

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2022

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

ASSETS	Variance Notes	2022 Actual	2022 Budget	Variance (Actual vs. Budget)
Current assets				
Cash and cash equivalents	o	508,580	399,275	109,305
Accounts receivables	p	230,490	246,786	(16,296)
Prepaid expenses	p	9,900	13,500	(3,600)
Total Current Assets		748,970	659,561	89,409
Security deposit		5,500	5,500	-
Fixed assets	q	3,573	2,442	1,131
Total assets		758,043	667,503	90,540
 LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable	r	2,927	7,762	(4,835)
Accrued vacation	s	5,880	-	5,880
Accrued audit Fees	t	20,000	15,000	5,000
Accrued other payroll liabilities	u	9,030	12,934	(3,904)
Accrued accounting	v	14,000	7,500	6,500
Total Current Liabilities		51,837	43,196	8,641
 EQUITY				
Accumulated surplus		706,206	624,307	81,899
Total Liabilities and Equity		758,043	667,503	90,540

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2022

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

Statement of Cash Flows	2022 Actual	2022 Budget	Variance (Actual vs. Budget)
Net cash (used in)/provided by operations	157,629	-	157,629
Investing activity			
Purchase of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>
Net cash (used in) investing activities	157,629	-	157,629
Net change in cash and cash equivalents:			
Cash and cash equivalents, beginning of year	350,951	399,275	(48,324)
Net Change in Cash and cash equivalents	<u>157,629</u>	<u>-</u>	<u>157,629</u>
Cash and cash equivalents, end of year	<u>508,580</u>	<u>399,275</u>	<u>109,305</u>

- a. Other Income (over by \$1,978): 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. Actual donations are over budget in the current year, primarily due to the increase in donations.
- b. Personnel emoluments (under by \$97,384): In the 2022 budget year, the Council would have been prepared for 8 full-time employees. However, due to changes in the staffing levels during the current financial year, there were positions vacant for a period of time. One of the three positions was filled in the third quarter in the capacity of Programme Support Officer, while the other two remained vacant. This resulted in lower than budgeted personnel costs; salaries, pensions, motor car upkeep and health insurance payments.
- c. Prevention, surveys, monitoring and evaluation and other public information projects (under by \$1,724): The majority of the variance represents the administration of the bi-annual Cayman Islands student drug Use Survey (CISDUS) to approximately 3,700 students. The data collection was conducted in an online format which required nominally less resources in order to facilitate the administration and final analysis and reporting. Although the NDC adopted a new direction for the analysis and reporting of the data to increase usability for stakeholders in the broader community the overall cost was slightly lower.
- d. Travelling and Subsistence (under by \$5,737): Variance is related to the overseas travel expenses incurred overall between islands, regional and internationally which were significantly reduced as it relates to overseas training for NDC staff, Youth to Youth leaders and participants as a result of the COVID-19 travel related restrictions which remained in place.
- e. Audit and Accounting Fees (over by \$5,000): Variance is related to the previously waived OAG fees which resumed for this audit period and reflects an increase in their 2022 charge fee schedule.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2022

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

- f. Utilities (under by \$2,463): While the NDC continually seeks methods to reduce its utility expenses, the variance is as a result of the COVID-19 Global Pandemic ongoing restrictions which limited the frequency of use of our offices and boardroom for reoccurring group meetings.
- g. Computer Services (over by \$10,651): The variance is as a result of the service and support to the computer network, server, and additional costs incurred due to the ongoing services required to facilitate onboarding of new staff and ensuring staff retained remote access. The variance is also due to the parts replacement, purchase of supplies and repairs to the multifunction device (printer) to allow for its continued use. These costs were not budgeted.
- h. Operating Maintenance (over by \$2,901): Variance is related to the increase in operating costs due to 1. Additional/upgrades of subscriptions, software, and licencing services to support the Cayman Islands Student Drug Use Survey (CISDUS) 2022 being conducted on an online platform. 2. The redesigning of the NDC's website.
- i. Youth Development (over by \$8,919): Variance represents the allocation of funds towards the increased efforts of the organisation in its development of youth programmes. These costs in 2022 were separated from the overall theme of Prevention, surveys, monitoring, and evaluation in order to accurately demonstrate the development activities in these areas.
- j. Advertising & Promotion (over by \$3,054): The variance relates to the costs associated with print media for educational and informational space acquired in the Cayman Parent Magazine as well as costs associated with advertising in newsprint for the vacant positions in 2022. These costs would not have been budgeted.
- k. Depreciation (over \$ 2,905): The variance is related to the amount which was unbudgeted for the year 2022.
- l. Supplies and materials (under by \$1,574): Variance is related to the inclusion of an online platform for resources which contributed to the reduced spend.
- m. Grants and Contributions (over by \$21,812): Variance relates mainly to the Arrive Alive 345 Campaign which includes the costs of the annual Designated Driver and Purple Ribbon Bus operations in 2022. Funds are received outside of budgeted government funding, and are acquired specifically through private and corporate sector contributions based on the actual cost associated with the annual campaign and requisite prevention programming. This is one of the councils' initiatives to promote safety on the roads. These costs were not budgeted.
- n. Surplus (over by \$55,618): the budget is prepared on a break-even basis. Therefore, the surplus is due to the Council billing and recognizing its full appropriation for 2022 and the various savings noted in the analysis above where the most savings was realized in the personnel emoluments as described in point b. and further savings as achieved due to the COVID-19 impact leading to a reduced spend.
- o. Cash and Cash equivalents (over by \$109,305): The variance is related to reduced staffing, resulting in lower than budgeted personnel expenses and the reduced spend from the COVID-19 impact. This ultimately led to the higher actual cash balance at year end.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2022

19. Statement of Comparison of budget and actual amounts cont'd

- p. Accounts Receivables and Prepaid Expenses (over by \$19,896): Much of the variance represents the fourth quarter government funding being outstanding at period end for the outputs delivered.
- q. Fixed Assets (over by \$1,131): The variance relates to capital expenditures approved for various office and computer equipment not budgeted for in the period ended December 31, 2022.
- r. Accounts Payable (under by \$4,835): all efforts were made to ensure that invoices were received by the Council by the close of the fiscal year to ensure timely payments to vendors.
- s. Accrued Vacation (over by \$5,880): Employees are due and expected to take leave in the year assigned, which is reflected in the \$nil budget amount. Due to staff shortages and organisational commitments employees were not always able to leave as requested in 2022.
- t. Accrued Audit Fees (over by \$5,000): Should be considered along with (e) Audit and Accounting Fees. The variance relates to the difference in actual audit fees to budgeted audit fees.
- u. Accrued other payroll liabilities (under by \$3,904): in the 2022 budget year the Council budgeted for 8 full-time employees of which 6 positions were fully staffed during the year and (1) position was staffed in the fourth quarter. The variance relates to the actual costs of the accrued and other payroll liabilities which were significantly reduced.
- v. Accrued Accounting Fees (over by \$6,500): Variance relates to the increase in the use of an external accounting agency in the absence of an Operations Administrator.

20. Subsequent events

In preparing these financial statements, management has evaluated and disclosed all material subsequent events up to 29 April 2023 which is the date that the financial statements were available to be issued.