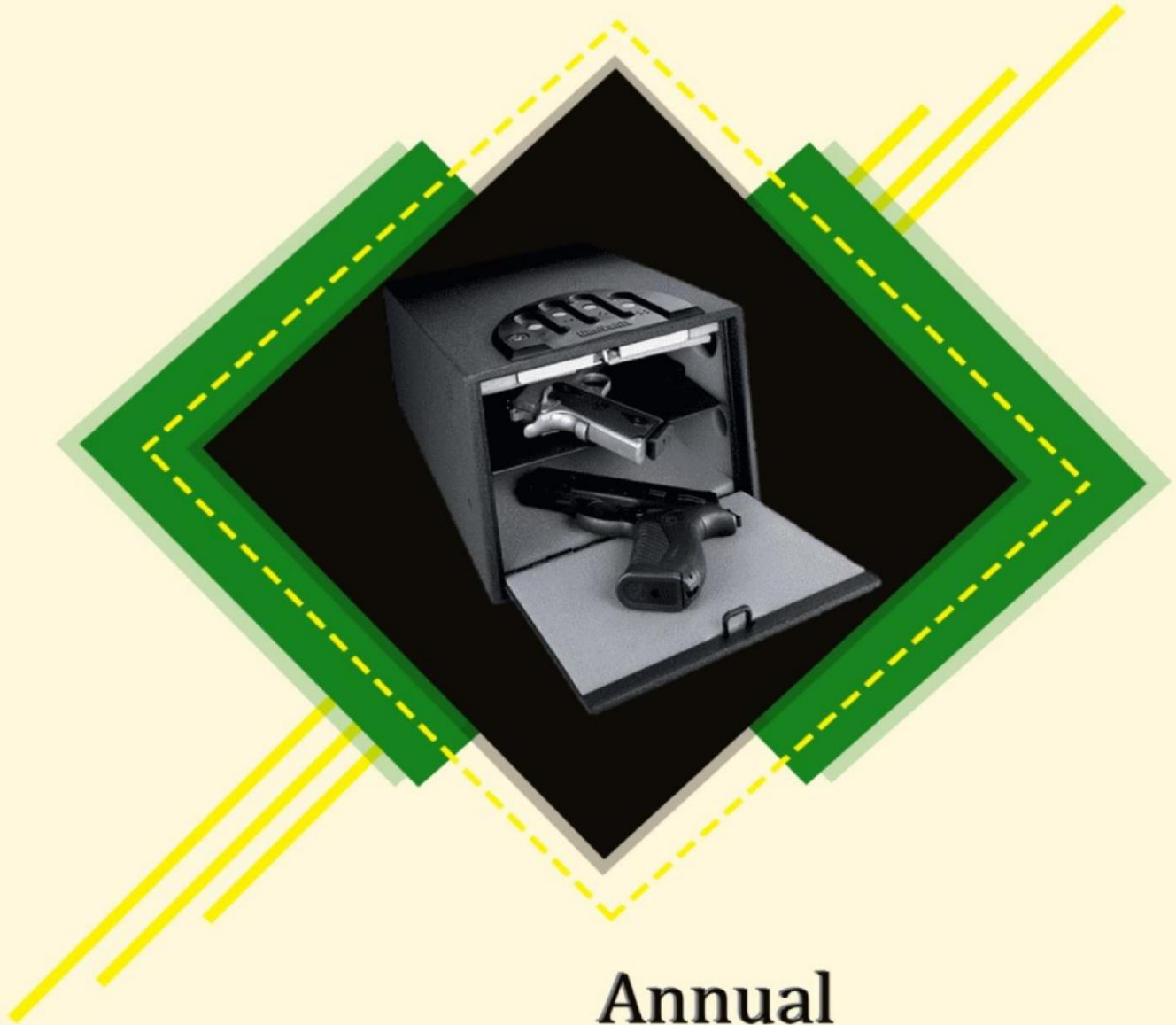




Firearm Licensing Authority



Annual
REPORT
2017-2018

FLA...REGULATING WITH PURPOSE



PROMOTING FIREARM SAFETY AND RESPONSIBILITY

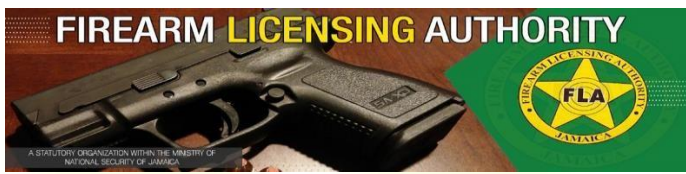
The Five Basic Firearm Safety Rules:

1. Conduct yourself in a mature and responsible manner.
2. Treat all firearms as if they are loaded.
3. Never point a firearm at anything unless you plan to destroy it.
4. Never put your finger on the trigger unless you intend to fire the gun.
5. Know your target, what is beyond and around the target.

Licensed holders can also ensure firearm security, and the safety of themselves and others by practicing the following safety tips: 1. Be vigilant when traversing in public spaces.

2. Refrain from frolicking/idle activities such as excessive drinking while in possession of a firearm.
3. Do not leave firearm(s) in vehicles.
4. Ensure that the safety is activated on the firearm when not in use and that the muzzle is pointed in a safe direction.
5. Store firearm(s) at home in a metal safe and keep it closed.
6. Keep firearm(s) and ammunition out of the reach of children.





Think! Firearm Safety First
Annual Report | 2017 – 2018

Table of Contents

- ▶ **VISION STATEMENT** 5
- ▶ **MISSION STATEMENT** 5
- Corporate Profile** 6
 - Organizational Structure** 7
 - The Board of the Authority** 8
 - The Review Board** 9
- Corporate Governance** 10
- Message from the Chairman of the Board** 11
- Message from the CEO** 12
- Performance at a Glance** 14
- Meet Our Directors** 17
- Pictorial Highlights** 18
 - THE GENERAL ADMINISTRATION DEPARTMENT** 19
 - THE APPLICATION AND CERTIFICATION DEPARTMENT** 20
 - THE INVESTIGATION DEPARTMENT** 21
 - THE COMPLIANCE & ENFORCEMENT DEPARTMENT** 22
 - THE INFORMATION SYSTEMS & TECHNOLOGY DEPARTMENT** 23
 - THE FINANCE & ADMINISTRATION DEPARTMENT** 24
 - MONTEGO BAY REGIONAL OFFICE** 26
 - MANDEVILLE REGIONAL OFFICE** 27
- Annual Compensation for Board of Authority April 2017 – August 2017** 29
- Annual Compensation for Senior Executives 2017/2018** 31
 - INCOME GENERATION** 34
 - Income and Expenditure Comparison:** 35
- FINANCIAL STATEMENTS** 37
- Did you know?** 57



Presents:

Annual Report 2017/18

The purpose of this report is to provide the Houses of Parliament, partners, stakeholders and clients with information on the performance of the Firearm Licensing Authority (FLA) for the 2017/2018 financial year and the prospects for the financial year 2018/2019.



FIREARM LICENSING AUTHORITY

► VISION STATEMENT

FLA enjoys public confidence through consistently superior professionalism, integrity and customer satisfaction.

► MISSION STATEMENT

Our mission is to provide an environment of transparency and integrity in the regulation of firearms and ammunition used by Jamaican residents. We will do this by having highly trained, professional staff providing high quality service to our individual applicants, Dealers, Range Operators, Trainers, Security Companies and other customers. As a part of the national security infrastructure of Jamaica, we will also ensure that the integrity and completeness of our database of firearms records are maintained at high standards, and will also seek to maintain excellent communication with the other members of the national security infrastructure under the umbrella of the Ministry of National Security.





Corporate Profile

“There is hereby established for the purposes of this Act, a body to be known as the Firearm Licensing Authority” – Firearms Act, Part V, Section 26A. 1

OUR HISTORY

The Firearms Act, in its previous form, came into existence in 1947 (revised 1967).

Though in a vastly different environment than what obtains today, its objective was primarily to control the manufacture, sale, purchase, importation, exportation, transshipment, disposal, possession and use of firearms and ammunition.

Under the Act, individuals were permitted to own and use firearms and ammunition, after applications to the Superintendent of Police were approved. Unsuccessful applicants of firearm licences had the right to appeal to the Minister of National Security who would hear the matter and whose decision would be final.

In 2004, Cabinet Decision 7/04 gave approval for the revision of the policy and procedures relating to the issuing and renewing of firearm licences. In addition, approval was also given to the Firearm Licensing Authority (FLA) for carrying out related functions, the allocation of funds for the acquisition of new technology for the operation of the Authority, and the issuance of the drafting instructions to the Chief Parliamentary Counsel to amend the Firearms Act accordingly.

WHAT WE ARE NOW

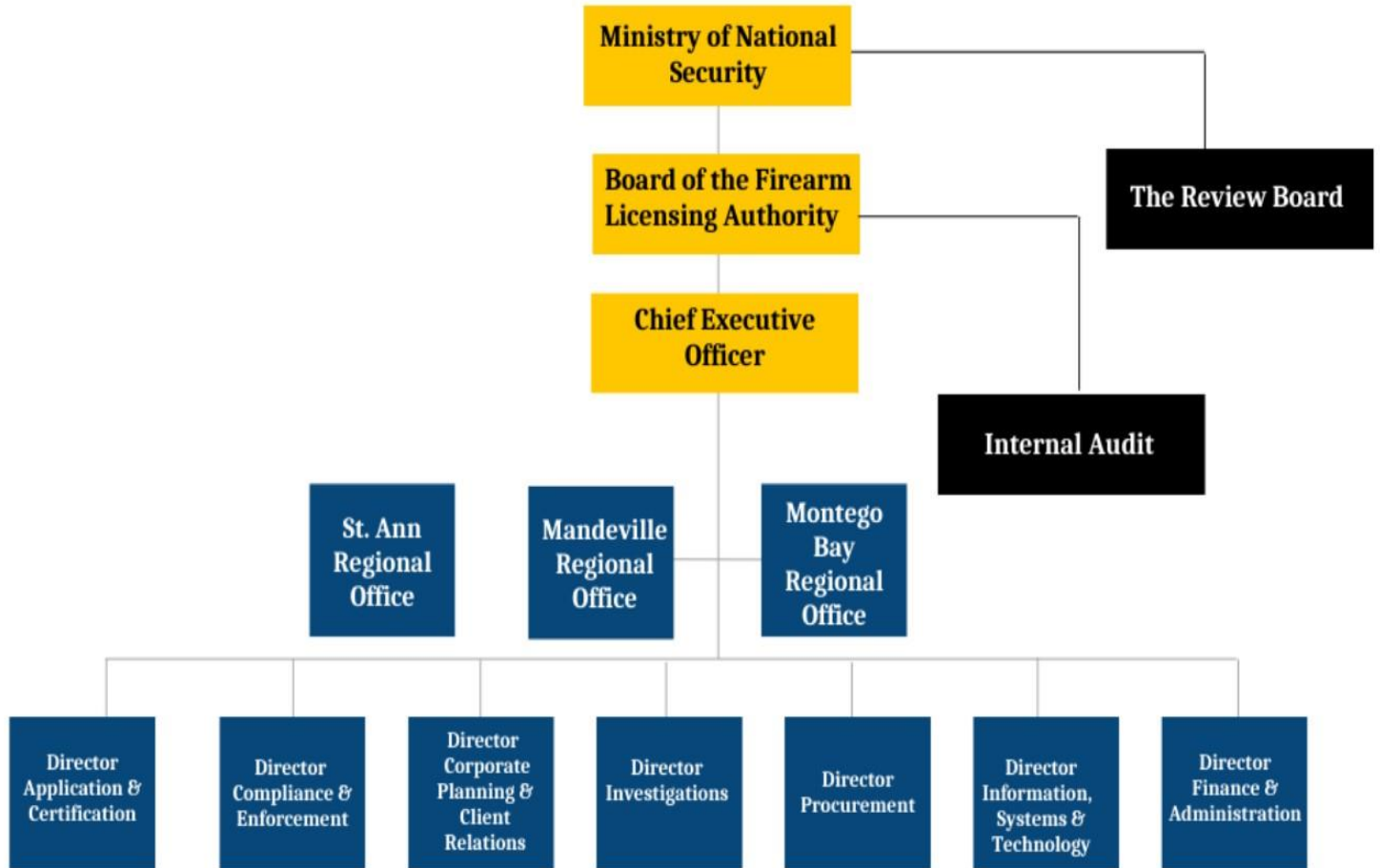
On March 1, 2006 the Firearm Amendment Act (2005) came into operation with the establishment of the Firearm Licensing Authority as a statutory organization within the Ministry of National Security.

Since its existence, the FLA’s main objective has been to implement measures that will improve the transparency, accountability and the integrity of its operations in the granting of firearm licences. The FLA continues to introduce systems of accountability as technology advances and the modus operandi changes.

Over the years there have been several amendments to the Firearms Act as the Authority seeks to further streamline its operations and as its scope widens in relation to the mandate of the FLA. Further amendments are under way that will seek to broaden the remit of the Authority in order to enforce it with greater power as it commits to the achievement of the country’s national goals.



Organizational Structure





The Board of the Authority



April 2017 – August 2017



October 2017 – March 2018

From left:
(seated) Mrs. June Spence-Jarrett, Mr. Dennis Wright (Chairman) and Mrs. Justice Marva McIntosh

From left:
(standing) Mr. Granville Gause and Mr. Dennis Meadows

From left:
(seated) Ms. Aneacia Neita, Justice (Ret'd) Justice Marva McIntosh and Ms. Ena Rose

From left:
standing) Mr. Albert Edwards and Major General Antony Anderson (Chairman)



The Review Board

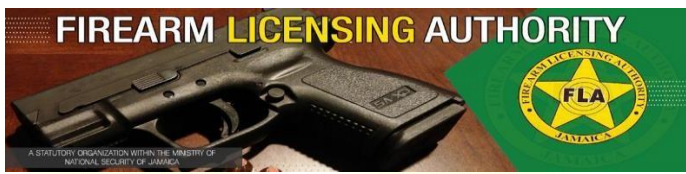


From left:
Mrs. Caroline Hay,
(Ret'd Senior DPP),

Hon. Justice (Ret'd)
Seymour Panton,

Mr. Kelso Small
(Retired Supt. JCF)

Fact: The Review Board is independent of the Firearm Licensing Authority and reports directly to the Minister of National Security.



Corporate Governance

FLA BOARD

The selection of the Board as stated in the Firearms Act is as follows:

“The Authority shall consist of the following persons:

- a) A person who has retired from the post of:
 - i. Director of Public Prosecutions; or
 - ii. Senior Civil Servant
- b) A retired Judge of the Court of Appeal or the Supreme Court;
- c) A retired Police Officer not below the rank of Senior Superintendent at the time of retirement; and
- d) Two other persons who the Minister is satisfied are of high integrity and able to exercise sound judgment in fulfilling their responsibilities under this Act.”

-Firearms Act Part V, Section 26A. 1

REVIEW BOARD

The selection of the Review Board as stated in the Firearms Act is as follows:

The Review Board shall consist of-

- a) a person who has served in the post of- (i) Director of Public Prosecutions or:
 - (ii) A Senior member of staff of the Office of the Director of Public Prosecutions;
- b) a person who has served as a Judge of the Court of Appeal or the Supreme Court;
- c) a person who served as an Officer of the Jamaica Constabulary Force not below the rank of Superintendent

-Firearms Act Part V, Section 37A.1



Message from the Chairman of the Board



I am conversant with the various challenges faced by the Firearm Licensing Authority (FLA), some of which have been highlighted by the media from time to time. The Board of the Authority understands and accepts the great responsibility of leadership. The challenges will be faced head-on as we strive to improve the perception, integrity and functionality of the Authority. Having seen the performance of the FLA at the end of the period in focus, I must commend the Chief Executive Officer and the Staff of the Authority for not only managing to weather these obstacles, but, created marked improvement in the policies and procedures, technology systems and staff welfare initiatives. Indeed, the comments from our customers have

been mostly favourable.

The new development of an online tracking system, the introduction of a Morpho RapID machine and the inclusion of email messaging into the formal communication system of the FLA, highlights a renewed perspective, which sees the FLA adapting to and evolving with the times.

The Authority's efforts in improving integration between partnering organizations, such as the Institute of Forensic Science and Legal Medicine (IFSLM) and the Jamaica Constabulary Force (JCF), must also be lauded. This strategy has enhanced the FLA's operations by lessening the turnaround time for the new application process and improvement of the ballistics system at the Authority. The Board views this integration between the Ministry's organizations as an important step in the ongoing efforts to increase efficiency and effectiveness, raise stakeholder confidence and to support the Ministry's efforts to contain and reduce criminality.

As a regulatory body, the FLA can only achieve its mandate through ongoing review of policies and procedures, strengthening partnerships and the employment of right-fit professionals. The Board is committed to supporting the management and staff, as the FLA strives to achieve its strategic targets in the upcoming financial year.

Sincerely,

Major General Antony Anderson
Board Chairman



Message from the CEO

Though one of the most challenging years for the Firearm Licensing Authority (FLA), the financial year 2017/18, was a success. The FLA went through a rough period but was able to achieve the implementation of several measures aimed at improving its systems of accountability and transparency, with the use of technological advancement also being put in place.

While the FLA encountered several challenges, including whiplash from the media and the public regarding the accusation of the Authority's issuance of firearm licenses to persons of questionable character, it evoked a much-needed shift that required increased focus on accountability and transparency within its operations. The Authority subsequently embarked on a drive to improve its security features by strengthening its relationships with its partners including the National Intelligence Branch, Criminal Investigations Branch and the Major Organized Crime and Anti-Corruption Agency.



Driven to take a different approach, the Authority launched an amnesty for all delinquent licensed firearm holders in June 2017. This drive saw the Authority's environs, even at the Regional Offices, flooded with hundreds of delinquent firearm holders seeking to regularize their firearm licenses to escape facing the lawful penalty, which may include having their firearm licenses revoked. In December of 2017, the FLA closed off its last extension of the amnesty and accounted for over three thousand (3,000) more licensed firearms than it did before, collecting over \$50Million in additional revenue.

With the use of several technologically inclined methods, the Authority successfully developed a computerized system that integrated with the FLA approved Firearm Dealers, to track the sale of ammunition on FLA approved Ranges. Therefore, all ammunition sales to firearm licence holders are immediately updated to the database allowing us to have real-time tracking of ammunition sales. For accountability, all ammunition sold on the Ranges must be expended on the Range and an Accountability of Ammunition Expended Form must be completed and signed by an FLA Approved Range Operator or Trainer. Additionally, the spent casings on the Ranges are collected by the FLA to increase accountability.

Methods of communication with both licensed firearm holders and applicants of firearm licenses have been upgraded to electronic mails only, to stem corrupted activities that took place through telephoning and text messaging prior. This change also proved to be a more effective method of communicating with applicants of firearm licenses as telephone numbers, and even home addresses changed more frequent than email addresses.



By the close of the financial year, a system had been developed to facilitate the online tracking of new applications for firearm licenses, permits and certificates. The implementation of this system is expected to improve transparency and increase public confidence in our processes.

The Authority has made several significant changes to strengthen its security measures and improve the integrity of its operations. A device known as the Morpho RapID was implemented in the birthday renewal process that captured the fingerprints of firearm licence holders; and within seconds, a report is produced on the holder's criminal background. The Morpho RapID is connected to the Criminal Investigations Branch of the Jamaica Constabulary Force, giving real-time updates to the FLA. This device has also been added to the first-time application process at different intervals.

We have also strengthened our relationships with key stakeholders who contribute greatly to the process of granting, renewing and/or revoking firearm licenses. Maintaining a good rapport with these partners will ensure that a certain standard is met nationally and internationally as we strive to fulfil our mandate in the interest of national security.

Another significant effort was made to clear the backlog of firearm ballistics signatures that needed to be uploaded to the brasstraxx system and shared with the Institute of Forensic Science and Legal Medicine, to improve the Ministry's crime-fighting initiative. With the successful upgrade of our brasstraxx machines to HD3D technology this backlog was 98% cleared and the Ballistic Unit is now able to provide real-time uploads to the integrated system with the Institute.

Looking ahead, I use this opportunity to thank the Board of the Authority, our stakeholders, or partners, the management team, and the members of staff who contributed to the improvements of our services to the public throughout the year.

With the ongoing effort of our young, dedicated and educated staff, especially with the increased staff morale as a result of several improvements to staff welfare, the FLA will continue to evolve and modernize its processes, while competing with international best practices.

As the FLA continues in its thrust to regain public confidence, greater focus will be placed on improving its systems, and the accountability and transparency of our operations. With the proposed amendments to the Firearms Act in the pipeline, the FLA is expected to receive greater authority and remit to fulfil its mandate.

Sincerely,


Shane Dalling, J.P.
Chief Executive Officer



PERFORMANCE AT A GLANCE

PERFORMANCE AT A GLANCE

ITEM	PARTICULARS
Development of Online Tracking System	To improve the overall service given to our customers, our IT team has begun the development of an online tracking system that will be hosted on the FLA’s website to allow applicants to track their firearm licence applications online. This initiative is expected to go live by July 2018.
Amnesty for Delinquent Firearm Licence Holders	Approximately three thousand five hundred (3,500) holders and over Fifty Million (\$50,000,000) in additional revenue.
Ballistic Signatures captured and Upgrading of Brasstraxx Machines to HD3D technology	Ten thousand, eight hundred and twenty-five (10,825) ballistic signatures were captured for the period, clearing a backlog of over seven thousand (7,000) signatures.
Implementation of the Morpho RapID System	This system was implemented to capture the fingerprints of all applicants and licence holders each year, generating a criminal records report in seconds. It was also implemented at the Regional Offices.
Computerized System to Track the Sale of Ammunition on Ranges	A system was developed and implemented at the FLA Approved Ranges that had dealership licenses which authorized them to sell ammunition on the ranges, to effectively track the sale of ammunition to licensed firearm holders. Approximately fifteen percent (15%) of all ranges had the system implemented by the end of the year as others awaited the implementation of the required IT infrastructure.
Transforming the communication aspect of our operations in a strategic way	Communication with customers are now eighty percent (80%) email-based in an effort to be more effective in communicating important information to them. In our efforts, approval was received for the establishment of a Call Centre and a Corporate Communications Officer for the Authority. This initiative is expected to improve customer experience and drive public education.



PERFORMANCE AT A GLANCE

ITEM	PARTICULARS
<p>Number of Licence Holders who completed Recertification</p>	<p>As we approach a year that will see the majority of our firearm licence holders being due for recertification done every five (5) years, four thousand seven hundred and forty-eight (4,748) firearm licence holders completed the recertification process</p>
<p>Number of Renewals conducted for the year</p>	<p>Thirty-two thousand three hundred and thirty-four (32,334) Firearm Licence Holders renewed their licences for the period. During the same period, eleven (11) licences were also revoked and surrendered. Two hundred and ninety-six (296) firearms were also seized for non-renewal of licence.</p>
<p>Processing of New Applications</p>	<p>The Authority received four thousand six hundred and eight (4,608) new applications for the period.</p>
<p>Training and Development</p>	<p>Two (2) staff members received external training at the Management Institute for National Development in Auditing and supervisory management. Five (5) members of staff were rotated in other departments to be exposed to new processes and functions</p>
<p>Number of Audits conducted of Ranges, Firearm Dealers and Security Companies</p>	<p>A total of seven (7) ranges, twenty-three (23) Firearm Dealers and forty-two (42) Security Companies were audited throughout the year.</p>



STATISTICAL HIGHLIGHTS

Board Decisions for The Period April 2017- March 2018

MONTH	Application Files				Investigative Files				TOTAL
	APPROVED	%	DENIED	%	APPROVED	%	REVOKED/ DENIED	%	
APRIL 2017 *	691	90%	80	10%	24	-	0	-	795
MAY 2017 *	160	80%	40	20%	26	-	0	-	226
JUNE 2017	413	88%	54	12%	8	-	0	-	475
JULY 2017	188	82%	41	18%	0	-	0	-	229
AUGUST 2017	0	-	0	-	0	-	0	-	-
SEPTEMBER 2017	0	-	0	-	0	-	0	-	-
OCTOBER 2017	16	57%	12	43%	0	-	0	-	28
NOVEMBER 2017	117	65%	62	35%	0	-	0	-	179
DECEMBER 2017	63	70%	27	30%	0	-	0	-	90
JANUARY 2018	72	62%	44	38%	2	50%	2	50%	120
FEBRUARY 2018	60	63%	35	37%	3	43%	4	57%	102
MARCH 2018	117	45%	144	55%	6	55%	5	45%	272
APRIL 2017 - MAR 2018	1,897	78%	539	22%	69	86%	11	14%	2,516

* For the months of April and May of 2017, the Board accommodated a retreat to clear a backlog of files.

NB. All Board decisions were placed on hold due to the resignation of the Board on August 2, 2017. The new Board was appointed on October 10, 2017.

Firearm Licensing Authority, 91A Old Hope Road, Kingston 6, Jamaica, W.I.

Meet Our Directors



Standing - from left: Ms. Letine Allen (Director of Special Projects) Mr. Haleem Anderson (Acting Director of Finance and Administration) and Ms. Verona Lemonius (Director of Information Systems and Technology).

Seated - from left: Ms. Kimoy Gaynor (Acting Director of Corporate Planning and Client Relations) and Ms. Aldean Campbell (Acting Director of Investigations).

Image on the Right: Ms. Deidre Mullings (Director of Application and Certification)



Ms. Chevanese Burke (Regional Director for the Montego Regional Office)



Ms. Teslyn Golding (Regional Director for the Mandeville Regional Office)



Pictorial Highlights

Digicel 5k Run 2018



FLA Sports and Fun Day



Annual Staff Strategic Retreat – October 2017





Meet our Teams

THE GENERAL ADMINISTRATION DEPARTMENT

The General Administration Department consists of the Office of the CEO, Corporate Planning & Client Relations, Internal Audit Unit and by extension the newly added Special Projects Unit. The department coordinates the activities of the other five (5) departments and the Regional Offices. In executing the functional responsibilities of the FLA, we are guided by the specifications of the Firearms Act and Regulations.



Group Image 1: General Administration Department poses for a photograph

The General Administration Department has responsibility for ensuring that the operational plans of each branch are in line with the strategic objectives of the Authority and ensure the effective monitoring & evaluation of each department.

- The Corporate Planning & Client Relations Unit is responsible for Strategic Performance Planning and Management, Corporate Services, Corporate Communications with the media and the public, Project Management, Client Relationships and Stakeholder Engagement. Several reports and plans are developed by this unit, including but not limited to, Statistical Reports; Corporate and Operational Plans; Strategic Business Plans; Monthly and Quarterly Performance Reports for the Ministry of National Security (MNS) and the Ministry of Finance (MOF); Annual Reports and the CEO's Board Report. The Unit is expected to expand in the



coming year to undertake a call centre, which will be geared towards improving customer service and efficiency in the communication aspect of the FLA's operations.

- The Internal Audit Unit is responsible for the monitoring and evaluation of internal processes to ensure that the integrity and intended purposes of procedures are being maintained. Additionally, this branch provides support to senior management in recommending new or amended procedures, coming out of audits conducted, that will assist in increasing efficiency and mitigating risk.

THE APPLICATION AND CERTIFICATION DEPARTMENT

The Application and Certification Department (ACD) is mandated to realize the vision, mission and strategic objectives of the Firearm Licensing Authority by delivering our services to our clients through professional and industry standard customer service. The department is comprised of the following units; Applications, Renewals, Firearm Examination and Ballistics. This unit is responsible for the collection and processing of applications, the process includes conducting interviews, fingerprinting, administering firearm licenses, competence assessments, renewals and the recertification of licenses. The renewal section has obtained the organization objective of processing renewal with an average time of twenty-five (25) minutes.

Group Image 2: Application and Certification Department poses for a photograph



Highlights/Achievements

- All Customer Service Officer posts were retitled to Application Processing Officers, as a result of streamlining the operations.
- The Department successfully integrated the Morpho RapID fingerprint scan into the renewal and recertification process.



- The Ballistics Unit updated approximately nine thousand two hundred and forty-one (9,241) ballistic samples to the Brasstrax system.
- The Department processed over three thousand two hundred and seventy-six (3,276) new applications for the period.
- Processing of Three Thousand and Forty-Three (3043) firearm holders for Recertification.
- A total of twenty-two thousand two hundred and eighty-two (22,282) licensed firearm holders were renewed for the period.
- Introduction of a numbering system in the firearms clearing and examinations area which eliminated the need to call persons by name.

THE INVESTIGATION DEPARTMENT

The Investigation Department aims to foster confidence in the service provided by the FLA through comprehensive, transparent, unbiased reports that can stand up to scrutiny; while upholding the tenets of professionalism, integrity and good customer service. The branch has undergone several process reviews in a concerted effort to enhance productivity and advance the efficiency of the organization. One of the department's main achievements for the year was to build stakeholder relationships which has contributed to the increasing number of security clearances clearing backlog files from the department.



Group Image 3: Investigation Department poses for a photograph

Highlights/Achievements:

- For the period of April 2017 to March 2018, the branch processed one thousand seven hundred and eighteen (1,718) new applications that were submitted for board decisions.



- The department processed two hundred and thirty-five (235) miscellaneous cases (Investigative files).
- Modification of IT system accommodating file tracking movement to all Investigators and Regional Offices.

THE COMPLIANCE & ENFORCEMENT DEPARTMENT

(Formerly the Audit & Complaints Department)

The Audit and Complaints Department is mandated to conduct mandatory and frequent audits of all Security Companies, approved Ranges, Dealers, Trainers and Gunsmiths. The department also investigates complaints from and against Licensed Firearm Holders.

As part of the audit process the team recommends policy changes to ensure more efficient controls in the discharge of FLA's mandate. Guidance is given to the Security Companies, Approved Range Operators, Dealers and Trainers to increase compliance and adherence to the Firearm's Act and FLA regulations.



Group Image 4: Compliance and Enforcement Department poses for a photograph

Highlights/Achievements:

- For the period of April 2017 to March 2018, collected outstanding licence fees for security companies.
- Audits of all Ranges, Dealers and Security Companies were completed.
- Seizure of One Hundred and Sixty-Three (163) Firearms.



THE INFORMATION SYSTEMS & TECHNOLOGY DEPARTMENT

This department has responsibility for the establishment and maintenance of all electronic records, all software systems, all computer hardware and network systems/devices, communication systems through Internet Protocol (IP) and Private Branch Exchange (PBX) telephone systems and the FLA website. Additionally, with increasing technological advances and the growth and development of the entity, the department is to provide leadership, guidance and support in the area of Information Technology.



Group Image 5: Information Systems and Technology Department poses for a photograph

Highlights/Achievements:

- A&A Range facility implemented. Ammunition is sold on the range and recorded on the Licence Management System (LMS).
- **MorphoRapId** - MorphoRap ID devices installed at all FLA offices.
- **Microsoft Audit** - The Microsoft Audit of the FLA Computer Network commenced in May 2017, and is still continuing. This is a Ministry of Science, Energy and Technology initiative.
- General staff meeting was conducted with all three office locations, Head Office, Mandeville, and Montego Bay via "TRUE CONF" for the first time.
- Network Diagram was redeveloped for the entire FLA network.
- The Vault Management System was modified and implemented in the Mandeville regional office.
- Training was conducted for staff at that location.

THE FINANCE & ADMINISTRATION DEPARTMENT

Finance & Administration Department has been persistent in achieving its overall objective throughout the fiscal year 2017/2018 which is the efficient management of the human, financial and physical resources of the Firearm Licensing Authority (FLA). The Department is responsible for the operations of four (4) units; Finance, Human Resource Management & Development, Procurement & Office Services, and Firearm Records and Information.

In the month of December 2017, the Authority's Organizational Chart was adjusted and many changes were made that resulted in two of our units being renamed, positions renamed and upgraded and the introduction of new posts.



Group Image 6: Finance Department poses for a photograph

Highlights/Achievements

- **The Finance Unit provides prudent management of the organization's finances to ensure viability of the Authority to meet the fiscal targets set by Ministry of Finance & the Public Service.**
 - ✓ The development and implementation of a system to track cost centers within the organization.
 - ✓ The payment of ninety percent (90%) of salary deductions by direct deposit rather than cheque.



- ✓ Surpass deadline set to complete five (5) year budget plan.
 - ✓ All statutory payments and filing of returns were completed on time.
 - ✓ The implementation of Fixed Asset Register Sage-50 software.
- **The Human Resources Management & Development Unit** is committed to the development and well-being of the employees of the Firearm Licensing Authority.
- ✓ The implementation of a Staff Lunch Subsidy programme.
 - ✓ Increased focus on staff wellness through active participation of an active social calendar.
- **The Procurement & Office Services Unit** ensures the efficient distribution and use of the Authority's assets.
- ✓ Work Plan established and issued to staff.
 - ✓ Implementation of the electronic P.O. and inventory system.
 - ✓ Procurement of Fleet Vehicles and initiation of disposal of less efficient vehicles.
- **The Firearm Records & Information Unit** ensures the accurate and timely filing and retrieval of documents for all firearm holders and applicants.
- ✓ The development and implementation of the Records Information Management (RIM) policy had a successful start.
 - ✓ The distribution of the records survey form to all the departments and sections of the FLA.
 - ✓ The development of the Records Classification Scheme.
 - ✓ Site visit in preparation of Document Management System.
 - ✓ Re-organizing the filing room to provide easier access.
 - ✓ Increase in staff compliment.



MONTEGO BAY REGIONAL OFFICE

The Regional Office was mandated to provide services to existing and potential customers and stakeholders in the parishes of Westmoreland, Hanover, St. James, Trelawny, St. Ann and parts of St. Mary with a view to facilitate increased customer satisfaction and increased accessibility to the services of the Authority.

The year 2017/2018 period marks the fourth (4th) year of operation for the Regional Office. The Regional Office continues to offer the similar range of services to that which is provided at the headquarters. Services include accepting and investigating applications for firearm applications for licences and permits, renewal of existing licence, conducting the re-certification interview of existing licence holders, overseeing competence assessment for successful applicants processing requests for additional ammunition, ballistic testing of firearms and investigations of complaints against licence holder.



Group Image 7: Montego Bay Regional Office staff poses for a photograph

Highlights/Achievements:

- Processing of Eight Hundred and Fifty-One (851) new Firearm Applications.
- Processing of Six Thousand Two Hundred and Thirty-Four (6,234) Renewals.
- Processing of Nine Hundred and Thirty-Three (933) firearm holders for Recertification.
- Processing of Seven Hundred and Eighty-Seven (787) New Interviews.
- Seizure of One Hundred and Thirty-Three (133) Firearms.

MANDEVILLE REGIONAL OFFICE

Cabinet gave approval for the establishment of another regional office for the Firearm Licensing Authority (FLA) in Mandeville, Manchester, in 2015. The office located at Shop #G15, 24 Hargreaves Avenue, James Warehouse Plaza, Mandeville, Manchester, opened its doors to the public on August 2, 2016.

The mandate of the office is to respond to the service needs of residence in southern Jamaica, primarily in the parishes of Manchester, Clarendon, St. Elizabeth and Southern Trelawny. The Regional Office offers all services offered at headquarters in Kingston.

The establishment of the Mandeville Regional Office allowed for convenient service and accessibility to a significant number of existing and potential customers in southern Jamaica, thus, relieving some of the pressure experienced by head office in Kingston.



Group Image 8: Mandeville Regional Office staff poses for a photograph

Highlights/Achievements

- Processing of Four Hundred and Eighty-One (481) New Firearm Applications.
- Processing of Three Thousand Eight Hundred and Eighteen (3,818) Renewals.



- Processing of Seven Hundred and Seventy-Two (772) firearm holders for Recertification.
- Basic Firearm Training for all team members.
- Upgrading of equipment and software and technological upgrades.
- Completion of shelves and ventilation were done for the vault.
- Cross training was done in the areas of Biometrics, Fingerprinting, Firearm Examination Unit, Customer Service, & Data Entry



Annual Compensation for Board of Authority
April 2017 – August 2017

Name and Position of Board	Period	Fees (\$)	Motor Vehicle Upkeep/ Travelling (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable(\$)	Total (\$)
Mr. Dennis Wright (Chair)	April 2017 - August 2017	402,717	(*)	-	-	402,717]
Mr. Dennis Meadows (Deputy Chair)	April 2017 - August 2017	399,275	155,733	-	-	555,009
Mr. Granville Gause	April 2017 - August 2017	313,397	155,733	-	-	469,130
Ms. Norma June Spence-Jarrett	April 2017 - August 2017	313,397	155,733	-	-	469,130
Justice (Ret'd) Marva McIntosh	April 2017 - August 2017	313,397	(*)	-	-	313,397
Total		1,742,183	467,200	-	-	2,209,383

(*) Mr. Dennis Wright and Justice (Ret'd) Marva McIntosh made no claim to receive the travelling allowance. This allowance was paid only when claim is received by the Finance Department.



Annual Compensation for Board Of Authority

2017/2018

Name and Position of Directors	Period	Fees (\$)	Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including NonCash Benefits as applicable (\$)	Total (\$)
Review Board						
Hon. Justice (Ret'd) Seymour Panton Review Board Chairman	April 2017 – March 2018	1,200,000	-	N/A	N/A	1,200,000
Ms. Caroline Hay (Ret'd) Snr. DPP Review Board Member	April 2017 – March 2018	1,000,000	-	N/A	N/A	1,000,000
SSP (Ret'd) Kelso Small Review Board Member	April 2017 – March 2018	1,000,000	N/A	N/A	N/A	1,000,000
TOTAL		3,200,000	N/A	N/A	N/A	3,200,000
Board of Authority						
Major Gen. Antony Anderson Board Member	October 2017 – March 2018	910,500	(*)	N/A	N/A	910,500
Mr. Albert Edwards Board Member	October 2017 – March 2018	910,500	642,400	N/A	N/A	1,552,900
Justice (Ret'd) Marva McIntosh Board member	October 2017 – March 2018	910,500	642,400	N/A	N/A	1,552,900
Mr. Albert Edwards Board Member	October 2017 – March 2018	910,500	642,400	N/A	N/A	1,552,900
Ms. Ena Rose Board Member	October 2017 – March 2018	910,500	642,400	N/A	N/A	1,552,900
TOTAL		4,552,500	2,569,600	N/A	N/A	7,122,100

(*) Major General Antony Anderson did not claim motor vehicle allowance for the period



Annual Compensation for Senior Executives 2017/2018

Name and Position of Senior Executives	Period	Gross Salary (2017-18)	Acting	Gratuity or Performance Incentive	Travelling Allowance	Vacation	Housing Allowances	Salary Arrears	Notice Pay	Total \$
Mr. Shane Dalling, Chief Executive Officer	June 2017 - March 2018	5,666,667	-	-	126,505	-	1,000,000		-	6,793,172
Ms. Letine Allen, Chief Executive Officer (Acting)	April 2017 - May 2017	432,190	901,143	-	223,604	-			-	1,556,937
Ms. Letine Allen, Director, Special Projects	June 2017 - March 2018	3,039,863		472,531	1,118,020	-	-		-	4,630,414
Mr. Michael Dixon Director, Compliance & Enforcement	April 2017 - August 2017	2,084,777		911,442	559,010	213,399	-			3,768,628
Ms. Kenisha Duff Director, Compliance & Enforcement (Acting)	August 2017 - March 2018	1,498,263	815,966		797,347	-	-		-	3,111,576
Mr. Gregg Gardner Director, Finance & Administration (Acting)	April 2017 - September 2017	801,498	375,553	-	608,268	-	-		-	1,785,318
Mrs. Shereece Rowe Director, Finance & Administration	September 2017 - March 2018	1,977,466		-	665,606	-	-		-	2,643,072
Ms. Aldean Campbell Director, Investigations (Acting)	February 2018 - March 2018	362,062	215,758	-	325,512	-	-	70,466	-	973,798
Ms. Venice Brown Director, Investigations	April 2017 - March 2018	2,953,996		-	1,238,776	-	-	147,700	-	4,340,473
Ms. Kimoy Gaynor Director, Corporate Planning & Client Relations (Acting)	February 2018 - March 2018	257,033	142,555	-	47,756	-	-		-	447,344



Name and Position of Senior Executives	Period	Gross Salary (2017-18)	Acting	Gratuity or Performance Incentive	Travelling Allowance	Vacation	Housing Allowances	Salary Arrears	Notice Pay	Total \$
Ms. Deidre Mullings - Director, Corporate Planning & Client Relations	April 2017 - January 2018	1,697,939		524,382	589,540	-	-		-	2,811,861
Ms. Deidre Mullings Director, Applications & Certification	February 2018 - March 2018	541,197		-	223,980	-	-		-	765,177
Ms. Nichelle Duncan Director, Applications & Certification (Acting)	April 2017 - January 2018	1,410,017	719,194	-	1,118,020	-	-		-	3,247,231
Ms. Verona Lemonius Director, Information Systems & Technology	April 2017 - March 2018	2,074,013		485,172	707,448	-	-		-	3,266,633
GRAND TOTAL		24,796,980	3,170,170	2,393,527	8,349,391	213,399	1,000,000	218,166	-	40,141,633

Notes:

1. Ms. Letine Allen acted as CEO from January 2017 to June 2017 and received salary and travelling allowance for the period. Mr. Shane Dalling was appointed CEO on June 1, 2017, and received a salary, travelling allowance and housing allowance for the remainder of 2017/2018. Ms. Allen then assumed the position of Director of Special Projects in June 2017.
2. Mr. Michael Dixon received salary, gratuity and travelling allowance during the period. Ms. Kenisha Duff commenced acting as Director of Compliance and Enforcement in January 2018, after Mr. Dixon separated from the FLA, and received his salary and travelling allowance.
3. Mr. Greg Gardner was acting Director of Finance and Administration, and received salary and travelling allowance for the period served. Ms. Sherece Rowe was then appointed to the post on September 11, 2017, and received a salary and travelling allowance for the remainder of the period.
4. Ms. Venice Brown was Director of Investigations and received salary and travelling allowance until her separation from the FLA. Ms. Aldean Campbell acted in the position after Ms. Brown's separation and also received salary and travelling allowance for the period.
5. Ms. Nichelle Duncan acted as Director of Application and Certification and received salary and travelling allowance for the period. Ms. Deidre Mullings was then appointed to the



post on February 1, 2018, and also received salary and travelling allowance for the remainder of 2017/2018.

6. Ms. Deidre Mullings functioned as the Director of Corporate Planning and Client Relations prior to Ms. Kimoy Gaynor who was appointed to the post on February 1, 2018. Ms. Mullings received a salary, travelling allowance and gratuity for the period served, while Ms. Gaynor received salary and travelling allowance for the remainder of 2017/2018.
7. Mr. Haleem Anderson mentioned on page 16 started acting on March 12, 2018, but confirmation of same became effective May 14, 2018. That was outside the financial period in question.

Salary arrears paid were due to increment due to respective employee.

Documentation received from the board dated May 19, 2017, gave approval for the housing allowance to be paid to the CEO - Mr. Shane Dalling after negotiations.

Travelling Allowance is attached to the position of CEO.

Other Allowances (including laundry, entertainment, housing, utility, etc.)

Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above



INCOME GENERATION

Income for the Firearm Licensing Authority is generated in respect of the following services:

CORE SERVICES	FEES (MARCH 2017 - APRIL 2018)
Firearm User’s Licence	\$12,000.00
Firearm User’s (Employees) Certificate	\$5,000.00 (+\$500.00 per additional firearm)
Firearm User’s (Special) Licence	\$12,000.00
Firearm User’s (Restricted) Licence	\$6,000.00
Firearm Dealers’ Licence	\$200,000.00
Gunsmith Licence	\$25,000.00
Appeal Fee	\$12,000.00

INCOME AND EXPENDITURE COMPARISON: FY 2016/17 VS. FY 2017/18



DETAILS	FINANCIAL YEAR 2016-2017	FINANCIAL YEAR 2017-2018
Licence Fee Income	\$630,879,967	\$676,268,928
Interest Income	\$21,117,086	\$21,124,674
Total Expenses	\$475,160,368	\$565,363,596
Net Surplus	*\$39,134,232	\$122,161,190

**After contributions of special distribution made to MNS
 Special Contribution 2017 - \$141 Million; 2018 - \$17 Million**

NOTES



FIREARM LICENSING AUTHORITY

FINANCIAL STATEMENTS

MARCH 31, 2018



**FIREARM LICENSING AUTHORITY
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018**

CONTENTS

Independent Auditor's Report

Financial Statements

Statement of Financial Position

Statement of Financial Performance

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements



AUDITOR GENERAL'S DEPARTMENT
 40 KNUTSFORD BOULEVARD
 KINGSTON 5
 JAMAICA
 Email: audgen@auditorgeneral.gov.jm

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
 Firearm Licensing Authority

Opinion

I have audited the accompanying Financial Statements of the Firearm Licensing Authority set out on pages 1 to 16, which comprise the Statement of Financial Position as at March 31, 2018, Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, the Financial Statements give a true and fair view of the financial position of the Firearm Licensing Authority as at March 31, 2018, and of its financial performance, and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of this report. I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and I have fulfilled my other ethical responsibilities in accordance with the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements for the year ended March 31, 2018. I have determined that there are no key audit matters to communicate in this report.

Management's Responsibility 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. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In preparing the financial statements, management is responsible for assessing the Authority'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 there are plans to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.



Auditor's Responsibility for the audit of the Financial Statements

My responsibility is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with the auditing standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the explanations provided by management, as well as evaluating the overall presentation of the Financial Statements.

As part of an audit in accordance with ISSAIs, I exercised professional judgment and maintained professional skepticism throughout the audit.

I also:

- Identified and assessed the risks of material misstatement of the Financial Statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for my 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 controls.
- Obtained an understanding of internal controls relevant to the audit in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- Evaluated the appropriateness of accounting policies used and related disclosures made by management.
- Concluded 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 relating to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Statements or if such disclosures are inadequate to modify my opinion. The conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the Financial Statements including the disclosures, and whether the Financial Statements represent the underlying transactions and events.

I have communicated with the Chief Executive Officer and senior management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that were identified during the audit.



Report on Additional Requirements of the Firearms Act

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit. In my opinion, proper accounting records have been maintained and the Financial Statements are in agreement therewith and give the information required in the manner so required.

A handwritten signature in black ink, appearing to read 'R. Lee', is written over a horizontal dotted line.

Auditor General

A handwritten date '22/12/18' in black ink.

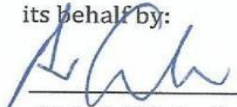
Date

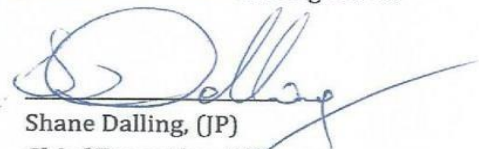


**FIREARM LICENSING AUTHORITY
 STATEMENT OF FINANCIAL POSITION
 AS AT MARCH 31, 2018**

	Note	2018 \$	2017 \$
Non-current assets			
Property, plant and equipment	6	112,514,732	104,103,380
Intangible assets	7	516,533	-
		<u>113,031,265</u>	<u>104,103,380</u>
Current assets			
Inventory	8	2,771,416	3,982,532
Receivables	9	17,989,019	11,796,558
Cash and cash equivalents	10	474,163,448	370,783,493
		<u>494,923,883</u>	<u>386,562,583</u>
Total assets		<u>607,955,148</u>	<u>490,665,963</u>
Current liabilities			
Payables	11	53,842,756	57,419,221
Employee benefits	12	17,485,913	18,781,453
		<u>71,328,669</u>	<u>76,200,674</u>
Net assets		<u>536,626,479</u>	<u>414,465,289</u>
Equity			
Accumulated surplus		536,626,479	414,465,289
Total equity		<u>536,626,479</u>	<u>414,465,289</u>

Approved for issue on behalf of Firearm Licensing Authority on *November 19, 2020* and signed on its behalf by:


 (Col. Ret'd) Audley Carter
 Chairman of the Board


 Shane Dalling, (JP)
 Chief Executive Officer

The accompanying notes form an integral part of the financial statements.


FIREARM LICENSING AUHTORITY
STATEMENT OF FINANCIAL PERFORMANCE
YEAR ENDED MARCH 31, 2018

	Note	2018 \$	2017 \$
Revenue			
Licence fees		676,268,928	630,879,967
Storage fees		4,856,000	2,341,400
Book fees		601,400	-
Total operating revenue		681,726,328	633,221,367
Expenses			
Salaries and related costs	13	244,712,429	207,239,387
Travelling		62,222,939	50,234,636
Property related expenses		5,276,043	5,061,214
Office rental		27,623,544	27,465,411
Utilities		25,713,957	21,057,913
Board expenses		15,549,618	13,417,559
Security		29,737,944	24,962,738
Depreciation and amortization	6, 7	44,728,376	44,776,319
Motor vehicles expenses		9,214,963	8,839,377
Software maintenance		7,717,293	2,722,342
Audit fees		206,353	217,299
Other expenses	14	68,694,719	47,570,005
Tax expenses		23,965,418	21,596,168
Total operating expenses		565,363,596	475,160,368
Operating surplus		116,362,732	158,060,999
Interest income		21,124,674	21,117,086
Gain on asset disposal		850,000	752,192
Miscellaneous income		823,784	203,955
		22,798,458	22,073,233
Surplus for the year		139,161,190	180,134,232
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Special Distribution	16	(17,000,000)	(141,000,000)
Net Surplus		122,161,190	39,134,232

The accompanying notes form an integral part of the financial statements.



**FIREARM LICENSING AUTHORITY
 STATEMENT OF CHANGES IN EQUITY
 YEAR ENDED MARCH 31, 2018**

	Note	Accumulated Surplus \$	Total \$
Balance as at March 31, 2016		375,331,057	375,331,057
Transferred to Accountant General Surplus for the year		(141,000,000) <u>180,134,232</u>	(141,000,000) <u>180,134,232</u>
Balance as at March 31, 2017		414,465,289	414,465,289
Transferred to Ministry of National Security Surplus for the year		(17,000,000) <u>139,161,190</u>	(17,000,000) <u>139,161,190</u>
Balance as at March 31, 2018		<u>536,626,479</u>	<u>536,626,479</u>

The accompanying notes form an integral part of the financial statements.


**FIREARM LICENSING AUTHORITY
 STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2018**

	2018	2017
	\$	\$
Cash flows from operating activities:		
Surplus for the period	139,161,190	180,134,232
Items not affecting cash resources:		
Depreciation & amortization	44,728,376	44,776,319
Interest income	(21,124,674)	(21,117,086)
Gain on Disposal	(850,000)	(752,192)
	<u>161,914,892</u>	<u>203,041,273</u>
Changes in operating assets and liabilities:		
Inventories	1,211,116	879,426
Receivables	(3,632,750)	1,147,873
Payables	(3,576,465)	(6,125,852)
Employee Benefits	(1,295,540)	(1,738,849)
Net Cash provided by operating activities	<u>154,621,253</u>	<u>197,203,871</u>
Cash Flows from Investing Activities:		
Capital expenditure	(53,656,261)	(45,229,454)
Proceeds from sale of fixed assets	850,000	4,527,031
Interest Received	18,564,963	21,004,520
Net cash used in investing activities	<u>(34,241,298)</u>	<u>(19,697,903)</u>
Cash Flows from Financing Activities:		
Special Distribution	(17,000,000)	(141,000,000)
Net cash used in financing activities	<u>(17,000,000)</u>	<u>(141,000,000)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	103,379,955	36,505,968
Cash and cash equivalents at beginning of year	370,783,493	334,277,525
Cash and cash equivalents at end of year (Note 10)	<u><u>474,163,448</u></u>	<u><u>370,783,493</u></u>

The accompanying notes form an integral part of the financial statements.

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018**

1. IDENTIFICATION

The Firearm Licensing Authority (FLA) was established in 2005 by an Act of Parliament; on March 1, 2006 the Firearm Amendment Act (2005) came into operation, and with it, the Firearm Licensing Authority was established as a statutory organization under the Ministry of National Security. The Act provides that the Authority shall be the regulatory body responsible for the issuance and revocation of licences and permits for the control of the manufacturing, sale, purchase, importation, exportation, disposal, possession and use of private firearms and ammunition in Jamaica. The Authority is governed by a Board, who is responsible for licensing decisions and a Chief Executive Officer, who is responsible for the day-to-day operations of the Authority. The Board reports to the Minister of National Security.

The functions of the Authority are:

- (a) to receive and consider applications for firearm licences, certificates or permits.
- (b) to grant or renew firearm licences, certificates or permits.
- (c) to revoke any firearm licence, certificate or permit granted under this Act.
- (d) to amend the terms of a firearm licence, certificate or permit.
- (e) to receive and investigate any complaint regarding a breach of a firearm licence, certificate or permit.

The Authority shall have the power to –

- (a) summon witnesses.
- (b) call for and examine documents; and
- (c) do all such other things as it considers necessary or expedient for the purpose of carrying out its functions under this Act.

2. BASIS OF PREPARATION

- a) These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and their interpretations as adopted by the International Public Sector Accounting Standards Board (IPSASB). IPSASs are based on International Financial Reporting Standards (IFRS) and are developed and issued by the IPSASB, an independent board of the International Federation of Accountants (IFAC).
- b) The financial statements are prepared under the historical cost convention and presented in Jamaican dollars which is considered the currency of the primary economic environment in which the Authority operates (“the functional currency”).

3. ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements to conform to IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the balance sheet date and the revenue and expenses during the reporting period.

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates; any adjustments that may be necessary would be reflected in the year in which actual results are known.



**FIREARM LICENSING AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2018**

3. ACCOUNTING JUDGMENTS AND ESTIMATES (Cont'd)

Management has not made any significant judgements in its application of accounting policies and there are no areas for which assumptions and estimates are so significant that it would cause a significant impact on the amounts recognized in the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented.

(a) Property, Plant and Equipment

Property, plant and equipment are tangible assets that are held by the Authority for use in the provision of services and for administrative purposes and are expected to be used during more than one reporting period.

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes all expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognized. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

Property, plant and equipment are depreciated on a straight-line basis at annual rates estimated to write off the assets over their expected useful lives. The depreciation rates are as follows:

Computer Equipment	20%
Office Equipment	20%
Office Furniture & Fixtures	10%
Motor Vehicles	20%
Leasehold Improvements	20%

(b) Intangible Assets

Intangible assets comprise computer software deemed to have a finite useful life of five years and is measured at cost, less accumulated amortization and accumulated impairment losses, if any.

(c) Impairment of non-current assets

The carrying amounts of the Authority's assets are reviewed at each financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of financial performance.

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018****4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(d) Inventory**

Inventory consists of materials that are used to prepare the ID cards for firearm holders. Inventory is recognized at cost at the date of purchase; the cost represents the invoice value plus direct inventory-related expenses. Inventory consumed during the financial year are immediately recognized in the statement of financial performance. Any write-off down to net realizable value and any inventory losses are also recognized as an expense when they occur.

(e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. The authority's financial instruments at March 31, 2018 were receivables and payables.

Financial assets**(i) Classification**

The Authority classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables) but also incorporate other types of contractual monetary assets. The Authority's financial assets comprise receivables and cash and cash equivalents. They are included in current assets.

Receivables are carried at the original invoiced amount less provision for impairment. Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise short term securities, cash at bank and cash in hand.

(ii) Recognition and Measurement

Financial assets are initially recognized at fair value plus transaction costs. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Impairment provisions are recognized when there is objective evidence that the Authority will not collect all the amounts due under the receivable terms. The amount of the provision is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018****4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(e) Financial instruments (Cont'd)****Financial assets (Cont'd)****(ii) Recognition and Measurement (Cont'd)**

Management assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial Liabilities**(i) Classification, Recognition and Measurement**

The Authority's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. At the reporting date, the Authority's financial liabilities consist of payables and employee benefits.

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Employee benefits represent an obligation to pay contract officers for services rendered on the Authority's behalf for the contract period. Payables and employee benefits are classified as current liabilities if payments are due within one year or less.

(f) Employee benefits**(i) Vacation leave entitlements**

Employees' entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to year-end date.

(ii) Gratuity

Gratuity entitlements are recognized when they accrue to the employees based on their employment contracts. A provision is made for the estimated liability for gratuity for services rendered by employees up to the year-end date.

(g) Revenue recognition

Revenue is the gross inflows of economic benefits or service potential received and receivable by the Authority on its own account. Revenue is recognized only when it is probable that the economic benefits or service potential associated with the transaction will flow to the Authority and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding discounts, rebates, and other sales taxes or duty. Revenue comprises fees for licences, storage and logbooks; it is recognized in the statement of financial performance when the consideration for the related fee is received.

Interest income is recognized in the statement of financial performance for all interest-bearing instruments on an accrual basis unless collectability is doubtful.

**FIREARM LICENSING AUTHORITY**
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018**4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(h) General Consumption Tax & Income Tax**

Under Section 12 of the Income Tax Act, the Authority's revenue is exempt from income tax.

The Authority is designated as a Tax Withholding Entity (TWE) by the Ministry of Finance. As such, the Authority is empowered to withhold payments of General Consumption Tax from its suppliers and remit amounts to Tax Administration Jamaica by the last working day of the subsequent month.

(i) Foreign currency translation

Transactions in foreign currencies are converted at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated using the exchange rate at the financial position date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in the statement of financial performance.

(j) Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

(k) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (the "reporting entity").

(a) A person or a close member of that person's family is related to the Authority if that person:

- i. has control or joint control over the entity;
- ii. has significant influence over the entity; or
- iii. Is a member of the key management personnel of the entity or of a parent of the entity.

(b) An entity is related to the Authority if any of the following conditions apply:

- i. The Authority and the entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);



**FIREARM LICENSING AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2018**

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Related parties (Cont'd)

- (b) An entity is related to the Authority if any of the following conditions apply (cont'd):
- iii. Both entities are joint venture of the same third party;
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third party;
 - v. The entity is a post-employment benefit plan established for the benefit of employees of either the entity or an entity related to the reporting entity;
 - vi. The entity is controlled, or jointly controlled by a person identified in (a); or
 - vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged. The Authority has a related party relationship with the Board of Directors and key management personnel which represents certain senior officers of the Authority.

5. FINANCIAL RISK MANAGEMENT

The activities of the Authority expose it to a variety of financial risks that arise from its use of financial instruments. Management has overall responsibility for establishment of the Authority's risk management framework which is based on guidelines set by the Ministry of Finance. The Authority's risk management policies are established to identify and analyze risk exposure, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Authority is exposed through its operations to market risk (interest rate risk), credit risk and liquidity risk.

a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the returns on risk. The Authority's market risk (currency risk and interest rate risk) arises from its cash and cash equivalents. Market risk exposures are measured using sensitivity analysis. All sensitivity analysis rates under IFRS 7 included in these financial statements are recommended by the Institute of Chartered Accountants of Jamaica (ICAJ).

Interest Rate Risk

Interest rate risk is the risk that the value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority's interest rate risk arises from variable rate deposits held at various financial institutions. At the reporting date, the total value of variable rate financial instruments is: **\$443,044,458(2017: \$340,381,910)**



FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

5. FINANCIAL RISK MANAGEMENT (Cont'd)

a) Market Risk (Cont'd)

Interest Rate Risk (Cont'd)

Cash flow sensitivity analysis

	Increase/(decrease) in surplus	
	2018	2017
	\$	\$
0.5% (2017: 1%) increase	2,215,222	3,403,819
0.5% (2017: 0.5%) decrease	(2,215,222)	(1,701,910)

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from cash and cash equivalents and accounts receivable. Management addresses this risk by placing cash and cash equivalents with reputable financial institutions that are believed to have minimal risk of default.

Maximum exposure to credit risk

	2018	2017
	\$	\$
Cash and cash equivalents	474,163,448	370,783,493
Receivables	17,133,847	9,544,637
	491,297,295	380,328,130

c) Liquidity Risk

Liquidity risk is the risk that the Authority will encounter difficulty in raising funds to meet its commitments associated with financial instruments. This risk is managed by maintaining sufficient cash and cash equivalent balances and regularly monitoring and reporting on cash and cash equivalent balances. Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods of liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The Authority also has the option to request further budgetary support from the Government of Jamaica if necessary.


FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018
5. FINANCIAL RISK MANAGEMENT (Cont'd)
c) Liquidity Risk (Cont'd)

The table below summarizes the maturity profile of the Authority's financial liabilities at March 31, 2018 based on the contractual undiscounted payments.

	Carrying Amount	Contractual Amount	Due within 3 months	Due within 1 year
	\$	\$	\$	\$
March 31, 2018				
Payables	53,842,756	53,842,756	5,084,313	48,758,443
Employee benefits	17,485,913	17,485,913	-	17,485,913
	<u>71,328,669</u>	<u>71,328,669</u>	<u>5,084,313</u>	<u>66,244,356</u>
March 31, 2017				
Payables	57,419,221	57,419,221	6,225,078	51,194,143
Employee benefits	18,781,453	18,781,453	-	18,781,453
	<u>76,200,674</u>	<u>76,200,674</u>	<u>6,225,078</u>	<u>69,975,596</u>

6. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Office Equipment	Furniture & Fixtures	Computer Equipment	Leasehold Improvements*	Total
	\$	\$	\$	\$	\$	\$
Cost						
At April 1, 2017	13,600,000	78,656,445	12,376,842	34,570,412	119,348,897	258,552,596
Additions	18,871,992	13,120,051	1,351,640	14,134,135	5,582,443	53,060,261
Disposals	(3,500,000)	-	-	-	-	(3,500,000)
At March 31, 2018	<u>28,971,992</u>	<u>91,776,496</u>	<u>13,728,482</u>	<u>48,704,547</u>	<u>124,931,340</u>	<u>308,112,857</u>
Depreciation						
At April 1, 2017	13,530,001	49,993,703	3,528,633	18,875,104	68,521,775	154,449,216
Charges	1,649,174	14,820,616	1,271,591	5,055,415	21,852,113	44,648,909
Disposals	(3,500,000)	-	-	-	-	(3,500,000)
At March 31, 2018	<u>11,679,175</u>	<u>64,814,319</u>	<u>4,800,224</u>	<u>23,930,519</u>	<u>90,373,888</u>	<u>195,598,125</u>
Net Book Value						
At March 31, 2018	<u>17,292,817</u>	<u>26,962,177</u>	<u>8,928,258</u>	<u>24,774,028</u>	<u>34,557,452</u>	<u>112,514,732</u>
At March 31, 2017	<u>69,999</u>	<u>28,662,742</u>	<u>8,848,209</u>	<u>15,695,308</u>	<u>50,827,122</u>	<u>104,103,380</u>

*Leasehold improvements represent modifications to the offices at 91A Old Hope Road, Kingston 6, Shop # 9 Bogue City Centre, Montego Bay, and Shop G15, James Warehouse Plaza Mandeville.



**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018**

7. INTANGIBLE ASSETS

Cost	\$	
At 1 April 2017		-
Additions	596,000	
At 31 March 2018	<u>596,000</u>	
Amortization		
At 1 April 2017		-
Charge for the year	79,467	
At 31 March 2018	<u>79,467</u>	
Net Book Value:		
31 March 2018		<u>516,533</u>
31 March 2017		<u>-</u>

8. INVENTORY

	2018	2017
	\$	\$
Licence cards	2,522,371	3,982,532
Other	249,045	-
	<u>2,771,416</u>	<u>3,982,532</u>

9. RECEIVABLES

	2018	2017
	\$	\$
Staff Receivables	4,657,681	329,872
Interest Receivable	5,171,597	2,611,886
Withholding Tax Receivable	7,256,270	6,602,879
Prepayments	855,172	2,251,921
Other Receivables	48,299	-
	<u>17,989,019</u>	<u>11,796,558</u>

10. CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Short term deposits	443,044,458	340,381,910
Cash at bank	30,634,481	30,300,929
Cash on hand	484,509	100,654
	<u>474,163,448</u>	<u>370,783,493</u>



**FIREARM LICENSING AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2018**

11. PAYABLES

	2018	2017
	\$	\$
Accounts Payable	2,043,650	2,279,968
Accrued Expenses	2,908,483	1,723,895
Customer deposits	48,758,443	51,194,143
GCT Payable	-	1,675,000
Other Payables	132,180	546,215
	<u>53,842,756</u>	<u>57,419,221</u>

12. EMPLOYEE BENEFITS

	2018	2017
	\$	\$
Gratuity Payable	9,796,103	12,939,870
Vacation Leave Payable	7,427,543	5,646,243
Other Benefits Payable	262,267	195,340
	<u>17,485,913</u>	<u>18,781,453</u>

13. SALARIES AND RELATED COSTS

i.	2018	2017
	\$	\$
Salaries, wages and related costs	208,980,457	169,001,312
Gratuity	24,333,872	28,707,509
Employer's statutory contribution	11,398,100	9,530,566
	<u>244,712,429</u>	<u>207,239,387</u>

All employees are contractually engaged for a period of not more than three (3) years and are entitled to gratuity on this basis. Gratuity is twenty-five percent (25%) and is payable on basic salary earned for a contract period of not less than two (2) years in the first instance and the salary element for vacation leave not taken during the contract period. However, subject to the terms of the contract and the availability of funds, gratuity may be paid annually after the first two years of continuous contract service provided that any subsequent contracts are a minimum of two (2) years in duration.



**FIREARM LICENSING AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2018**

13. SALARIES AND RELATED COSTS (Cont'd)

ii. The total number of persons employed by the Authority at the end of the year was:

	2018	2017
Permanent	136	117
Temporary	10	6
	<u>146</u>	<u>123</u>

iii. **Executive Salaries**

	Salary	Housing Allowance	Travelling	Gratuity	2018 Total	2017 Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	7,000	1,000	350	-	8,350	20,561
Director Finance & Administration	3,154	-	1,274	-	4,428	5,473
Director Information Systems & Technology	2,074	-	707	485	3,266	3,268
Director Compliance & Enforcement	4,612	-	1,357	911	6,880	5,821
Director Application & Certification	2,670	-	1,342	-	4,012	5,512
Director Investigations	3,750	-	1,564	-	5,314	5,266
Director Corporate Planning & Client Relations	2,098	-	637	524	3,259	3,377
Director Special Projects	3,040	-	1,118	472	4,630	-



FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

14. OTHER EXPENSES

	2018	2017
	\$	\$
Staff Welfare	20,963,794	10,684,626
Advertising & PR	2,453,613	394,527
Repairs and Maintenance	4,370,519	4,027,433
Legal Services and Professional Fees	10,644,919	1,699,810
Meeting Related Expense	2,507,526	679,487
Equipment Parts & Accessories	8,167,256	5,055,158
Office expenses	8,869,456	6,996,236
Insurance	394,810	175,712
Bank Charges	3,118,016	3,487,755
Accommodation & Subsistence expenses	2,460,484	3,399,846
Subscriptions-Newspapers	552,888	453,797
Sanitation & Cleaning	812,803	2,462,221
Miscellaneous	3,378,635	8,053,397
Total other expenses	<u>68,694,719</u>	<u>47,570,005</u>

15. LEASE COMMITMENTS

Rentals are payable by the Authority under operating lease agreements which expire within the next one or two years as follows:

	2018	2017
	\$	\$
Within 1 year	26,660,851	28,139,551
Within 2 years	<u>2,715,656</u>	<u>26,660,851</u>
	<u>29,376,507</u>	<u>54,800,402</u>

16. SPECIAL DISTRIBUTION

During the financial year the Firearm Licensing Authority, based on a request from the Ministry of National Security (MNS), transferred \$17,000,000 to the MNS to assist with the acquisition of vehicles for the Jamaica Constabulary Force.



Did you know?

That:

- FLA is presently digitizing its Appeals Management Process.
- You are required to leave your firearm at the FLA when leaving the country.
- Firearm in storage still requires the holder to renew annually.
- Any form of modification or adjustment to your firearm must get prior approval from the FLA.
- Exposing your licensed firearm in furtherance of a heated discussion constitutes to a criminal assault.
- It is against the law for licensed firearm holders to use their personal firearms for business purposes.
- The FLA must be advised when a licensed firearm holder is deceased.
- The FLA must be advised when a Security Guard 'keeps and care' the company's firearm.
- Firearm Dealers must ensure that the Authority's system stationed at their dealership is updated after each transaction is made within twenty-four (24) hours of said sale transaction.
- Firearm Dealers must ensure that the FLA system stationed at their dealership is updated after each transaction is made or within twenty-four (24) hours of said sale transaction.



(Head Office)

91A Old Hope Road Kingston 6, Jamaica W.I.

Tel: (876) 927-5158-60 Tel: (876) 927-6057-59

Email: fla@cwjamaica.com

(Mandeville Regional Office)

Shop G15, James Warehouse Plaza

Mandeville, Manchester

Tel: (876) 962-3063; Fax: (876) 962-3062

(Montego Bay Regional Office)

Shop #9, Bogue City Centre

Bogue, Montego Bay, St. James

Tel: (876) 978-0245

FLA |    www.fla.gov.jm

FLA...REGULATING WITH PURPOSE