

TABLE OF CONTENTS

VISION STATEMENT	2
MISSION STATEMENT	2
CORPORATE PROFILE	3
FLA'S ORGANIZATIONAL STRUCTURE	4
MESSAGE FROM MINISTER OF NATIONAL SECURITY	5
FLA BOARD	6
CORPORATE GOVERNANCE	7
MESSAGE FROM	
THE CHAIRMAN – FLA BOARD	8
THE CHIEF EXECUTIVE OFFICER	9
FLA'S ORGANIZATIONAL CONSTITUTION	10
The Investigation Branch	11
The Audit & Complaints Branch	11
The Firearm Records & Information Systems Branch	12
The Finance & Administration Branch	12
The Application & Certification Branch	13
General Administration Branch	14
Montego Bay Regional Office	14
REVIEW OF OPERATIONS	15
COMPENSATION	16
BOARD OF DIRECTORS AND SENIOR EXECUTIVES	
OUR MAJOR ACCOMPLISHMENTS.....	17
Firearm user's licence applications received, approved & denied	
Recertification	18
High Security Identification System(HSICS)	18
Process Review	18
Backlog	18
HUMAN RESOURCE	19
TRAINING & DEVELOPMENT	
SOCIAL HIGHLIGHTS	20
FINANCIAL STATEMENTS	21

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.

STRATEGIC OBJECTIVES

- To provide a decision for new firearm applications within six months.
- To process renewals and recertifications in less than one hour.
- To perform audits on security companies, dealers, ranges, gun clubs at least biennially.
- To ensure that there is adequate risk management systems to protect the Authority's database of license records.
- To ensure the timely payment of and accounting for all fees due and payable to the FLA for the delivery of its services.
- To ensure consistent high levels of customer service for internal and external customers.
- To provide a regular forum to meet with our main stakeholders.

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

Cabinet Decision 7/04 gave approval for the revision of the policy and procedures relating to the issuing and renewing of the firearm licenses, the establishment of the Firearm Licensing Authority 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.

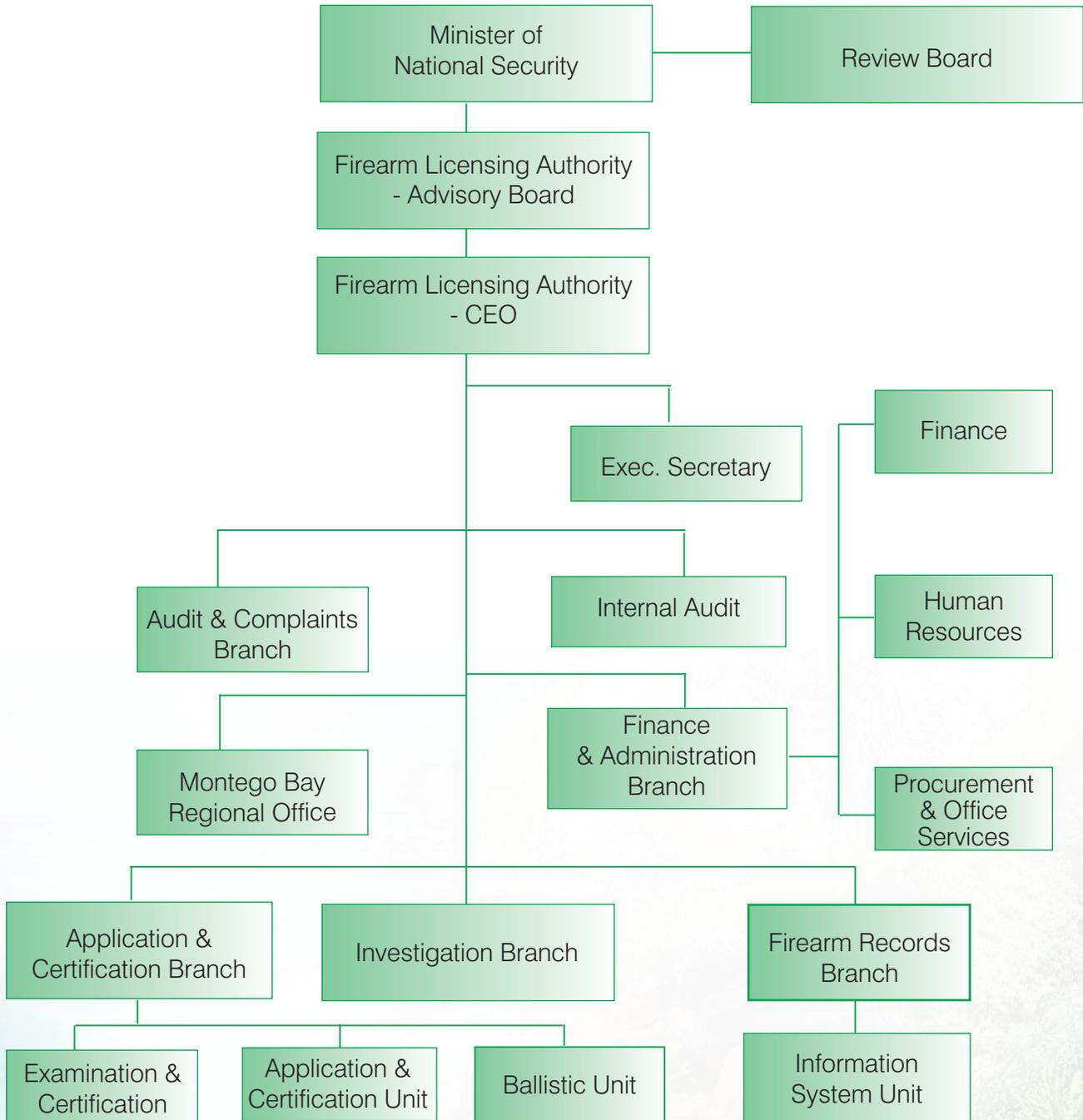
The Firearms Act in its previous form came into being in 1947 (revised 1967) in a vastly different environment than obtains today. Its objective was primarily to control the manufacture, sale, purchase, importation, exportation, trans-shipment, disposal, possession and use of firearms and ammunition.

Under the Act, individuals were permitted to own and use firearms and ammunition after applications to the Superintendent were approved. Unsuccessful applicants had the right to appeal to the Minister of National Security who would convene a hearing on the matter.

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

The main objective of the new policy, implemented through the Firearm Licensing Authority, is to improve the transparency in the process of granting firearm licences and the introduction of a regime that will allow for professional, careful and timely procedures to facilitate the application and issuing of firearm licenses.

FLA'S ORGANIZATIONAL STRUCTURE





MESSAGE FROM MINISTER OF NATIONAL SECURITY HON PETER BUNTING, MP

The Firearm Licensing Authority (FLA) has made remarkable strides in ensuring the transparent, efficient, and equitable processing and regulation of firearm licenses in the 2012/13 financial year. These advances were made possible through organizational restructuring and process re-engineering.

The FLA continues to improve service to better serve its stakeholders with new measures such as:

- Opening its first regional office in Montego Bay in 2012, and is preparing for a second regional office in Mandeville to be opened in 2014.
- Implementation of a High Security Identification Card System (HSICS), which has improved both security and convenience to licensees.
- Reduction in the average turnaround time for firearm licence applications from two years to six months.

The result of these innovations and process improvements has seen the elimination of the inherited backlog of over six thousand (6,000) applications and a 100 % increase in the rate of recertification of licensees (including the capturing of the ballistic signatures of their licensed firearms).

As portfolio Minister for the FLA, I wish to commend the Board, Management, and staff for the Authority's commendable performance in 2012/13.

*Sincerely,
Peter Bunting, MP*



FLA BOARD (REFERRED TO AS THE 'AUTHORITY')

From left: Pastor Michael Harvey, SSP (Ret'd) Rosalie McDonald-Barker,
Mr. Robert Gregory - Chairman CD, JP and Mr. Gilbert H. Scott, JP.

Front: Justice (Ret'd) Marva McIntosh.

CORPORATE GOVERNANCE

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 26 A. 1

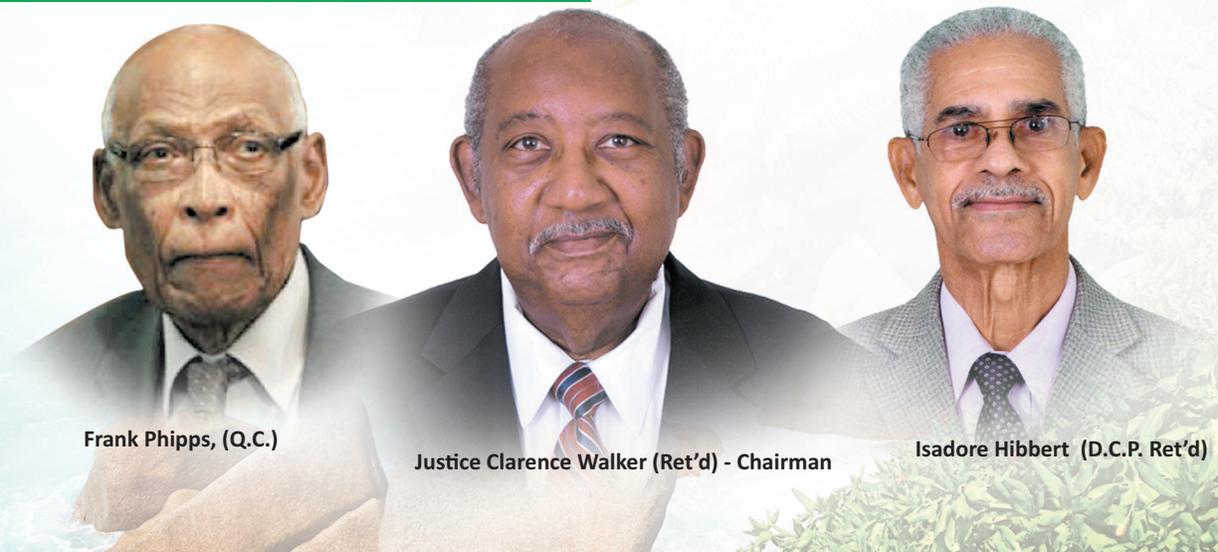
The selection of the Review Board as stated in the Firearms Act is as follows:

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

The Review Board received and processed Two-Hundred and Nine (209) appeals for the financial period 2012/2013.

REVIEW BOARD PROFILE



Frank Phipps, (Q.C.)

Justice Clarence Walker (Ret'd) - Chairman

Isadore Hibbert (D.C.P. Ret'd)



“We extend our gratitude to all the FLA’s critical stakeholders; the Dealers, Trainers, Gun club and Range Operators, the JCF, the JDF, and the Private Security Companies”

MESSAGE FROM
THE CHAIRMAN - FLA BOARD
ROBERT L. GREGORY, CD, JP

The operating period covered by this report, represents the first full year of governance by the FLA’s five member Board which I am privileged to chair.

The Authority has made significant advances in enhancing the customer experience doing business with us. Having almost completed the re-engineering of our primary business processes the Authority has managed to reduce the processing time of applications from two years to no more than six months. The recent opening of the FLA’s full service Regional Office in Montego Bay was greatly welcomed by our customers in western Jamaica as indicated by the ever increasing numbers being processed each month.

These improvements in service quality and convenience have attracted an increase in application and improved revenue flows, reflecting the increased productivity of every FLA team member, creating a standard of excellence that is a model for all Jamaican organizations, public or private.

The ballistics registration of firearms and recertification of the licences issued before the establishment of the FLA when complete will be a huge enhancement to the mechanisms to monitor and properly regulate the use of firearms in Jamaica.

Another aspect of our enhanced monitoring and regulatory mechanisms was the introduction during this reporting period of the long awaited, drivers’ license size, high security identification card, replacing the old firearm license booklet.

We extend our gratitude to all the FLA’s critical stakeholders; the Dealers, Trainers, Gun Club and Range Operators, the JCF, the JDF, and the Private Security Companies.

Finally, I would like, on behalf of the Board to express a big thank you to our wonderful FLA team for producing such spectacular results this year, let us keep it going for 2014.

Sincerely
Robert L. Gregory, CD, JP
Chairman, FLA.

“As a team we look forward with great excitement and anticipation to continue enjoying public confidence”

MESSAGE FROM
DR. KENROY WEDDERBURN, JP
CEO, FLA



I would like to express my utmost gratitude to the Board of the FLA for giving me the prestigious opportunity to manage the Authority.

Since being appointed CEO of the Authority, in November 2012, my very dedicated team and I have been working diligently to increase efficiency, which is on par with our revised vision statement “FLA enjoys public confidence through consistently superior professionalism, integrity and customer satisfaction”.

We have had many milestones for the period 2012-2013. Our first Regional Office was opened in November 2012, which has seen increased customer satisfaction for our western customers. The much anticipated High Security Identification Card System (HSICS) was launched by the Honourable Peter Bunting, in April 2013. This allows for greater security.

One of our major goals has been to increase the number of firearm holders who undergo recertification. With continued revision of the recertification process, we have now seen a significant increase in the number of firearm holders who complete this process. For example there has been an increase in the number of persons completing the recertification exercise from a low of 200 in December 2012, to approximately 420 in May 2013 (a 110% increase).

In order to serve our customers better, we have reviewed the processing time for new applications, which have drastically been reduced from two to three years, to a processing time of six months.

With all our achievements we still have challenges, one of which is the location of our Headquarters which has limited space. There is limited parking which results in our customers having to park on the street, and then walk with their weapons into FLA and lengthy waiting time for our customers.

The FLA however, continues to evolve and pursue the modernization of its processes and improvement in the quality of its services offered.

As a team we look forward with great excitement and anticipation to continue enjoying public confidence through consistently superior professionalism, integrity and customer satisfaction as we promote firearm safety and responsibility.

Sincerely,
Dr. Kenroy Wedderburn, JP
CEO, FLA.

FLA's Organizational Constitution

The Firearm Licensing Authority in order to effectively carry out its functions and to fulfill its mandate has the support and commitment of its employees assigned to its six (6) branches; General Administration, Finance & Administration, Applications and Certification, Investigations, Records & Information Systems and Audit & Complaints. Each branch is headed by a Director and ably assisted by a cadre of bright and ambitious managers, who provide the requisite quality leadership to motivate, inspire and guide a cadre of skilled and knowledgeable employees to fulfill the FLA's strategic objectives.

DIRECTORS



Rear from Left: Michael Dixon, Venice Brown, Alric Lecky and Maurice Goodgame.

Absent: Marsha Stephens

MANAGERS



From back row (L-R) Gregg Gardner, Haleem Anderson, Verona Lemonius, Carlton Maddix, Kimroy Scarlett, Letine Allen, Cleveland Crooks, Milton Reid, **Seated (L-R)** Camille Lennox, Deidre Mullings, Rasheeka Holt

Absent: Shamika Williams, Kerry-Ann Pearson

The Investigation Branch



From back row (L-R) Carlton Maddix, Davewin Meade, Samuel Bartley, Aldean Campbell, Luther Brown, Luscaine Hibbert, Everton Pounall, Mark Bernard, Camille Thomas- Lawrence, Errol Brown, Natasha Bennett, Nigel Hart, Mabel Foster, Ottmar McLeary, **Seated (L-R)** Nickeisha Harvey, Kenesha Duff, Venice Brown, Jacqueline Brodber, - **Absent:** Peta-Gaye Reid, Alexander Lawrence, Byron Powell, Konata Beluchi

The Investigations branch is guided by quality and ethical standards to produce accurate, unbiased and timely reports to support each application that is made to the Authority. The branch conducts detailed background investigations as it relates to applicants with support from agencies within the Jamaica Constabulary Force (JCF) and the Jamaica Defense Force (JDF) and if necessary, international police organizations in an effort to obtain information that will ensure the highest level of integrity and equity in the issuing of firearm licenses.

The Audit & Complaints Branch



From back row (L-R) Barrington Campbell, Akeem Salmon, Milton Reid, **Seated (L-R)** Tonia McPherson-Cole, Maurice Goodgame, Nalica Holness

The Audit and Complaints Branch, under the leadership and guidance of a Director, is mandated to conduct frequent audits of ALL security companies, approved Ranges, Dealers, Trainers and Gun Clubs. The branch also investigates complaints by 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 the FLA mandate. Guidance is given to the security companies, approved Range Operators, Dealers & Trainers to increase compliance and adherence to the Firearm's Act and FLA regulations.

The Firearm Records & Information Systems Branch

From back row (L-R)

Annieka Robinson
Kashief Scott
Rockoll Scott
Jeffery Dawkins,
Tasanya Richards
Peta-Gaye Edwards
Nadisha Davis
Tamicine Bird
Simone Thomas

Seated (L-R)

Patrick Douglas,
Desmarie Stewart
Michael Dixon
Patricia Clarke

Absent:

Verona Lemonius



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

The Finance & Administration Branch

From back row (L-R)

Daron Wint
Eloise Francis
Andre Townsend
Shenika Sterling
Carlyle Byfield
Francine Williams
Marvin Gayle
Alicia Robinson-Kirland
Trevorton Larmond-
Taneka Stewart
Tahara Green
Rasheeka Holt
Jervette Dawkins-Rose,
Haleem Anderson
Diana Britton
Mecia Bailey
Deondra Forrester
Nicola Simpson
Shatary English
Simone Scott
Camille Lennox
Gregg Gardner
Paulette Hewitt-Hodges
Nadine Mullings

Absent: Sandra Roberts
O'Neil Thompson
Delores Brown
Marsha Stephens

This Finance & Administration Branch comprises of four (4) units; Finance, Human Resources, Procurement and the Registry and is guided by a Director. This branch has responsibility for managing the human, financial and physical resources of the Authority. The Branch also provide guidance for senior management in keeping with the strategic objectives and mandate of the Authority.



THE FINANCE & ADMINISTRATION BRANCH CONTINUED

The Finance unit ensures the accurate and timely preparation of payroll for all staff. They also provide financial advice to senior management on all matters to ensure conformance with legal and budgetary requirements. The Human Resources Unit ensures the meticulous, caring and expedient managing of the Authority's human capital through advice, administration and training & development. The Procurement Unit ensures the efficient distribution and use of the Authority's assets. Additionally, the Procurement Unit provides critical support services, to include transportation and other ancillary services. The Registry ensures the accurate and timely filing and retrieval of documents for all firearm holders and applicants for firearm licence(s).

The primary objective of the Finance & Administration Branch is 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 second objective is to provide internal support to the other departments of the organisation in achieving the overall objectives of the Authority.

The Application & Certification Branch



From back row (L-R) Samantha Edwards, Shimeika Fairclough, Damion Coley, Roxann West, Japheth Kirland, Amanda Barrett, Mishka Chamberlain, Kevon Anderson, Leesean Brown, Tamaneka Brown, Kimroy Scarlett, Karen Richards, Camile Lunan, Christina DuHarris, Shawn Adlam, Nickeisha Cousins, **Seated (L-R)** Rose Landeis-Hyatt, Natalie Jones, Alric Lecky, Deidre Mullings, Cleveland Crooks
Absent - Nackay Sterling, Doblin Jackson, Orlando Marshall, Leroy Cole

The first point of contact for most of the FLA's customers is the Application & Certification Branch which is comprised of the following units; Application Processing, Renewals, Firearm Examination and Ballistics. This branch is responsible for the collection and processing of applications, including new applications, renewals, and administering of firearm competence. The Branch is vital to the first and final stages of the application process which includes conducting interviews, fingerprinting, administering firearm licence competence assessment and issuance of the relevant licence.

General Administration Branch

From back row (L-R)

Stacy-Ann Earl

Marvin Morris

Seated (L-R)

Shamika Williams

Kenroy Wedderburn

Teslyn Golding.

Absent: Letine Allen

Jennifer Samuels



The Chief Executive Officer and staff of the General Administration Department coordinate the activities of the other five (5) branches and work in tandem with the Board of the Authority and the Review Board in executing the functional responsibilities of the Authority as specified in the Firearms Act.

The branch has responsibility for ensuring that the operational plans of each branch are in line with the strategic objectives of the Authority. Additionally they develop and ensure the effective monitoring & evaluation of each branch to ensure that targets are achieved, for the success of the Authority.

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 [as a result of audits] new or amended procedures that will assist in increasing efficiency and mitigating risk.

MONTEGO BAY - REGIONAL OFFICE



From back row (L-R)

Kayon Ellis

Evelyn Martin

Janice Ricketts

Orneze Anthony

Marcia Bucknor

Kerry-Ann Pearson

Vemoy Williams

Alecia Clarke,

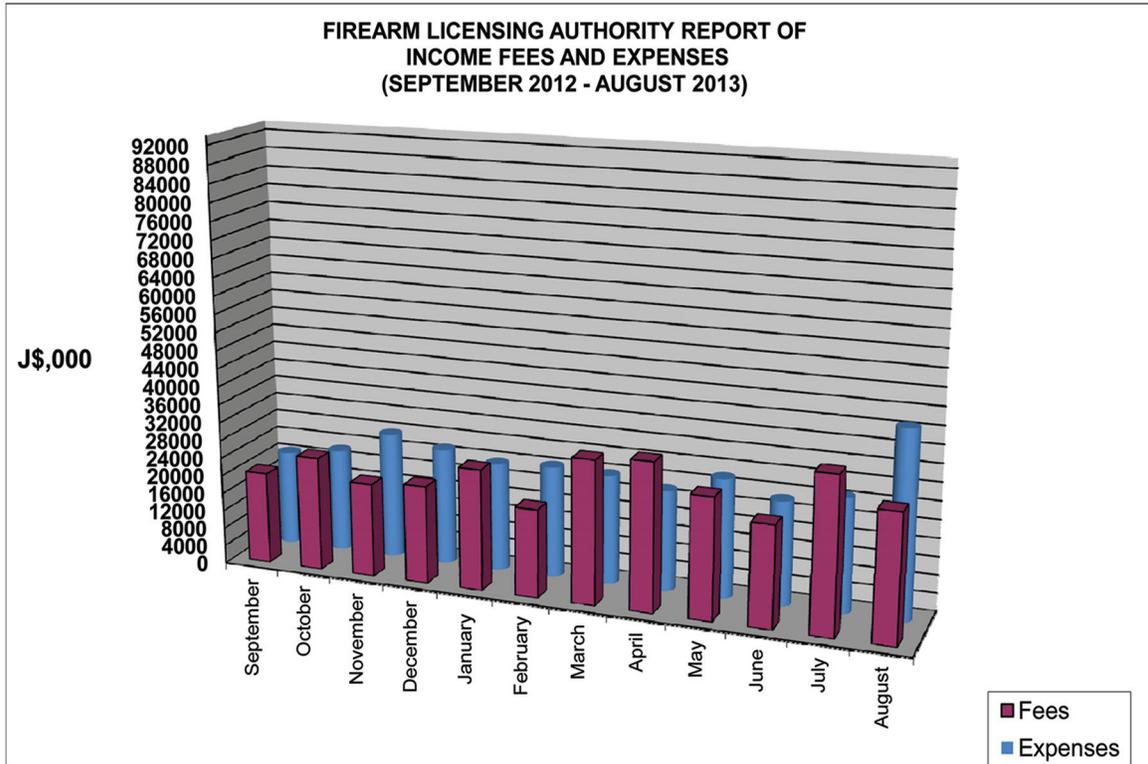
Michelle Gayle

Roxanne Miller

The Official opening of our FLA Regional Office took place on Thursday 15th November 2012, where the Hon. Minister of National Security was guest speaker. Also in attendance were members of the Judiciary, the Mayor and Custos of Montego Bay, Members of the Lay Magistrate Association and the JCF, and other stakeholders.

Our Regional Office has received and processed over 700 applications for the period under review.

Review of Operations



At the end of the financial year 2012/2013 the Firearm Licensing Authority made a net loss of Thirty-Eight Million One Hundred and Forty-One Thousand Six Hundred and Sixty - Three Dollars (\$38,141,663) after making a contribution of Fifty Million (50,000,000) to the Consolidated Fund. The Retained Earnings at the end of the financial year 2012/2013, was Two Hundred and Fifteen Million Twenty-Three Thousand Six Hundred and Fifty- Six Dollars (\$215,023,656).

Income for the Firearm Licensing Authority was generated from revenue in respect of services with gazetted cost stated below:

CORE SERVICES	FEES
Firearm User's License	\$8,000.00
Firearm User's (Employees) Certificate	\$4,000.00 (+ \$400.00 per additional firearm)
Firearm User's (Special) License	\$4,000.00
Firearm User's (Restricted) License	\$4,000.00
Firearm Dealers' License	\$100,000.00
Approved Ranges	\$50,000.00
Gunsmith License	\$20,000.00

COMPENSATION

BOARD OF DIRECTORS AND SENIOR EXECUTIVES

POSITION	BASIC SALARY/PER ANNUM	MOTOR VEHICLE ALLOWANCE/ UPKEEP
BOARD OF THE AUTHORITY		
Chairman	\$1,170,000.00	\$467,200.00
Deputy Chairman	\$1,040,00.00	467,200.00
Board Member	\$ 910,500.00	467,200.00
REVIEW BOARD		
Chairman	\$1,200,000.00	-
Board Members	\$1,000,000.00	-
SENIOR EXECUTIVES		
Chief Executive Officer	\$4,036,429.00	\$975,720.00
Director of Investigations	\$2,935,594.00	\$975,720.00
Director of Audit & Complaint	\$2,935,594.00	\$975,720.00
Director of Finance and Administration	\$2,363,623.00	\$514,500.00
Director of Application and Certification	\$2,363,623.00	\$514,500.00
Director of Firearm Records and Information Systems	\$1,971,982.00	\$514,500.00

OUR MAJOR ACCOMPLISHMENTS



The data below provides a snapshot of the main outputs of the Firearm Licensing Authority for the period, September 1, 2012 to August 31, 2013.

FIREARM USER'S LICENCE APPLICATIONS RECEIVED, APPROVED & DENIED

MONTH	APPLICATIONS			
	RECEIVED	PROCESSED	APPROVED	DENIED
September 2012	199	487	442	45
October 2012	277	807	499	108
November 2012	225	404	357	47
December 2012	276	445	327	118
January 2013	379	573	492	81
February 2013	351	700	654	46
March 2013	343	781	712	69
April 2013	432	887	774	113
May 2013	466	518	464	54
June 2013	435	384	353	31
July 2013	544	378	369	9
August 2013	485	470	467	3
TOTAL	4,412	6,834	5,910	724

Recertification

In the year 2012/13, the FLA intensified its efforts to ensure that all licensed firearm holders who met the criteria for Recertification as stated in the Firearms Act were duly processed. The Authority has implemented new procedures relating to the recertification process which has resulted in an increase of 3,949 holders for the fiscal year 2012/2013, compared to 501 holders in 2011/2012 being scheduled to be recertified.

Firearm Holders who have been granted a licence for five (5) years or more are required to provide the following:

- Two (2) recommendations
- Two passport size photographs (one certified by JP)
- Proof of Age – Birth Certificate or passport
- Receipt for fingerprints
- Completed application form

The holder is then required to call the FLA and make an appointment for processing.

High Security Identification Card System (HSICS)

The Honourable Peter Bunting launched the long awaited High Security Identification Card System (HSICS) (on April 18, 2013) in the first quarter of the Authority's financial year.

This launch was made possible through the hard work of our project team led by Project Manager, Mr. Michael Dixon. The team worked assiduously to ensure that the High Security Identification Card System (HSICS) delivered as required, the team also held sensitization sessions with staff and JCF personnel.

Process Review

In an effort to increase customer satisfaction the Authority has reviewed its processes. After internal and external consultations it was agreed that effective April 1, 2013, the Firearm Licensing Authority will process new applications for firearm licenses within six (6) months of submission. Processing time for other processes have been similarly reduced.

Backlog

Congratulations, to our Board (appointed in May 2012). The new FLA Board has cleared the backlog of 6,000 files which they had inherited. The Board and the CEO have put in place strategic measures to ensure that there is no future recurrence.

HUMAN RESOURCE

TRAINING & DEVELOPMENT

The Firearm Licensing Authority continues to focus on the development of its staff to ensure the highest level of competence in delivery and service. Additionally, this is geared to assist staff in remaining viable and marketable for internal promotions as well as other opportunities in the wider job market. Critical areas focused on were:

1. Coaching Essentials Workshop
2. Business Writing for Administrative Professionals
3. Supervisory Management
4. Human Resource Management Conference

In an effort to reinforce an organization culture that encourages high performance standards through our new Vision – superior professionalism, integrity and customer satisfaction, in-house training and refresher sessions were conducted for members of staff in the following areas, which also results in greater cost-effectiveness for the Authority:

1. Professionalism and Customer Service in-house training was given to members of staff from the Authority's Kingston Office who started the operations of the Regional Office in November 2012.
2. Three members of staff (Letine Allen, Teslyn Golding and Natalee Jones) who have all completed their BSc degrees in Human Resource Management, were selected to develop a Customer Service Training Manual to be used for training staff. After completing the Training Manual the three member team conducted training sessions with 49% of the Authority's staff members and our security guards. We have since seen an improvement in Customer Service throughout the Authority.



*Social
Highlights*

SUIT DAY 2013



FIREARM LICENSING AUTHORITY

FINANCIAL STATEMENTS

AUGUST 31, 2013

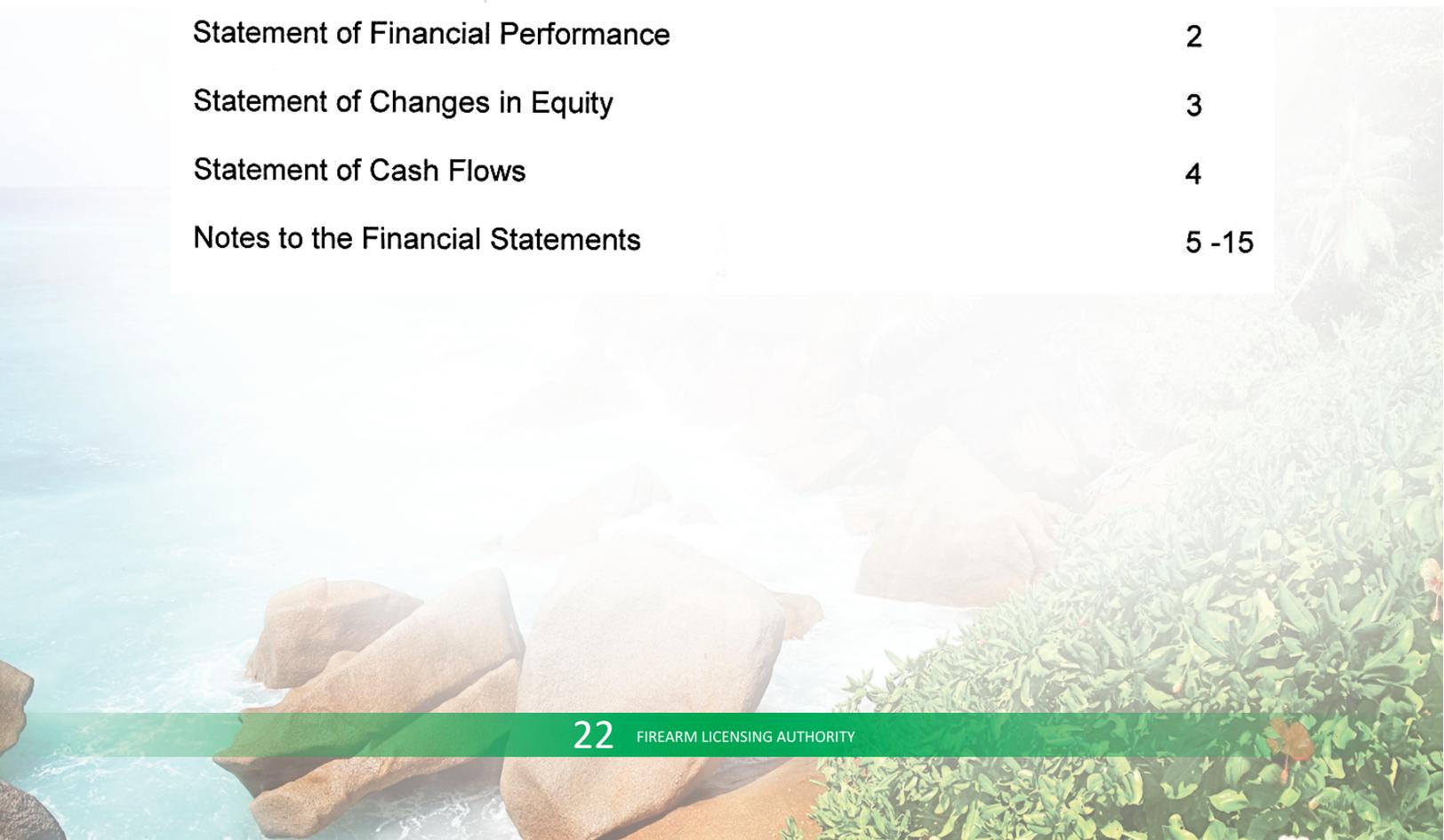




**Firearm Licensing Authority
Financial Statements
August 31, 2013**

Index

	Page
Independent Auditor's Report	
<u>Financial Statements</u>	
Balance Sheet	1
Statement of Financial Performance	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 -15





AUDITOR GENERAL'S DEPARTMENT
P.O. BOX 455
KINGSTON 10
JAMAICA
Email: audgen@auditorgeneral.gov.jm

INDEPENDENT AUDITOR'S REPORT

**To the Chairman
Firearm Licensing Authority**

Report on the Financial Statements

I have audited the accompanying Financial Statements of the Firearm Licensing Authority, set out on pages 1 to 15, which comprise the Statement of Financial Position as at August 31, 2013, 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.

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.

Auditor's Responsibility

My responsibility is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with 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 are free from material misstatement.

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

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

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

Opinion

In my opinion the Financial Statements give a true and fair view of the financial position of the Firearm Licensing Authority as at August 31, 2013, and of its financial performance, and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Report on Additional Requirements of the Firearms Act

I have obtained all the information and explanations which, to the best of our 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.



Pamela Monroe Ellis (Mrs.)
Auditor General

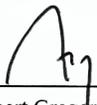
2013/12/18

Date

FIREARM LICENSING AUTHORITY
Notes to the Financial Statements
For the year ended August 31, 2013

		2013	2012
	Note	\$	\$
NON-CURRENT ASSETS			
Property, plant and equipment	4	<u>80,740,497</u>	<u>52,565,686</u>
		<u>80,740,497</u>	<u>52,565,686</u>
CURRENT ASSETS			
Receivables and prepayments	5	31,354,299	33,168,298
Cash and cash equivalents	6	<u>154,873,972</u>	<u>231,143,275</u>
		<u>186,228,271</u>	<u>264,311,573</u>
CURRENT LIABILITIES			
Accounts payable and accruals	7	25,750,827	24,800,582
Employee benefits	8	<u>25,148,452</u>	<u>35,355,525</u>
		<u>50,899,279</u>	<u>60,156,107</u>
Net Current Assets		135,328,992	204,155,466
Total Assets		<u>216,069,489</u>	<u>256,721,152</u>
EQUITY			
Donated assets reserve		1,045,833	3,555,833
Retained earnings		<u>215,023,656</u>	<u>253,165,319</u>
		<u>216,069,489</u>	<u>256,721,152</u>

Approved for issue on behalf of the Firearm Licensing Authority on 17/12/13 and signed on its behalf by:



Robert Gregdry (Mr.)
Chairman of the Board



Kenroy Wedderburn (Dr.)
Chief Executive Officer

The accompanying notes on pages 5 - 15 form an integral part of the financial statements

FIREARM LICENSING AUTHORITY
Notes to the Financial Statements
For the year ended August 31, 2013

Page | 2

		2013	2012
	Note	\$	\$
Income			
Licence fees		309,990,462	314,748,501
Total Income		309,990,462	314,748,501
Expenses			
Staff emoluments	9	152,005,504	155,471,568
Property related expenses		1,834,343	276,275
Travelling		31,045,158	29,513,632
Office rental		25,354,839	23,112,639
Utilities		22,589,919	17,424,050
Board expenses		9,094,344	8,279,034
Security		17,544,797	12,404,597
Depreciation		15,801,680	11,870,425
Motor vehicles expenses		4,597,953	3,565,363
Software maintenance	10	3,427,532	3,427,532
Audit fees		39,675	39,675
Other administrative expenses		24,649,677	16,454,795
Total Expenses		307,985,421	281,839,585
Operating surplus		2,005,041	32,908,916
Interest income		6,881,646	9,421,981
Miscellaneous income		461,650	60,000
Amortisation of donated asset reserve		2,510,000	2,510,000
Net operating surplus		11,858,337	44,900,897
Contribution to Accountant General		(50,000,000)	-
Net (deficit)/surplus		(38,141,663)	44,900,897

The accompanying notes on pages 5 - 15 form an integral part of the financial statements

FIREARM LICENSING AUTHORITY
Notes to the Financial Statements
For the year ended August 31, 2013

Page | 3

	Retained Earnings	Donated Asset Reserve	Total
	\$	\$	\$
Balance as at August 31, 2011	208,264,422	6,065,833	214,330,255
Transfer from donated asset reserve		(2,510,000)	(2,510,000)
Surplus for the year	44,900,897	-	44,900,897
Balance as at August 31, 2012	<u>253,165,319</u>	<u>3,555,833</u>	<u>256,721,152</u>
Transfer from donated asset reserve	-	(2,510,000)	(2,510,000)
Deficit for the year	(38,141,663)	-	(38,141,663)
Balance as at August 31, 2013	<u><u>215,023,656</u></u>	<u><u>1,045,833</u></u>	<u><u>216,069,489</u></u>

The accompanying notes on pages 5 - 15 form an integral part of the financial statements

	2013	2012
	\$	\$
Cash flows from operating activities		
Operating surplus/(deficit) for the year	(38,141,663)	44,900,897
Adjustments:		
Depreciation	15,801,680	11,870,425
Gain on Disposal	(457,650)	-
Amortisation of donated assets reserve	(2,510,000)	(2,510,000)
(Increase)/decrease in current assets	1,813,998	7,755,692
Increase/(decrease) in current liabilities	(9,256,828)	(20,117,699)
Net cash provided by operating activities	<u>(32,750,463)</u>	<u>41,899,315</u>
Cash flows from investing activities		
Acquisition of assets	(44,816,490)	(26,294,184)
Proceeds from disposal of property, plant and equipment	1,297,650	-
Net cash used in investing activities	<u>(43,518,840)</u>	<u>(26,294,184)</u>
Cash flows from financing activities	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	(76,269,303)	15,605,131
Cash and cash equivalents beginning of year	<u>231,143,275</u>	<u>215,538,144</u>
Cash and cash equivalents at end of year	<u><u>154,873,972</u></u>	<u><u>231,143,275</u></u>

The accompanying notes on pages 5 - 15 form an integral part of the financial statements

1. Identification

The Firearm Licensing Authority (FLA) was established in 2005 by an Act of Parliament as a statutory organization within the Ministry of National Security. The Firearms Act (1967 and amendments, Jamaica) allows the Authority to control the manufacture, sale, purchase, importation, exportation, trans-shipment, disposal, possession and use of firearms and ammunition.

The functions of the Authority shall be –

- (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.

The Authority is managed by a Board of Directors and a CEO, and reports to the Minister of National Security.

2. Statement of compliance, basis of preparation and significant accounting policies**a) Statement of compliance**

- i. These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). IPSAS's are developed by the International Public Sector Accounting Standards Board (IPSASB), an independent standard setting Board of the International Federation of Accountants (IFAC). IPSASs are based on the International Financial Reporting Standards (IFRSs).
- ii. IPSAS deal with public sector reporting issues not dealt with in IFRSs. 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. Actual results could differ from those estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known.

b) Basis of preparation

The financial statements are prepared under the historical cost convention, and are presented in Jamaican dollars (\$), which is the reporting currency of the Authority.

c) Significant accounting policies

i. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank, in hand, and deposits.

ii. Receivables

Trade receivables are carried at original invoice amounts less provision made for impairment losses. A provision for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

iii. Accounts payable and accrued charges

These are stated at cost.

iv. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment reviews.

Subsequent costs are included in the asset's carrying amount or are 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. All other repairs and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

Depreciation on assets is calculated on the straight-line basis at annual rates that will write off the carrying value of each asset over the period of its expected useful life. Annual depreciation rates or period over which depreciation is charged are as follows:

	%
Computers	20
Furniture, Fixtures	10
Office Equipment	20
Motor Vehicles	20
Leasehold Improvement	Duration of Lease

c) Significant accounting policies (Cont'd)**iv. Property, plant and equipment**

Property, plant and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

v. Employee benefits

The Authority does not participate into any pension scheme as engagements with employees are on a contractual basis. Therefore employee benefits that are earned as a result of past or current service are recognized as follows:

a. General benefits

A provision is made for the estimated liability for annual leave earned, for employees, that is not taken and gratuity not paid as at the date of the statement of financial position. The expected cost of vacation leave that accumulates is recognized when the employee becomes entitled to the leave.

vi. Provisions

Provisions are recognized when the Authority has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

vii. Impairment and reversals of impairment

At the date of authorization of the financial statements, there were no impairment reviews by the Authority. This lack of review is not expected to have a material impact on the financial statements.

viii. Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The Authority's financial instruments at August 31, 2013 were receivables and payables.

c) Significant accounting policies (Cont'd)

ix. Revenue recognition

License fees are recognised in the income statement whenever an application is approved by the Board of Directors and all requirements by the Authority has been met.

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

x. Donated assets reserve

The cost of assets wholly or partly funded by an external donor agency (including Government of Jamaica) with no loan attached is credited to the donated assets reserve and written off to the income statement on a straight line basis over the expected useful life of the related asset.

xi. Income and other taxes and duties

Under section 12 of the Income Tax Act, the income of the Authority is exempt from income tax and property tax.

In addition it is exempt from stamp duties and transfer taxes, as well as customs duty and general consumption tax with respect to articles imported into the country or taken out of bond in Jamaica.

3. Financial Risk Management

The Authority's activities expose it to a variety of financial risks: market risks (including currency risk and price risk), credit risk, liquidity risk, interest rate risk and operational risk. The Authority's overall risk management policies are established to identify and analyze risk exposure and to set appropriate risk limits and controls and to monitor risk and adherence limits. The risk management framework is based on guidelines set by management and seeks to minimize potential adverse effects on the Authority's financial performance.

3. Financial Risk Management (cont'd)

a. Market risk

The Authority takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Authority's exposure to market risks or the manner in which it manages and measures the risk.

i. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Authority will not be affected by this risk.

ii. Interest rate risk

Interest rate risk is the risk that the interest earned on interest bearing bank account balances will fluctuate due to changes in market interest rate. Income and operating cash flows are substantially independent of changes in market interest rates. The Authority's interest rate risk arises from deposits.

	2013	2012
	\$	\$
Cash and cash equivalents	<u>150,042,609</u>	<u>228,077,401</u>
	<u>150,042,609</u>	<u>228,077,401</u>

b. Liquidity risk

Liquidity risk is the risk that an organization will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The risk is managed by maintaining sufficient cash and cash equivalent balances and periodical monitoring and reporting by the Finance Branch.

3. Financial Risk Management (cont'd)

c. Liquidity risk (cont'd)

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 tables below summarise the maturity profile of the Authority's financial liabilities at August 31, 2013 based on the contractual undiscounted payments.

Financial Liabilities	Carrying Amount \$	2013 Contract Amount \$	Due within 3 months \$	Due within 1 year \$
Accounts payable and accruals	25,750,827	25,750,827	-	25,750,827
Provision for employee benefits	<u>25,148,452</u>	<u>25,148,452</u>		<u>25,148,452</u>
	<u>50,899,279</u>	<u>50,899,279</u>	-	<u>50,899,279</u>

Financial Liabilities	Carrying Amount \$	2012 Contract Amount \$	Due within 3 months \$	Due within 1 year \$
Accounts payable and accruals	24,800,582	24,800,582	2,608,582	22,192,000
Provision for employee benefits	<u>35,355,525</u>	<u>35,355,525</u>		<u>35,355,525</u>
	<u>60,156,107</u>	<u>60,156,107</u>	<u>2,608,582</u>	<u>57,547,525</u>

3. Financial Risk Management (cont'd)

d. 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. The Authority manages concentrations of credit risk by investing mainly in liquid securities, with counterparties that have high credit quality and Government of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations. Nonetheless the Authority has developed an investment policy that outlines the parameters of the investment of funds.

The Authority manages concentrations of credit risk by placing limits outlined in the investment policy which assigns limits for the percentage of the investment portfolio that can be invested in any one institution. The Authority has the following financial assets that are affected by credit risk:

	2013	2012
	\$	\$
Cash and cash equivalents	154,873,972	231,143,275
Accounts receivable (excluding prepayments)	<u>28,996,442</u>	<u>23,558,608</u>
	<u>183,870,414</u>	<u>254,701,883</u>

FIREARM LICENSING AUTHORITY
Notes to the Financial Statements
For the year ended August 31, 2013

Page |12

4. Property, Plant and Equipment

	Motor Vehicle	Office Equipment	Furniture and Fixtures	Computer hardware and software	Leasehold improvement (a)	Total
	\$	\$	\$	\$	\$	\$
Cost						
At 1 September 2012	16,750,000	10,065,845	4,602,580	11,154,789	32,092,055	74,665,269
Additions	-	41,000,958	655,247	1,519,829	1,640,457	44,816,491
Disposals	(3,150,000)	-	-	-	-	(3,150,000)
At August 31, 2013	<u>13,600,000</u>	<u>51,066,803</u>	<u>5,257,827</u>	<u>12,674,617</u>	<u>33,732,512</u>	<u>116,331,760</u>
Depreciation						
At 1 September 2012	9,274,166	2,051,901	359,178	2,248,882	8,165,456	22,099,583
Charge for the year	2,772,500	3,622,071	513,315	2,475,383	6,418,411	15,801,680
Disposal	(2,310,000)	-	-	-	-	(2,310,000)
At 31 August 2013	<u>9,736,666</u>	<u>5,673,972</u>	<u>872,493</u>	<u>4,724,265</u>	<u>14,583,867</u>	<u>35,591,263</u>
Net Book Value						
31 August 2013	<u>3,863,334</u>	<u>45,392,831</u>	<u>4,385,334</u>	<u>7,950,352</u>	<u>19,148,645</u>	<u>80,740,497</u>
31 August 2012	<u>7,475,834</u>	<u>8,013,944</u>	<u>4,243,402</u>	<u>8,905,907</u>	<u>23,926,599</u>	<u>52,565,686</u>

- a. The Leasehold improvement represents modifications done to the offices at 12-14 Worthington Terrace, Kingston 5 and the regional office at Shop # 9 Bogue, City Centre, Montego Bay.

5. Receivables and prepayments

	2013	2012
	\$	\$
Accounts Receivables	28,316,210	22,077,889
Other Receivables	244,403	382,618
Interest receivables	435,830	1,098,101
Prepaid Expenses	2,357,856	9,609,690
	<u>31,354,299</u>	<u>33,168,298</u>

6. Cash and cash equivalents

	2013	2012
	\$	\$
Investments (i)	150,042,609	228,077,401
Cash at Bank	4,831,363	3,065,874
	<u>154,873,972</u>	<u>231,143,275</u>

(i) These are short term deposits (30-365 days) at interest rates varying from 1.5% to 6.85% per annum.

7. Accounts payable and accruals

	2013	2012
	\$	\$
Creditors	55,467	814,676
Statutory deductions	208	208
Accruals	2,519,152	1,793,698
Customer deposit	23,176,000	22,192,000
	<u>25,750,827</u>	<u>24,800,582</u>

8. Employee benefits

	2013	2012
	\$	\$
Provision for gratuity	14,539,368	22,668,403
Provision for vacation leave	3,887,794	4,188,484
Provision for salary arrears	6,721,290	8,498,638
	<u>25,148,452</u>	<u>35,355,525</u>

9. Salaries & related costs

	2013	2012
	\$	\$
Salaries and wages	121,392,373	122,966,623
Gratuity	21,090,339	24,859,615
Vacation	3,136,603	2,076,892
Employer's statutory contribution	6,386,191	5,568,438
	<u>152,005,506</u>	<u>155,471,568</u>

- a) Staff members are employed on contract for a period of three (3) years. Gratuity is twenty-five percent (25%) of salary earned during the contract period and is payable on the successful completion of the contract.
- b) At August 31, 2013 there were 112 (2012 – 97) employees on staff at the Authority, 46 (2012, 32) of which were temporarily employed.
- c) **Executive Salaries:**

Executive Salaries:	Salary	Travelling	2013	2012
	<i>\$000</i>	<i>\$000</i>	Total	Total
			<i>\$000</i>	<i>\$000</i>
Chief Executive Officer	4,036	976	5,012	4,050
Director Finance & Administration	2,364	514	2,878	2,628
Director Records & Information Systems	1,972	514	2,486	2,263
Director Audit & Complaint	2,936	976	3,912	3,541
Director Application & Certification	2,364	514	2,878	2,421
Director Investigations	2,936	976	3,912	3,541

10. Software Maintenance

This amount represents the current year charge for the safeguard extended warranty for three years (April 1 2011- March 31 2014) for use of the correlation server located at the Jamaica Constabulary Force site for the period. The total cost of the warranty is CDN \$115,736.

11. Contribution to Consolidated Fund

This amount represents a transfer to the Consolidated Fund for budgetary support to our portfolio Ministry The Ministry of National Security.



NOTES





NOTES

