



FIREARM LICENSING AUTHORITY

ANNUAL REPORT 2013-2014

PROMOTING FIREARM SAFETY & RESPONSIBILITY



FIREARM LICENSING AUTHORITY

ANNUAL REPORT 2013-2014

PROMOTING FIREARM SAFETY & RESPONSIBILITY

TABLE OF CONTENTS

Vision Statement	2
Mission Statement	2
Corporate Profile	3
FLA's Organizational Structure	4
Message From Minister of National Security	5
Corporate Governance	6
FLA Board	7
Review Board	8
Message From the Chairman – FLA Board	9
Message From the Chief Executive Officer	10
FLA's Organizational Overview	11
Directors	11
Managers	11
The Investigations Branch	12
The Audit & Complaints Branch	13
The Firearm Records & Information Systems Branch	14
The Finance & Administration Branch	15
The Applications & Certification Branch	16
General Administration Branch	17
Montego Bay Regional Office	18
Review of Operations	19
Compensation of Board of Directors and Senior Executives	20
Our Major Accomplishments	21
Firearm User's Licence Applications Received, Approved & Denied	21
Relocation	22
Review of Organizational Posts & Structure	22
Codifying of Procedures	22
Performance Metrics	22
Collection of the Authority's Fees	22
New Website	22
Marking of Firearms	22
Recertification	22
Renewals	22
Recruitment and Selection	22
Training and Development	23
Customer Satisfaction Survey	23
Social Highlights	24
Opening Ceremony	24
Relocation	25
Mixology	25
Financials	26

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 part of the national security infrastructure of Jamaica, we will also ensure that the integrity and completeness of our database of firearm 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 to nine 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 are adequate risk management systems to protect the Authority's database of licence 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 consistently 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

FIREARM LICENSING AUTHORITY'S (FLA) HISTORY

Cabinet Decision 7/04 gave approval for the revision of the policy and procedures relating to the issuing and renewing of the firearm licences, 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.

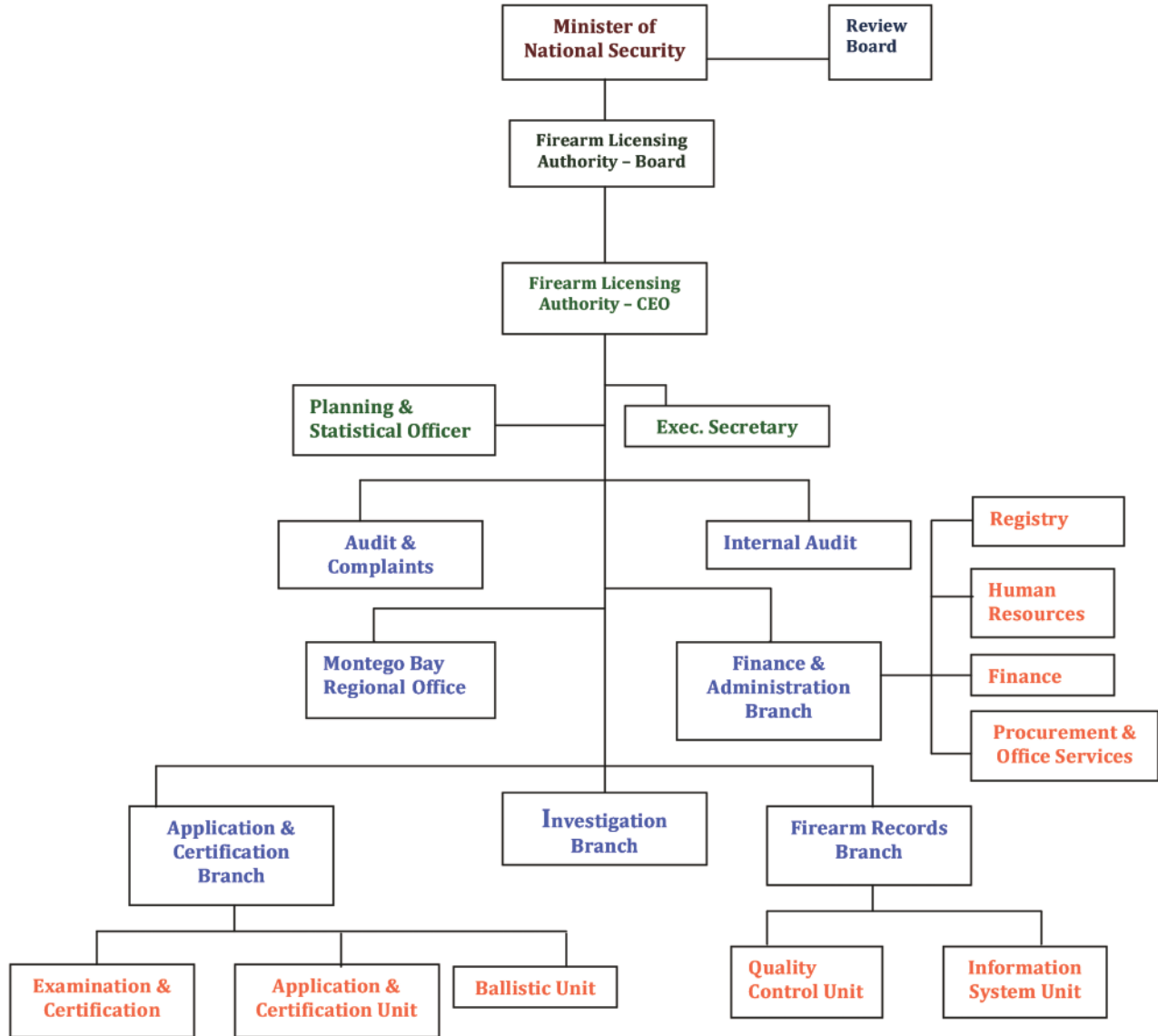
The Firearms Act in its previous form came into being in 1947 (revised 1967) in a vastly different environment than obtains today. Its objective was primarily to control the manufacture, sale, purchase, importation, exportation, transshipment, disposal, possession and use of firearms and ammunition.

Under the Act, individuals were permitted to own and use firearms and ammunition after applications to the Superintendent 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 1, 2006, the Firearms 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 objectives of the new policy implemented through the Firearm Licensing Authority are to improve; transparency in the process of granting firearm licences; and to introduce a regime that will allow for professional, careful and timely procedures to facilitate the application and issuance of firearm licences.

FLA'S ORGANIZATIONAL STRUCTURE



MESSAGE FROM Minister of National Security



I commend the Firearm Licensing Authority (FLA) on its achievements in the 2013/14 fiscal year in which it has distinguished itself as an agency of innovation and quality service.

The Ministry is particularly pleased that many of the shortcomings, which were identified in the 2012 review of the FLA, have been addressed. The clearing of a long-standing backlog, the reduction of the standard application processing time from an average of two to three years to six months, along with a reduction in renewal and recertification processing times from hours to thirty (30) minutes and one and a half hour (1^{1/2}), respectively, are all significant achievements. The Ministry of National Security can attest to public satisfaction with these reforms, as there has been a significant reduction in written and verbal complaints received about the FLA's services.

The relocation of the Kingston headquarters has undoubtedly contributed to the Authority's performance over the last few months. The increased efficiency now enables the FLA to play a more direct role in small arms control strategies, through the marking of privately owned firearms, seeking to mitigate the threat of legal firearms crossing over into illegal activities. It is recognized that the FLA will be required to continuously develop and improve its services to respond to the needs of its clientele, and also to provide greater support to national crime control and prevention initiatives as they evolve.

I must commend the Authority on the reformation of its processes that can be favourably compared to any efficiently functioning organization globally. The level of success achieved by the FLA in this relatively short period is a clear demonstration that strategic direction and competent leadership are critical elements that must work in tandem to create efficiently functioning organizations.

I am confident that the FLA will continue its tradition of excellence, and I wish the organization every success as it continues to carry out its functions and deliver exceptional service.

Sincerely,
Peter Bunting, MP

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 26 A. 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

FLA BOARD

Referred to as the
'Authority'



**Mr. Robert Gregory, CD, JP
Chairman**



**Mr. Gilbert H. Scott, JP
Deputy Chairman**



**SSP (Ret'd)
Rosalie McDonald-Barker**



Pastor Michael Harvey



**Justice (Ret'd)
Marva McIntosh**

REVIEW BOARD

**Review Board
November 2009-October 2013**



**Mr. Justice Clarence
Walker (Ret'd) – Chairman**



Mr. Frank Phipps, QC



DCP (Ret'd) Isadore Hibbert

Review Board: October 2013-Present



**Professor Kent Pantry, CD, QC
Chairman**



Mr. Clarence Taylor, JP

ABSENT:

**The Honourable
Mr. Justice Karl Harrison, CD**

*The Review Board has received one hundred and seventy-two (172) appeals
for the financial period 2013/2014.*

MESSAGE FROM The Chairman – FLA Board



The FLA, during the operating year 2013/2014, remained on its path of evolution and continuous improvement, in response to the ever-changing demands of its stakeholders and clients.

The Board, executive and staff have forged an extremely effective bond of team-belonging, a team spirit of professional respect, of shared values and vision for the FLA for which the Board extends our proud congratulations.

This professional team spirit enabled the Authority, after a protracted and acrimonious relationship with its neighbours on Worthington Terrace in Kingston, due to the disruptions caused to them by our operations, to manage to relocate our head office to a more suitable location on Old Hope Road in May, 2014.

Our FLA team's achievements in greatly improving the levels of customer satisfaction has been validated from the feedback received from many and varied sources, all relating to a pleasant and efficient customer experience at the FLA's offices in Kingston and Montego Bay. The launch of our new website, as well as the Authority's having been granted the power to collect fees at our locations, has worked to enhance our service efficiency levels and the convenience to our customers.

The further streamlining of our operating policies and procedures during this year, regarding our regulation of gun dealers, range operators and trainers, has resulted in a far more effective stakeholder relationship with this very pivotal constituency of the FLA.

Working in close collaboration with the Ministry of National Security, Jamaica Defence Force and Jamaica Constabulary Force, the FLA continues to have all firearms in Jamaica individually marked, recorded and registered. This collaboration also extends to our continued programme of retrieval, batching and final destruction of old firearms.

The multifold increase in the public's demand for our services has forced us to re-engineer our business processes and technology deployment, and to restructure the allocation of staff and functions. If demands continue to rise, a revisiting of staffing levels appears inevitable going forward.

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

MESSAGE FROM The Chief Executive Officer



During the fiscal year 2013-2014, the FLA team was able to improve significantly our service levels to our customers, while providing a much more comfortable environment for transacting business. Additionally, with the new ability to collect our own fees, we have further benefited from receiving repeated commendations on our pleasant staff and service levels. We are committing to even further improving our service quality in the coming year.

During the year, the Authority's head office was relocated to 91A Old Hope Road. This new location now provides a more spacious work environment and ample parking facilities for our staff and customers.

As a part of our constant internal improvements, the Authority has also implemented a Procedural Manual outlining all processes. This manual acts

as a control mechanism and as an educational tool for our staff.

Based on process improvements, our renewal turnaround times have been slashed to an average of 30 minutes. Similarly, the recertification transaction is now only taking an average of 1 ½ hour.

To improve services and safety to our customers, the Authority has approved two additional ranges. As a result, there are now 13 ranges across the island. Additionally, there are now 50 active firearm trainers certified by the Authority. These ranges and trainers are reviewed and monitored regularly.

Let me use this forum to commend highly the FLA staff members who have displayed the requisite attitude and discipline required to move us from being a mediocre agency to a good one. On now to excellence!

Sincerely,
Dr. Kenroy Wedderburn, JP
CEO, FLA

FLA'S ORGANIZATIONAL OVERVIEW

The Firearm Licensing Authority in order to carry out effectively its mandate has the support and commitment of employees assigned to its six (6) branches at the head office, namely: General Administration, Finance & Administration, Applications and Certification, Investigations, Records & Information Systems, and Audit & Complaints, along with the Regional Office in Montego Bay. Each branch at the head office is guided by a Director and ably assisted by a cadre of competent and ambitious Managers, who provide the requisite leadership quality to motivate and inspire skilled and knowledgeable employees to fulfil the FLA's strategic objectives.

DIRECTORS



From left: Maurice Goodgame, Venice Brown and Michael Morrison
Absent: Marsha Stephens and Michael Dixon

MANAGERS



Back row, from left: Barrington Campbell, Verona Lemonius, Camille Lennox, Kimroy Scarlette, Tonia McPherson-Cole, Shamika Williams, Kadeem Smith, Stacy-Ann Lindsay, Norville Davy, Milton Reid
Front row, from left: Cleveland Crooks, Rasheeka Holt, Letine Allen, Haleem Anderson
Absent: Kerry-Ann Pearson, Andrew Gordon, Camille Lawrence, Luscaine Hibbert, Nigel Hart, Gregg Gardner, Christina Ford, Deidre Mullings, Kemon Wright

THE INVESTIGATIONS BRANCH



The Investigations Branch conducts thorough background checks on new applicants and existing firearm holders in an effort to obtain critical information needed to complete the investigation process. This is done in collaboration with the Jamaica Constabulary Force and other external agencies. We aim to further increase the confidence enjoyed by the FLA through transparent, proficient, analytical and impartial investigations, while upholding the tenets of professionalism, confidentiality, integrity and excellent customer satisfaction.

In the last financial year, the branch has undergone a number of process reviews in an effort to enhance productivity and advance the efficiency of the organization.

Highlights/Achievements:

- There was over 250 per cent increase in the submission of miscellaneous cases involving licensees for Board approval, over the preceding fiscal year.
- Increased weekly target was introduced to boost productivity.
- Restructuring of management tools to facilitate better record-keeping and improve efficiency while cutting cost.
- With the effort of a creative staff complement, the Branch won the FLA Mixology 2014 Competition.

THE AUDIT & COMPLAINTS BRANCH



The Audit & Complaints Branch 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's mandate. Guidance is given to the security companies, approved range operators, dealers and trainers to increase compliance and adherence to the Firearms Act and FLA regulations.

Achievements

- Seventy **(70)** security companies were audited.
- Approximately three thousand two hundred and forty **(3,240)** renewal applications for security guards were processed.
- **One hundred per cent** of the requests for additional ammunition for FLA-approved trainers/range operators were processed.
- Ten **(10)** FLA-approved ranges and dealerships were audited.
- Sixty-one **(61)** investigations of complaints and other miscellaneous cases were carried out.

THE FIREARM RECORDS & INFORMATION SYSTEMS BRANCH



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 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 responsibility of the Records & Information Branch is to provide leadership, guidance and support in the area of Information Technology.

THE FINANCE & ADMINISTRATION BRANCH



This Finance & Administration Branch comprises four (4) units: Finance, Human Resources, Procurement & Office Services, and the Registry. This Branch has responsibility for managing the human, financial and physical resources of the Authority. The Branch also provides guidance for senior management, in keeping with the strategic objectives and mandate of the Authority.

The Finance Unit provides prudent management of the organization's finances to ensure the viability of the Authority to meet the fiscal targets set by Ministry of Finance & the Public Service. The Finance Unit has recently been given the mandate to collect and account for firearm licence fees.



The Human Resources Unit ensures the meticulous, caring and expedient managing of the Authority's human resources through administration and training and development.

The Procurement and Office Services Unit ensures the efficient distribution and use of the Authority's assets. Additionally, the Unit provides critical support services, including transportation and other ancillary services. The Unit spearheaded the refurbishing and relocation of the head office within four months.

The Registry ensures the accurate and timely filing and retrieval of documents for all firearm holders and applicants. The Registry was able to complete the merging of application files within two months; this project was expected to last three months.

THE APPLICATIONS & CERTIFICATION BRANCH



The first point of contact for most of the FLA's customers is the Applications & Certification Branch, which is comprised of the following units: Applications Processing, Renewals, Firearm Examination and Ballistics. This Branch is responsible for the collection and processing of applications. The Branch is vital to the first and final stages of the applications process which includes conducting interviews, fingerprinting, administering firearm licence competence assessment, renewal and recertification of licences. The renewal section has achieved the organization's objective of processing renewal within an average of 30 minutes.

GENERAL ADMINISTRATION BRANCH



The Chief Executive Officer and staff of the General Administration Branch coordinate the activities of the other five (5) branches and the Regional Office in executing the functional responsibilities of the FLA as specified in the Firearms Act.

This Branch has responsibility for ensuring that the operational plans of each branch are in line with the strategic objectives of the Authority. Additionally, the General Administration Branch develops and ensures the effective monitoring and evaluation of each branch to ensure that targets are achieved for the success of the Authority.

The Branch has been integral in:

- Developing the Organization Procedural Manual
- Developing Performance Metrics
- Coordinating the Opening Ceremony

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 unit 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.

During the year, the Internal Audit Unit completed eight audit inspections. These inspections have allowed the Authority to improve its internal controls.

MONTEGO BAY REGIONAL OFFICE



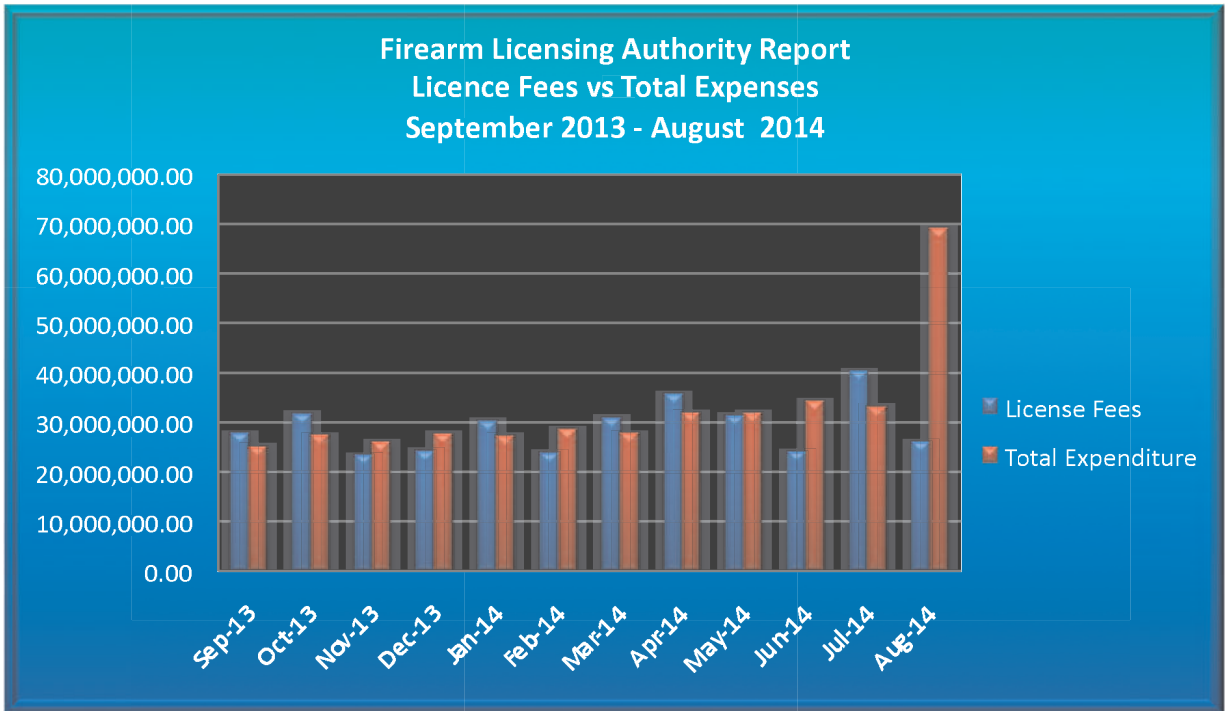
The Regional Office was mandated to provide service to the western region with a view to increasing customer satisfaction. The office offers all the services (except ballistic testing) offered at the head Office in Kingston.

The Regional Office continues to serve the public with superb customer service, going above and beyond to ensure that the customers' needs are met in a professional, timely and efficient manner in keeping with our vision statement.

Statistical data for the period under review shows:

- The processing of over 1,200 applications
- Realized eight hundred and eighty-four partial recertifications
- Over 5,000 renewal of licences/permits

REVIEW OF OPERATIONS



At the end of the financial year 2013/2014, the Firearm Licensing Authority made a net loss of \$30,031,092.

Income for the Firearm Licensing Authority was generated from revenue received based on gazetted service fees (see table below).

Core Services	Fees (Sep 2013–May 20, 2014)	Fees (May 21, 2014–August 2014)
Firearm User’s Licence	\$8,000.00	\$12,000.00
Firearm User’s (Employees) Certificate	\$4,000.00 (+\$400.00 per additional firearm)	\$5,000.00 (+\$500.00 per additional firearm)
Firearm User’s (Special) Licence	\$8,000.00	\$12,000.00
Firearm User’s (Restricted) Licence	\$4,000.00	\$6,000.00
Firearm Dealer’s Licence	\$100,000.00	\$200,000.00
Gunsmith Licence	\$20,000.00	\$25,000.00
Appeal Fee	N/A	\$12,000.00

Compensation of 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	\$1,040,000.00	\$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	Fully Maintained
Director of Investigations	\$2,935,594.00	\$975,720.00
Director of Audit & Complaints	\$2,935,594.00	\$975,720.00
Director of Finance and Administration	\$2,363,623.00	\$514,500.00
Director of Applications and Certification	\$2,038,145.00	\$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, 2013 to August 31, 2014.

Firearm User's Licence Applications Received, Approved & Denied

Month	Applications			
	Received	Processed	Approved	Denied
September 2013	498	417	345	72
October 2013	617	539	503	36
November 2013	582	187	163	24
December 2013	503	311	304	7
January 2014	702	206	187	19
February 2014	572	295	287	8
March 2014	541	415	400	15
April 2014	489	287	271	16
May 2014	543	383	340	43
June 2014	534	534	460	74
July 2014	559	374	342	32
August 2014	392	266	245	21
TOTAL	6,532	4,214	3,847	367

■ **Relocation**

The Authority has relocated its headquarters to 91A Old Hope Road, Kingston 6. This new location now provides a more spacious work environment and ample parking facilities (increased from approximately 50 to 200 spaces) for our staff and customers.

■ **Review of Organizational Posts & Structure**

The Authority operated with an inadequate/temporary structure from 2006-2013. This was corrected in 2013 when our structure was revised and regularized.

■ **Codifying of Procedures**

The Authority embarked on a project to document all its procedures. This Procedural Manual outlines all processes. This manual acts as a control mechanism and as an educational tool for our staff. This was completed in June 2014.

■ **Performance Metrics**

The FLA has developed Performance Metrics for all positions as at March 31, 2014.

■ **Collection of the Authority's Fees**

The Authority started collecting its own fees, on August 4, 2014. Procedures and guidelines have been established for the collection of fees.

■ **New Website**

Our website was launched in August 2014. A training and sensitization workshop was held on August 19, 2014, for members of staff.

■ **Marking of Firearms**

The FLA has commenced the marking of firearms with special codes as at June 18, 2014. This is in keeping with a cooperation agreement between the Government of Jamaica and the General Secretariat of the Organization of American States.

■ **Recertification**

There has been a significant reduction in the recertification processing time from half-a-day to an average of one and a half hour for recertification. There was an increase to 5,907 holders for the fiscal year 2013/2014 compared with 4,894 holders in 2012/2013 being scheduled to be recertified.

■ **Renewals**

In the year 2013/2014, the FLA processed renewals of 18,450 licences.

■ **Recruitment and Selection**

In an effort to continue on the path of fulfilling the key tenets of the FLA's Vision Statement, the Authority embarked on the recruitment and selection of candidates to fill the vacant positions in the new, approved organizational structure, as well as replacing separated employees.

■ **Training and Development**

The Authority continued its emphasis on training and developing the staff, to enhance the knowledge and skills of our workforce.

During the period, nine (9) members of staff were sent on the following external training courses as it applies to their job functions:

- Government Accounting
- Strategic Corporate Planning
- Budget Preparation and Management
- International Financing and Reporting Standards
- General Office Administration
- Records and Information Management

In an effort to realize greater cost-effectiveness for the Authority, thirty-four (34) staff members were given in-house training and external refresher sessions that were of no cost to the Authority. These sessions were:

- GCT Sensitization Session
- Performance Management and Appraisal System Session
- Anti-Fraud Workshop
- Development Policy Forum
- Workforce Adjustment Policy and HR Process Standardization
- Résumé Writing Workshop
- Major Investigations Core Skills
- Firearms Tactical Training

■ **Customer Satisfaction Survey**

The FLA has provided customers with the option of filling out customer satisfaction surveys while visiting either of our branches. This has helped the FLA to know customers' needs first-hand and put measures in place to fulfil those needs, thereby improving the quality of our customer service daily.

SOCIAL HIGHLIGHTS

Opening Ceremony



SOCIAL HIGHLIGHTS

Relocation



Mixology



FINANCIALS

FIREARM LICENSING AUTHORITY ANNUAL REPORT 2013-2014

Promoting Firearm Safety & Responsibility

FIREARM LICENSING AUTHORITY

FINANCIAL STATEMENTS

AUGUST 31, 2014

FIREARM LICENSING AUTHORITY ANNUAL REPORT 2013-2014
Promoting Firearm Safety & Responsibility

**Firearm Licensing Authority
Financial Statements
August 31, 2014**

Index

	Page
Independent Auditor's Report	
<u>Financial Statements</u>	
Statement of Financial Position	1
Statement of Financial Performance	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 14

FIREARM LICENSING AUTHORITY ANNUAL REPORT 2013-2014

Promoting Firearm Safety & Responsibility



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 14, which comprise the Statement of Financial Position as at August 31, 2014, 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. 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.

FIREARM LICENSING AUTHORITY ANNUAL REPORT 2013-2014

Promoting Firearm Safety & Responsibility

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, 2014, 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.



Auditor General

2014/11/25....

Date

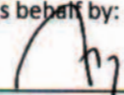
FIREARM LICENSING AUTHORITY ANNUAL REPORT 2013-2014

Promoting Firearm Safety & Responsibility


**FIREARM LICENSING AUTHORITY
Statement of Financial Position
As at August 31, 2014**

		2014	2013
	Note	\$	\$
NON-CURRENT ASSETS			
Property, plant and equipment	4	<u>141,437,323</u>	<u>80,740,497</u>
		<u>141,437,323</u>	<u>80,740,497</u>
CURRENT ASSETS			
Inventory	5	3,585,701	-
Receivables and prepayments	6	4,208,020	31,354,299
Cash and cash equivalents	7	<u>126,525,211</u>	<u>154,873,972</u>
		<u>134,318,932</u>	<u>186,228,271</u>
CURRENT LIABILITIES			
Accounts payable and accruals	8	53,147,214	25,750,827
Employee benefits	9	<u>37,616,477</u>	<u>25,148,452</u>
		<u>90,763,691</u>	<u>50,899,279</u>
Net Current Assets		43,555,241	135,328,992
Total Assets		<u>184,992,564</u>	<u>216,069,489</u>
EQUITY			
Donated assets reserve		-	1,045,833
Retained earnings		<u>184,992,564</u>	<u>215,023,656</u>
		<u>184,992,564</u>	<u>216,069,489</u>

Approved for issue on behalf of the Firearm Licensing Authority on November 24, 2014 and signed on its behalf by:



 Robert Gregory (Mr.)
 Chairman of the Board



 Kenroy Wedderburn (Dr.)
 Chief Executive Officer

The accompanying notes on pages 5 - 14 form an integral part of the financial statements

FIREARM LICENSING AUTHORITY ANNUAL REPORT 2013-2014

Promoting Firearm Safety & Responsibility

**FIREARM LICENSING AUTHORITY
Statement of Financial Performance
For the year ended August 31, 2014**

		2014	2013
	Note	\$	\$
Income			
Licence fees		338,812,679	309,990,462
Total Income		338,812,679	309,990,462
Expenses			
Staff emoluments	10	175,762,679	152,005,504
Property related expenses		8,288,785	1,834,343
Travelling		34,350,542	31,045,158
Office rental		31,623,936	25,354,839
Utilities		26,467,902	22,589,919
Board expenses		9,179,903	9,094,344
Security		21,884,741	17,544,797
Depreciation charges		24,275,334	15,801,680
Motor vehicles expenses		8,171,050	4,597,953
Software maintenance	11	775,757	3,427,532
Audit fees		206,353	39,675
Other administrative expenses		28,417,462	24,649,677
General Consumption Tax		2,729,871	-
Total Expenses		372,134,315	307,985,421
Operating (deficit)/surplus		(33,321,636)	2,005,041
Interest income		7,684,162	6,881,646
(Loss)/gain on disposal		(6,481,914)	457,650
Miscellaneous income		29,000	4,000
Amortisation of donated asset reserve		2,059,296	2,510,000
Net operating (deficit)/surplus		(30,031,092)	11,858,337
Contribution to Accountant General		-	(50,000,000)
Net (deficit)/surplus		(30,031,092)	(38,141,663)

The accompanying notes on pages 5 - 14 form an integral part of the financial statements

FIREARM LICENSING AUTHORITY ANNUAL REPORT 2013-2014

Promoting Firearm Safety & Responsibility

Page 3

**FIREARM LICENSING AUTHORITY
Statement of Changes in Equity
Year ended August 31, 2014**

	Retained Earnings \$	Donated Asset Reserve \$	Total \$
Balance as at August 31, 2012	253,165,319	3,555,833	256,721,152
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>215,023,656</u>	<u>1,045,833</u>	<u>216,069,489</u>
Additions		1,013,463	1,013,463
Transfer from donated asset reserve	-	(2,059,296)	(2,059,296)
Deficit for the year	(30,031,092)	-	(30,031,092)
Balance as at August 31, 2014	<u><u>184,992,564</u></u>	<u><u>(0.00)</u></u>	<u><u>184,992,564</u></u>

The accompanying notes on pages 5 - 14 form an integral part of the financial statements

**FIREARM LICENSING AUTHORITY
Statement of Cash Flows
Year ended August 31, 2014**

	2014	2013
	\$	\$
Cash flows from operating activities		
Operating deficit for the year	(30,031,092)	(38,141,663)
Adjustments:		
Depreciation charges	24,275,334	15,801,680
Loss/(Gain) on Disposal	6,481,914	(457,650)
Amortisation of donated assets reserve	(2,059,296)	(2,510,000)
(Increase)/decrease in current assets	23,560,578	1,813,998
Increase/(decrease) in current liabilities	39,864,412	(9,256,828)
Net cash provided by operating activities	<u>62,091,850</u>	<u>(32,750,463)</u>
Cash flows from investing activities		
Acquisition of assets	(91,454,074)	(44,816,490)
Proceeds from disposal of property, plant and equipment	-	1,297,650
Grant received	1,013,463	
Net cash used in investing activities	<u>(90,440,611)</u>	<u>(43,518,840)</u>
Cash flows from financing activities	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	(28,348,761)	(76,269,303)
Cash and cash equivalents at the beginning of year	<u>154,873,972</u>	<u>231,143,275</u>
Cash and cash equivalents at the end of year	<u><u>126,525,211</u></u>	<u><u>154,873,972</u></u>

The accompanying notes on pages 5 - 14 form an integral part of the financial statements

FIREARM LICENSING AUTHORITY

Notes to the Financial Statements

For the year ended August 31, 2014

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.

FIREARM LICENSING AUTHORITY

Notes to the Financial Statements

For the year ended August 31, 2014

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. Inventories

Inventories are recognized at cost at the date of purchase. These items are unused identification cards and materials to be used in the processing of licences to be issued to firearm holders. Identification cards and materials that are consumed during the financial year are immediately recognised in the Statement of Financial Performance. Any write-down to NRV and any inventory losses are also recognised as an expense when they occur.

iv. Accounts payable and accrued charges

These are stated at cost.

v. 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.

FIREARM LICENSING AUTHORITY
Notes to the Financial Statements
For the year ended August 31, 2014

c) Significant accounting policies (Cont'd)

iv. Property, plant and equipment

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

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.

vi. 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.

vii. 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.

FIREARM LICENSING AUTHORITY

Notes to the Financial Statements

For the year ended August 31, 2014

c) Significant accounting policies (Cont'd)

viii. 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.

ix. 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, 2014 were receivables and payables.

x. 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.

xi. 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.

xii. 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 with respect to articles imported into the country or taken out of bond in Jamaica.—The Authority is no longer exempt from paying General Consumption Tax effective June 1, 2014. The Authority has been designated a tax withholding entity (TWE) by the Ministry of Finance and is authorized to withhold payments of General Consumption Tax from its suppliers and remit amounts withheld by the last working day of the subsequent month.

FIREARM LICENSING AUTHORITY

Notes to the Financial Statements

For the year ended August 31, 2014

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.

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.

	2014	2013
	\$	\$
Cash and cash equivalents	80,423,755	150,042,609
	<u>80,423,755</u>	<u>150,042,609</u>

FIREARM LICENSING AUTHORITY

Notes to the Financial Statements

For the year ended August 31, 2014

3. Financial Risk Management (cont'd)

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.

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 summaries the maturity profile of the Authority's financial liabilities at August 31, 2014 based on the contractual undiscounted payments.

Financial Liabilities	Carrying Amount \$	2014 Contract Amount \$	Due within 3 months \$	Due within 1 year \$
Accounts payable and accruals	53,147,214	53,147,214	1,598,621	51,548,593
Employee benefits	<u>37,616,477</u>	<u>37,616,477</u>	-	<u>37,616,477</u>
	<u>90,763,691</u>	<u>90,763,691</u>	<u>1,598,621</u>	<u>89,165,070</u>

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
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>

FIREARM LICENSING AUTHORITY
Notes to the Financial Statements
For the year ended August 31, 2014

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:

	2014	2013
	\$	\$
Cash and cash equivalents	126,525,211	154,873,972
Accounts receivable (excluding prepayments)	915,643	28,996,442
	<u>127,440,854</u>	<u>183,870,414</u>

FIREARM LICENSING AUTHORITY

Notes to the Financial Statements

For the year ended August 31, 2014

4. Property, Plant and Equipment

	Motor Vehicle	Office Equipment	Furniture and Fixtures	Computer hardware and software	Leasehold improvement (a)	Total
	\$	\$	\$	\$	\$	\$
Cost						
At 1 September 2013	13,600,000	51,066,803	5,257,826	12,674,617	33,732,512	116,331,758
Additions	6,661,480	7,223,186	1,023,361	3,910,142	72,635,905	91,454,074
Disposals	-	-	-	-	(17,946,851)	(17,946,851)
At August 31, 2014	<u>20,261,480</u>	<u>58,289,989</u>	<u>6,281,187</u>	<u>16,584,759</u>	<u>88,421,566</u>	<u>189,838,981</u>
Depreciation						
At 1 September 2013	9,736,666	5,673,972	872,492	4,724,265	14,583,867	35,591,262
Charge for the year	1,623,334	10,755,516	424,468	2,565,430	8,906,586	24,275,334
Disposal	-	-	-	-	(11,464,938)	(11,464,938)
At 31 August 2014	<u>11,360,000</u>	<u>16,429,488</u>	<u>1,296,960</u>	<u>7,289,695</u>	<u>12,025,515</u>	<u>48,401,658</u>
Net Book Value						
31 August 2014	<u>8,901,480</u>	<u>41,860,501</u>	<u>4,984,227</u>	<u>9,295,064</u>	<u>76,396,051</u>	<u>141,437,323</u>
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>80,740,496</u>

a. The Leasehold improvement represents modifications done to the offices at 91A Old Hope Road, Kingston 6, and the regional office at Shop # 9 Bogue, City Centre, Montego Bay. During the financial year the Head Officer was relocated from 12-14 Worthington Terrace, Kingston 5

5. Inventory

	2014	2013
	\$	\$
Consumables	<u>3,585,701</u>	<u>-</u>

FIREARM LICENSING AUTHORITY
 Notes to the Financial Statements
 For the year ended August 31, 2014

6. Receivables and prepayments

	2014	2013
	\$	\$
Accounts Receivables	183,300	28,316,210
Other Receivables	390,534	244,403
Interest receivables	341,809	435,830
Prepaid Expenses	3,292,377	2,357,856
	<u>4,208,020</u>	<u>31,354,299</u>

7. Cash and cash equivalents

	2014	2013
	\$	\$
Investments (i)	80,423,555	150,042,609
Cash at Bank	46,101,656	4,831,363
	<u>126,525,211</u>	<u>154,873,972</u>

(i) These are short term deposits (30-90 days) at interest rates varying from 1.0% to 8.00% per annum.

8. Accounts payable and accruals

	2014	2013
	\$	\$
Accounts payable	11,419,297	55,467
Other payables	1,663,250	208
Accrued expenses	1,598,621	2,519,152
GCT payable	3,874,046	-
Customer deposit	34,592,000	23,176,000
	<u>53,147,214</u>	<u>25,750,827</u>

9. Employee benefits

	2014	2013
	\$	\$
Provision for gratuity	28,304,399	14,539,368
Provision for vacation leave	6,362,548	3,887,794
Provision for salary arrears	2,949,530	6,721,290
	<u>37,616,477</u>	<u>25,148,452</u>

FIREARM LICENSING AUTHORITY

Notes to the Financial Statements

For the year ended August 31, 2014

10. Salaries & related costs

	2014	2013
	\$	\$
Salaries and wages	135,533,964	121,392,373
Gratuity	30,467,373	21,090,339
Vacation	2,474,754	3,136,603
Employer's statutory contribution	7,286,588	6,386,191
	<u>175,762,679</u>	<u>152,005,506</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, 2014 there were 139 (2013 – 112) employees on staff at the Authority, 37 (2013, 46) of which were temporarily employed.

c) Executive Salaries:

Executive Salaries:

	Salary	Travelling	2014	2013
	<i>\$000</i>	<i>\$000</i>	Total	Total
			<i>\$000</i>	<i>\$000</i>
Chief Executive Officer	4,036	976	5,012	5,012
Director Finance & Administration	2,364	514	2,878	2,878
Director Records & Information Systems	1,972	514	2,486	2,486
Director Audit & Complaint	2,936	976	3,912	3,912
Director Application & Certification	2,364	514	2,878	2,878
Director Investigations	2,936	976	3,912	3,912

11. 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.



FIREARM LICENSING AUTHORITY

ANNUAL REPORT 2013-2014

PROMOTING FIREARM SAFETY & RESPONSIBILITY



FIREARM LICENSING AUTHORITY:

HEAD OFFICE:

91A Old Hope Road

Kingston 6, Jamaica W.I.

Tel: (876) 927-5158 - 60. Fax: (876) 978-0249

REGIONAL OFFICE:

Shop 9, Bogue City Centre, Montego Bay, St. James

Tel: (876) 978-0245. Fax: (876) 971-3270

Website: www.firearmlicensingauthority.com

Email: fla@cwjamaica.com



DESIGNED AND PRINTED BY THE
JAMAICA INFORMATION SERVICE
DECEMBER 2014