



CELEBRATING



YEARS

2023 ANNUAL REPORT

NATIONAL DRUG COUNCIL CAYMAN ISLANDS

About This Report

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This report outlines the National Drug Council's (NDC) performance during the period from January 1st, 2023 to December 31st, 2023 in comparison to that which was outlined in the organisation's budget for the corresponding period.

The requirement for an Annual Report is prescribed under section 44 of the Public Management and Finance Act (2020 Revision).

In particular, Section 44 (2) states:
(2) The report shall –
(a) state details of the entity's activities during the year;
(b) include a statement reporting all executive financial transactions that the entity administered;
(c) include the entity's financial statements for the year; and
(d) compare the actual performance shown by the financial statements with the performance proposed in the relevant budget statement.

As well as fulfilling our statutory obligations, this Annual Report describes how the National Drug Council has utilised public funds for the benefit of the Cayman Islands.



The Nature and Scope of NDC's activities are:

- Policy & Prevention
- Surveillance, Research and Information Dissemination
- Monitoring and Evaluation

For more information please contact:

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Message from the Chairman of the Board of Directors



Rev. Dr. Yvette Noble-Bloomfield
Chairman

I am pleased to present the 2023 Annual Report of the National Drug Council (NDC) as required by Section 52 of the Public Management and Finance Act.

This report details the work delivered by the NDC throughout the year to provide education, research, and advocacy for positive life choices in combatting the abuse of alcohol and illicit drugs, especially among our youth.

Our organisation embarked on a bold journey some twenty-five years ago; it stemmed from an acceptance that an ounce of prevention is worth a mountain of cure. We aimed to make a positive impact on our community, grounded in the belief that everyone is important and deserves to be nurtured, the abuse of drugs and alcohol is preventable, and that addiction is treatable and can lead to healing and restoration through the appropriate interventions. Our 2023 work programme was a testament to the NDC’s commitment to those beliefs and our drive to make a positive impact.

The United Nations Office on Drugs and Crime published its 2023 World Drug Report, in which it described the ongoing negative impacts on physiological and mental health caused by illicit drug use. The report also noted that stigma and discrimination make it less likely that people who use drugs will get the help they need and that fewer than 20 percent of people with drug use disorders are in treatment.

I am proud that we live in a country where the Government recognises and supports targeted, relevant, and accessible prevention strategies such as those offered by the NDC.

Effective prevention programmes are agile, relevant, and adaptive to the community’s changing needs. They require visionaries and stalwarts who consistently place the interests of those we serve at the heart of every decision. In this regard, I am grateful for our Ministry’s support and Directorship’s unwavering dedication in making the 2023 achievements possible.

The work which NDC delivered last year was pivotal to the goals and aspirations set in motion a quarter century ago. This report sets out the latest chapter of our story. It explains the strategic steps the NDC took as we continued the programmes and services necessary to achieve positive outcomes for our stakeholders.

The 2023 Annual Report also provides accountability for the financial resources entrusted to the Board’s oversight, and the ways in which the NDC utilised those resources. I am pleased that through the frugal and wise use of our funding, the NDC achieved another positive financial performance in 2023, enabling the organisation to deliver on its mandate while remaining compliant with the prescribed statutory requirements for prudent financial management.

On behalf of the Board, I extend our sincere appreciation to the staff of the NDC, our Government, and community partners for their dedication and professionalism in providing support to prevention programmes to the people of the Cayman Islands. Through you, we will continue to deliver outcomes that truly make a positive difference to so many families.

Sincerely,

Rev. Dr. Yvette Noble-Bloomfield
Chairman, NDC



Brenda Watson
Director (Acting)

As we commemorate the National Drug Council's 25th year of existence, it is a momentous occasion for reflection and celebration.

Over the past quarter-century, our organisation has made significant strides in combatting drug misuse locally, touching countless lives through our programmes, training initiatives, and support strategies.

Reflecting on this milestone, what stands most prominently in my thoughts are the many lives positively impacted by the NDC’s efforts. As Proverbs 22:6 instructs us, "Train up a child in the way he should go, and when he is old, he will not depart from it." This verse underscores the essence of our work—planting seeds of knowledge and resilience in the minds of young people to make positive life choices.

In 2023, our endeavours reached new heights. Our "Healthy Bodies, Healthy Minds" programme engaged 1,350 students addressing their emotional, intellectual, nutritional, physical, and social needs through 30 days of virtual activities. Additionally, our 13th annual National Drug and Alcohol Facts Month saw over 1,200 teens participate in the "Shatter the Myths" activities, challenging misconceptions surrounding substance use. These initiatives, grounded in best practices, aim to avert the onset of substance abuse problems and promote healthy living among youth.

Our Research Informed Student Education (RISE) further empowered approximately 6,000 students through 585 sessions across the primary and secondary schools, equipping them with the knowledge and tools to make positive and healthy life choices.

Message from the Director (Acting)

Moreover, our commitment to research and data-informed interventions was reinforced through the expansion of our research with the launch of the Cayman Islands Student Drug Use Survey Overseas (CISDUS OS). This is a significant step towards understanding the challenges and protective factors related to substance use among university or college students abroad. This invaluable data will inform effective policy interventions and promote healthier life choices. In addition, the NDC conducted the 2023 HM Cayman Islands Prison Service Survey and the Nicotine Dependence Survey, as well as facilitated the evaluation of The Bridge Foundation.

None of these achievements would have been possible without the dedication of the NDC staff, who are committed to ensuring our services remain relevant, accessible, and impactful.

I am immensely grateful for the support of our Ministry, Board of Directors, stakeholders, and community partners who share in the mission and vision of the NDC. Together, we are making a genuine difference impacting young minds, informing stakeholders, raising awareness, and providing the tools necessary for positive choices in the face of illicit drug use.

With a comprehensive data-informed approach, I am confident that our collective efforts will lead to impactful change and a brighter future for all.

Warmest Regards,

Brenda Watson
Programme Manager and Director (Acting)

Who we are

The National Drug Council (NDC) is an independent statutory body set up under the National Drug Council Act, (2010 Revision) to coordinate anti-drug measures in the Cayman Islands.

The National Drug Council's activities include:

- **Review and proposals for legislative/policy change and development,**
- **Advocacy for policy change and development,**
- **Initiating research initiatives,**
- **Publication of reports and other documentation on drug abuse**

Our mandate is to provide policy advice, information, develop programmes and conduct research in the following key areas:

- **Education**
- **Prevention**
- **Treatment & Rehabilitation**

01

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

Policy & Prevention

To formulate policies intended to prevent or reduce drug abuse and promote and encourage the implementation of such policies and programmes and to advise the Minister on matters of law reform relating to the misuse of drugs.

02

Surveillance, Research and Information Dissemination

To conduct or support surveys/ research and publish reports or other documentation on drug use and maintain a database of information on issues related to the use, misuse, and abuse of substances in the Islands.

03

Monitoring & Evaluation

To coordinate the efforts of drug abuse prevention, treatment, and rehabilitation through the monitoring and evaluation of anti-drug programmes that have been implemented within the Cayman Islands.

What we do

We fulfil our mandate through:

- **Conferences, seminars and meetings related to drug abuse;**
- **Studies, reports and other documentation on drug abuse;**
- **Information systems and databases on policies, programmes and research on drug abuse;**
- **Information on the availability and supply of drugs likely to be abused;**
- **Legislation relating to the misuse of drugs.**

Our Functions include:

- **To keep under review the situation in the Islands with respect to the abuse of drugs;**
- **To conduct research into, and develop and maintain a database of information on drug abuse in the Islands;**
- **To formulate and develop drug prevention and rehabilitation policies and programmes;**
- **To advise the Minister on drug prevention and rehabilitation policies and programmes, the licensing and operation of treatment and rehabilitation centres; drug supply control measures, and law reform relating to the misuse of drugs;**
- **To educate the public, particularly the young, on the dangers of drug abuse, and to initiate, sponsor and support conferences, seminars, and meetings related to drug abuse;**
- **To promote and support training in the field of Drug Abuse Prevention and Rehabilitation;**
- **To promote and encourage the establishment of a system to coordinate the treatment and rehabilitation of persons experiencing addiction and the care of persons associated with those experiencing addiction.**

Our Mission

The Mission of the NDC is to formulate, coordinate, monitor and evaluate the implementation of the National Anti-Drug Strategic Plan ...



... based on
proactive, creative and
research-driven strategies
in collaboration with
public and private sector
organisations and in
accordance with the
provisions of the NDC Act.

The Board (Council Members)



**Rev. Dr. Yvette
Noble Bloomfield**
Chairman



Ms. Jeana Ebanks
Vice- Chairman



Dr. Susanne Neita
Member



Mrs. Natasha Powell
Ministry of Health & Wellness
*Designate



Ms. Tamara Ebanks
Chief Officer (Acting)
Ministry of Investment, Innovation
& Social Development, Ex Officio



Mr. Rayle Roberts
Ministry of Investment, Innovation
& Social Development
*Designate



Ms. Chanda Glidden
Member



**Ms. Khadijah
Chisolm**
Member



**Dr. Fransico
Martinez-Saborido**
Member



Ms. Lyneth Monteith
Chief Officer (Acting)
Ministry of Education, Ex Officio



Mr. Adrian Jones
Ministry of Education
*Designate



Mr. Kenneth Jefferson
Chief Officer & Financial Secretary
Ex Officio



Mrs. Enola Reid
Member



Ms. Kirsten Whitley
Member



Ms. Nellie Pouchie
Chief Officer
Ministry of Health & Wellness,
Ex Officio



Mrs. Kristin Ebanks
*Financial Secretary Designate



Mr. Kurt Walton
Commissioner of Police
Ex-Officio



Mrs. Brenda Watson
NDC Coordinator
Ex-Officio

The National Drug Council (NDC) is an independent statutory body set up under the National Drug Council Act (2010 Revision) to coordinate anti-drug measures in the Cayman Islands.

The National Drug Council consists of 13 council members and an office which serves as the secretariat.

**Ministerial Delegate*

Sub- Committees & Members

HUMAN RESOURCE COMMITTEE

Rev. Dr. Yvette Noble Bloomfield

Chairman

Ms. Khadija Chisholm

Member

Ms. Chanda Glidden

Member

POLICY COMMITTEE

Ms. Jeana Ebanks

Deputy Chairman

Ms. Natasha Powell

Ex Officio, Designate

Ms. Kristin Ebanks

Ex Officio, Designate

Mrs. Enola Reid

Member

Dr. Susanne Neita

Member

Our Staff



Brenda Watson

Programme Manager, (Acting Director)

Brenda Watson has primary responsibility for, and the lead role in, the development, design, implementation and management of programmes offered by the organisation.



Angela Sealey

Programme Support Officer; Certified TIPS Trainer

Ms. Angela Sealey is the Programme Support Officer and has primary responsibility for providing support to policy, prevention, education, research, monitoring, and evaluation initiatives.



Simon Miller

Prevention Specialist; Certified TIPS Trainer

Simon Miller fulfils the National Drug Council’s Act and mandates to provide policy advice and information, develop programmes and conduct research for prevention.



Ivan McLean

Prevention & Information Officer; Certified TIPS Trainer

Ivan McLean has responsibility for the implementation and delivery of comprehensive drug prevention and education programmes and initiatives.



Laila Shim

Research Analyst

Ms. Laila Shim is primarily responsible for the development, monitoring, and evaluation of research conducted at the National Drug Council.



Delisa Hernandez

Prevention & Education Officer; Y2Y Leader

Delisa Hernandez has responsibility for the delivery and implementation of comprehensive drug prevention programmes and initiatives.



Shaneeka Taylor

Prevention & Education Facilitator (*employed to January 2023)

Miss Taylor assists with the delivery of educational initiatives and campaigns and delivers Youth to Youth (Y2Y) programming.

At a Glance

Financial Performance Measures (\$000's)	2023 Target	2023 Actual
Revenue from Cabinet	715	715
Revenue from Ministries, Portfolios, Statutory Authorities, Government Companies	-	-
Revenue from Others	25	28
Total Revenue	740	743
Expenses	742	731
Operating Surplus/ (Deficit)	(2)	12
Net-Worth (\$000's)	623	718
Cash Performance (\$000's)		
Cash Flows from Operating Activities	-	100
Cash Flows from Investing Activities	-	(9)
Cash Flows from Financing Activities	-	-
Change in cash balances		91
Financial Performance Ratios		
Current Assets: Current Liabilities	15.36	12.56
Total Assets: Total Liabilities	15.41	12.79
Human Capital Measures		
Total Full-Time Equivalent Staff Employed	8	6
Physical Capital Measures		
Value of Total Assets	-	779
Asset replacements: Total Assets	-	-
Book value of Assets: Cost of those assets	-	-
Depreciation: Cash Flow on Asset Purchases	-	-

Financial Snapshot

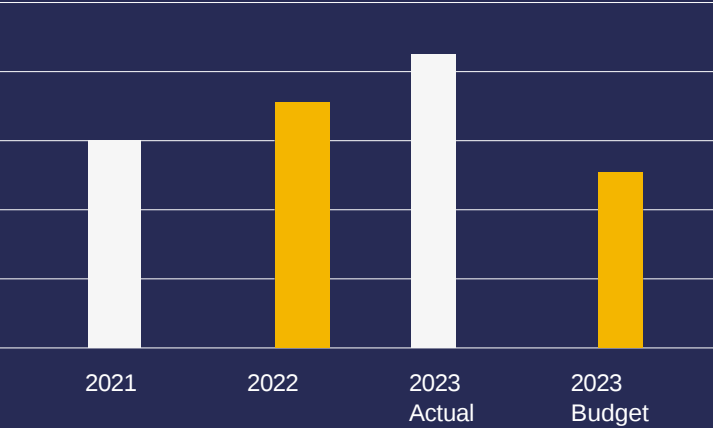


Total Revenues were \$3,000 more than the budget anticipated, while Total Expenses were \$10,700 less than budgeted. Increases in Donations and Fundraising, largely contributed to the positive variance in income, while savings in Personnel emoluments and Travel & Subsistence largely contributed to the positive variance in expenses.

Cash & Cash Equivalents

Cash was over \$200,000 more than budgeted, and this variance is largely related to lower than expected staffing levels, the settlement of a portion of the outstanding receivables and higher than expected liabilities. These factors, coupled with expenditure savings resulted in a better-than-expected closing cash position.

Total Assets



\$539K
▶ 74% of Total Expenses

Personnel Emoluments

Personnel Emoluments were under budget by \$35K as there were 8 budgeted full-time employees; however, due to changes in the staffing levels during the current financial year, there were positions vacant for a period of time.

\$15K
▶ 2% of Total Expenses

Utilities

Utilities were under budget by \$4K. Electricity is a significant part of the utilities expense category. Management made conservative efforts to ensure the temperature within the office was kept at an appropriate level, and water consumption was minimal.

\$24K
▶ 3% of Total Expenses

Grants & Contributions

Grants & Contributions was over budget by \$22K, mainly as a result of the Arrive Alive 345 Campaign. Funds are received outside of budgeted Government funding and are acquired specifically through private and corporate sector contributions. The costs for this initiative were not budgeted.

2023 In Review

Renewed Focus on Organisational Effectiveness and Efficiency

The National Drug Council has initiated a comprehensive update of its expired strategic business plan, paving the way for streamlined, coordinated, and impactful efforts. This strategic overhaul ensures that our organisation's endeavours are executed with maximum effectiveness and efficiency, aligning us for continued success in our vital mission.

Research Advancements:

In its 8th cycle, the HM Cayman Islands Prison Services Survey (HMCIPSS) of 2023 demonstrated our commitment to comprehensive data collection by integrating the Nicotine Dependence Survey for the second time. This strategic decision not only enhances the depth of our understanding but also underscores our dedication to addressing multifaceted societal challenges. By broadening the scope of our research initiatives, we continue to pave the way for more informed strategies and impactful interventions within our community.

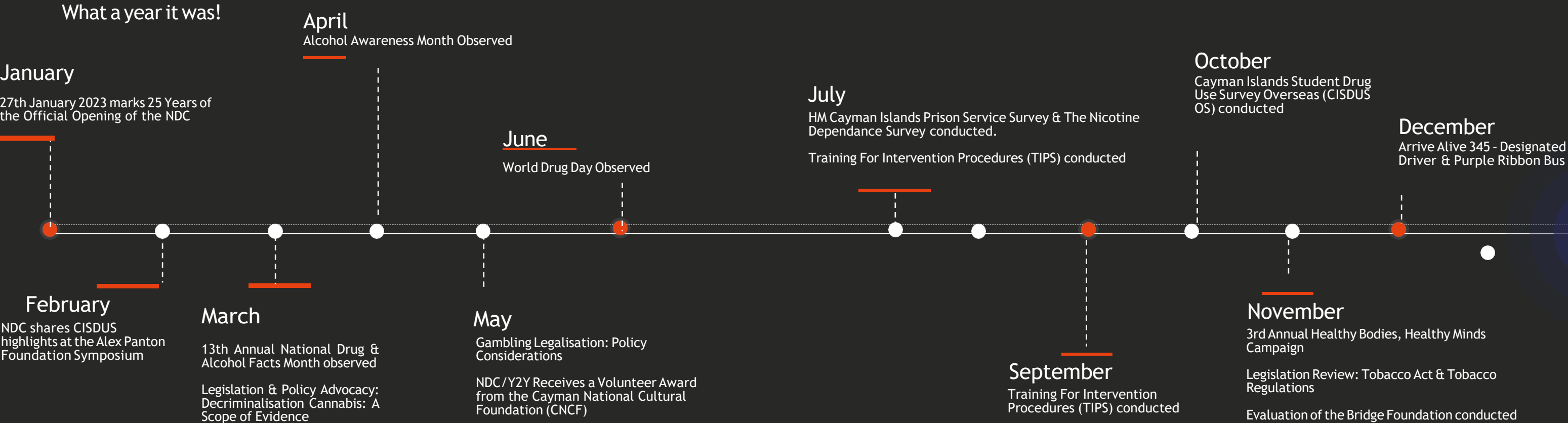
In October 2023, the NDC embarked on a groundbreaking initiative with the launch of the Cayman Islands Student Drug Use Survey: Overseas (CISDUS OS). This pioneering research endeavor focuses on comprehensively understanding substance use challenges and protective factors among Caymanian university/college students studying abroad. Developed and conducted in partnership with the Scholarship Secretariat who disseminated the survey to students on our behalf, CISDUS OS aims to furnish vital data essential for crafting targeted prevention presentations tailored for prospective scholarship recipients and their parents. This strategic partnership underscores our commitment to proactive measures in promoting healthy behaviors and safeguarding the well-being of our youth, even beyond our borders.

Policy & Legislative Support

The NDC demonstrated its impactful role by providing crucial policy and legislative support to the Ministry of Health and Wellness. This included the submission of several key documents:

1. A comprehensive scoping paper addressing the complexities surrounding the decriminalisation of marijuana, which outlined associated challenges, benefits, and disadvantages.
2. A policy brief highlighting the significant issues surrounding gambling disorders and addiction, emphasizing the need for effective interventions.
3. Recommendations for amendments to the Tobacco Act (2008) and Tobacco Regulations (2017 Revision), aimed at enhancing tobacco control measures.

These contributions underscore the NDC's commitment to advancing evidence-based policies that promote public health and well-being, aligning with our mission to address substance abuse and related issues comprehensively.



Strategic Overview

The NDC prioritises the principles of prevention in all its strategic efforts to ensure a comprehensive approach of understanding and addressing substance use and misuse in our Islands. Prevention initiatives are representative of best practices within the field of substances and addiction as they seek to avert the onset of substance use and corresponding health and wellness challenges. As such, the organisation strategically targets work and development in areas of education, research, policy, and legislation towards the empowerment of a community that makes healthy and informed choices for their lives.

Some key strategic achievements for the organisation in 2023 included:

1. **Renewed Focus on Organisational Effectiveness and Efficiency:**

The National Drug Council has initiated a comprehensive update of its expired strategic business plan, paving the way for streamlined, coordinated, and impactful efforts. This strategic overhaul ensures that our organisation's endeavors are executed with maximum effectiveness and efficiency, aligning us for continued success in our vital mission.

2. **Research Advancements:**

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These contributions underscore the NDC's commitment to advancing evidence-based policies that promote public health and well-being, aligning with our mission to address substance abuse and related issues comprehensively.

Key Achievements and Problem Areas

At the National Drug Council (NDC), our commitment to fostering healthier communities remains steadfast. Through a multifaceted approach encompassing prevention and education initiatives, we aim to deliver impactful presentations, workshops, and sessions tailored to various segments of society, including students, parents, educators, youth workers, stakeholders, and the wider community.

Expanding upon our Research-Informed Student Education (RISE) programming, which primarily targets primary and high school students, we have augmented our efforts with proactive behavioral components. These include campaigns and informational sessions designed to promote overall health and well-being among our youth.

Highlights of 2023

In the past year, the NDC made significant strides in fulfilling its mission:

- Successfully integrated evidence-informed resources from the Stanford REACH Lab into our Secondary Prevention Framework, bolstering the curriculum's effectiveness.
- The NDC actively participated in several health and wellness days across public and private primary and high schools, delivering interactive and engaging content to students further reinforcing the importance of leading healthy, substance-free lives.
- Facilitated 5 aParently Speaking sessions, fostering crucial conversations with parents and community groups to strengthen our collaborative approach.
- Over 585 presentations were delivered to audiences across our islands.
- The Healthy Bodies Healthy Minds Campaign promotes holistic well-being among young minds through addressing the interconnected facets of physical, intellectual, nutritional, social, and mental health. In its third consecutive year, we successfully engaged 1,362 students across 17 schools through 30 days of virtual activities.
- The 13th annual National Drug and Alcohol Facts Month saw participation from 13 schools, involving approximately 1,750 high school students. Through a series of virtual activities, we aimed to challenge misconceptions surrounding substance use and equip young people with the knowledge and tools to make informed decisions.
- The expansion of our Youth to Youth (Y2Y) program welcomed a new chapter at a private school, made possible by the successful implementation of our Y2Y Adult Leader training module. This expansion underscores our commitment to scaling our initiatives and fostering youth leadership programme.

- Conducted TIPS Off-Premise and On-Premise training sessions, certifying over 107 individuals in the alcohol industry, and reinforcing responsible alcohol practices.
- Launched the Cayman Islands Student Drug Use Survey: Overseas (CISDUS OS).
- Provided policy and legislative support to the Ministry of Health and Wellness through the submission of the following key documents;
 - a. A comprehensive scoping paper addressing the complexities surrounding the decriminalisation of marijuana, which outlined associated challenges, benefits, and disadvantages.
 - b. A policy brief highlighting the significant issues surrounding gambling disorders and addiction, facilitating informed discussions and action plans to mitigate associated risks.
 - c. Recommendations for amendments to the Tobacco Act (2008) and Tobacco Regulations (2017 Revision), aimed at strengthening tobacco control measures for the well-being of our community.

Prevention Programming, Training & Campaigns

Healthy Bodies, Healthy Minds | Virtual Campaign

A month-long educational campaign for early childhood and primary school students, their families & educators with an emphasis on health and wellness through a five-pronged approach. The campaign launches 30 days of virtual activities designed to engage and inform on the importance of good physical, intellectual, nutritional, social & mental well-being.

The outcome is the proactive practice of healthy habits among students & their families in addition to an increased awareness of positive and healthy life choices.



National Drug & Alcohol Facts Month | Virtual Campaign

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



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

The Comprehensive 6-8 week Research-Informed Student Education program is a meticulously crafted initiative that integrates findings from the Cayman Islands Student Drug Use Survey (CISDUS) and the United Nations Office on Drugs and Crime (UNODC) to deliver evidence-based drug prevention education to students. This programme employs a multifaceted approach to empower students with knowledge, skills, and strategies to make informed decisions regarding substance use.



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

The 6- 8 week Research-Informed Student Education (RISE) programme is a comprehensive initiative designed to equip students with knowledge and skills to make informed decisions regarding their health and well-being, particularly in relation to substance use and overall positive life choices. Grounded in scientific research, RISE combines scientific knowledge with practical skills to promote healthy behaviours.



CODE | For students in Leadership Roles

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



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

A youth programme centred around youth leadership & youth-led prevention.

The Y2Y mission is to equip and enable youth to educate their peers on the dangers of drugs in a creative, interactive, & fun way that fosters leadership and other important life skills.

The goal is to equip students with the ability to lead, gain the respect of peers – creating a positive force among youth to live free of alcohol, tobacco, and other drugs.



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

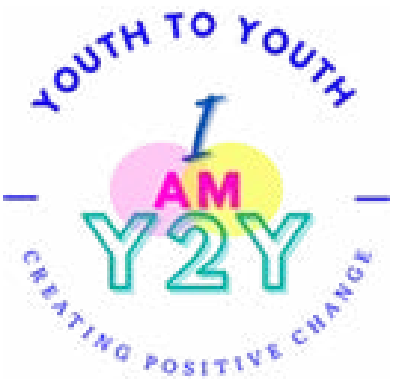
A junior Y2Y programme designed to prepare younger youth for leadership roles through activities & games that emphasise personal growth, teamwork, and peer empowerment. The students' personal growth is encouraged & they are provided with alternatives to harmful behaviours. Students learn ways to have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



Youth to Youth | Youth Ambassador Training

Are you ready to start a Y2Y Chapter at your school? Let us train your youth and adult leaders through our training programme.

Attendees will be trained on: (1) how to plan, lead, and create weekly sessions; (2) the process for community involvement; and (3) fundraising events. We will also share information on how teens can promote positivity and healthy lifestyles through National Drug and Alcohol Facts Month (NDAFM) and other creative projects annually.



Youth to Youth Adult Advisor Training

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



#WhatsTrending (CISDUS Dissemination)

An informational overview of the most recent findings from the Cayman Islands Student Drug Use Survey (CISDUS) as well as the corresponding recommendations for schools & parents from the NDC. The session will illustrate the risk & protective factors associated with drug use as well as recommendations or programmes available for help. The outcome is an enhanced awareness of the local trends of licit & illicit drug use among youth.

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

A workshop designed to empower parents to navigate difficult conversations using evidence-based intervention and communication strategies.

The workshop aims to help educators, youth workers, & counsellors detect the early warning signs of youth substance use. Information & communication strategies are explored in response to the trends amongst youth, and the role of media in influencing our attitudes & behaviours towards drugs.



Interpersonal Drug Education (IDE) | Educators

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

The training explores the complex social factors that influence student behaviours and attitudes and provides a comprehensive toolkit for facilitating interpersonal skills to support drug education in schools.



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

Training for Intervention ProcedureS (TIPS) trains employees to be proactive in the prevention of alcohol misuse related to alcohol sales & service.

Participants will gain proficiency in recognizing the signs of intoxication in order to reduce the occurrence of alcohol-related incidents & align alcohol sales & service with local regulations.



Bridging the Gap | HMCIPS & Community Programming

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



Arrive Alive 345 | Annual Campaign

Arrive Alive 345 is an annual campaign dedicated to raising an awareness of alcohol misuse, particularly during the holiday season, with the aim of promoting community responsibility and reducing alcohol-related harms.

The campaign advocates for the adoption of proactive measures to ensure the safety and well-being of individuals and communities.

The key components are; the Purple Ribbon Pledge, Designated Driver, and the New Year’s Eve Purple Ribbon Bus.

Through ongoing education, advocacy, and partnership, the campaign continues to make strides in fostering a culture of responsibility and accountability surrounding alcohol consumption.

Research and Information

The National Drug Council (NDC) is dedicated to fostering and facilitating research in the field of substance use and misuse. We recognise the importance of generating and disseminating accurate information to inform effective programmes and policies aimed at addressing these critical issues.

As part of our commitment, the NDC actively initiates and supports research endeavors focusing on substance use and related topics. Our efforts are directed towards designing and administering surveys, conducting rigorous data analysis, and producing comprehensive data reports. We adhere to methodologies that align with best practices in research, ensuring the reliability and validity of our findings.

By prioritising research initiatives and leveraging sound methodology, the NDC aims to contribute valuable insights to the understanding of substance use dynamics and inform evidence-based interventions. Through our collective efforts, we strive to advance knowledge, promote informed decision-making, and ultimately enhance outcomes for individuals and communities through data-driven prevention efforts.

His Majesty's Cayman Islands Prison Service Survey (HMCIPSS)

The HMCIPS serves to assist the Prison Service in getting a clearer picture of several indicators such as illegal activities, criminal history, criminal offending, drug consumption patterns, the relationship between drugs and crime, offenders’ perception of their drug use and drug use in prison, changes in consumption patterns, and gang involvement. The survey is conducted at three prison facilities including (1) Northward, (2) Fairbanks, and the (3) Enhanced Reintegration Unit (ERU).

The 2023 HMCIPSS was a census of the prison population, consisting of a total of 241 offenders at the time of the survey in July of 2023 (207 Northward, 24 Fairbanks, and 10 ERU). The survey yielded a participation rate of 81%, with a total of 195 inmates having participated from across all three facilities.

Survey questions are consistent with those of the Inter-American Drug Use Data System (SIDUC) of the Inter-American Drug Abuse Commission (CICAD) Survey of Adult Prisoners.

The survey instrument consists of a pre-coded questionnaire to assess the following areas:

- Demographics
- Illegal Activities, Criminal History, and Criminal Offending
- Drug Consumption Patterns
- Relationship Between Drugs and Crime
- Offender’s Perception of their Drug Use and Drug Use in Prison
- Changes in Consumption Patterns
- Gang Involvement

Discussion & Recommendations

The relationship between drugs and crime remains an important factor to consider both in relation to the crimes committed as well as the availability, supply, and use of substances among offenders during their incarceration.

The results demonstrated a notably high availability and use of various substances within the prison, with more than half of all offenders (56.4%) reporting that there are drugs available within the prison, and almost half (49.7%) of the population reporting having used drugs during their incarceration. There was a high prevalence of lifetime use reported for licit substances such as alcohol, cigarettes, and e-cigarettes, however, offenders within this population also reported a notable proportion of lifetime use for illicit substances including marijuana, crack cocaine, and cocaine powder. While the prevalence of use for other illicit substances such as heroin, MDMA, fentanyl, and non-prescribed pills was much lower in comparison to other substances, it is important to monitor whether the use of these substances increases over future survey cycles.

With respect to the current prevalence of use, cigarettes (67.2%) and marijuana (26.2%) continue to be the most used substances reported by all offenders. This suggests that these substances are the most readily available to offenders within the prison when compared to all other substances. However, given that there is a low prevalence of current use still reported for other substances such as cocaine, alcohol, and e-cigarettes, access to other substances, while likely difficult, remains possible within the prison.

Marijuana had the lowest mean age of first use at 15 years old, suggesting that marijuana is likely the first substance that respondents in this population try, even prior to alcohol and cigarettes which had a mean age of first use of 16 years old. Given that marijuana is also the second most common substance that is currently used among offenders, there may be a subsection of this population with marijuana use disorders which should not be ignored. Treatment relating to marijuana use may need to be considered, particularly in relation to those with a comorbidity of mental health issues.

As shown over the years of the survey, there has continuously been a significant relationship reported between drugs and crime. The results from this survey also highlight that there is an observed relationship between substance use and repeat offending. Not only do repeat offenders report a higher lifetime prevalence for all substances (except alcohol) when compared to first-time offenders, but a greater proportion of repeat offenders also report the use of substances during incarceration and are more likely to report having received medical treatment or attention for their substance use. Similarly, drugs are reported as the second most common factor related to the reasons why inmates have re-offended. Being under the influence of a drug while committing the crime as well as having committed the crime in order to obtain drugs for personal use are more likely to be reported by repeat offenders suggesting that substance use disorders may be of greater concern among repeat offenders.

The correlation observed between substance use and repeat offending highlights an important area for policy and programming development. Policy should recognize that substance use disorders and poor mental health are underlying issues involved in reoffending and should advocate for greater human services that support and offer treatment for these health issues. While drug education opportunities are important, the offenders in this study reported high levels of awareness around the physical and mental harms of drug use, suggesting a need for programming that focuses on building better coping strategies to reduce substance use such as stress management and emotional regulation.

In relation to gang activity outside of prison, a small proportion (9.2%) of inmates reported having belonged to a gang. While the average age of initiation into gang activity occurred at the age of 14.7 years old, most offenders do not report an intention to return to gang activity following their release from prison (6.2%). However, the results suggest that a high correlation between drugs and gang membership exists for this population. More than half of all persons who responded “yes” to being involved in a gang at some point also reported that drug use (10/18) was connected to their gang membership and 44% (8/18) reported that the trafficking of drugs was connected to their gang membership.

In relation to gangs within prison, just under one quarter of all offenders reported that they are aware of gangs within prison either now or in the past. The results suggest that repeat offenders have both a greater awareness of gangs within prison and are also more likely to be approached to join a gang both within and outside of the prison compared to first time offenders. Prison staff should be aware of this relationship between repeat offenders and gang activity.

Based on the results of the survey, the following recommendations seek to address the issue of the relationship between drugs and crime as follows:

1. There is a high level of drug use involved among repeat offenders suggesting that a great proportion of the crimes committed among the prison population is connected not only to drugs, but likely substance use disorders. Rehabilitation efforts should prioritise and address the role and challenge of substance use and treatment among repeat offenders to assist with the reduction of recidivism rates.
2. There is a need to provide alternatives to substance use as a coping mechanism for dealing with various mental health challenges and the stress caused by incarceration among offenders. Alternatives may include greater access to counselling/therapy, or mindfulness and meditative classes.
3. The high level of marijuana use among offenders is concerning and should be closely monitored. The high prevalence of current use may suggest that there is a need for marijuana-focused substance use treatment. High levels of use also raise a concern surrounding the exacerbation of underlying mental health issues that marijuana use can cause. This is particularly true for offenders whose mental health issues (especially those predisposed to schizophrenia or similar disorders) have gone unaddressed or untreated because of limited mental health services.

Nicotine Dependance Survey 2023

Tobacco contributes to more than 8 million deaths worldwide every year, and in some countries, accounts for more hospitalisations than alcohol and other drugs combined. On a global scale, incarcerated populations remain one of the greatest at-risk groups for health consequences related to tobacco use. According to the World Health Organization, tobacco remains the most widely used psychoactive substance among prisoners, with prevalence rates ranging from as high as 90% among male inmates and 85% among female inmates.² Such a prevalence rate is reported to be 2-4 times higher than the prevalence rate of tobacco use among the general population, placing prison populations at a disproportionately higher risk of smoking-related illness and mortality.^{3,4} Smoking-related diseases are among the leading causes of death and disability among incarcerated populations.³ Despite the higher risks, tobacco-related harms among prison populations are consistently unaddressed by national public health strategies for tobacco harm prevention.¹

The probability of being exposed to second-hand smoke is also significantly higher within prison facilities. This stems not only from the high smoking prevalence but factors including poor ventilation and being predominately confined to indoor spaces.⁴ There is therefore cause for concern not only in relation to the health of those who smoke but also for those who are forcibly exposed to second-hand smoke within the prison environment.^{1,4} Smoke-free cells for non-smokers are reported as insufficient for preventing the harm of second-hand smoke.^{1,3} Second-hand smoke exposure increases the risk of developing heart disease and lung cancer among non-smokers by as much as 30%. As a result, both inmates and staff need effective interventions to reduce the subsequent health risks resulting from prison tobacco use.

The significance of tobacco use in prison

Prisons have entrenched cultures that shape the ways in which social relations are conducted, including the consumption of tobacco where smoking remains an established and integral part of prison culture and other criminal justice settings. As a result, prison facilities have the potential to directly alter patterns of tobacco consumption in both positive and negative ways. According to qualitative research conducted in UK prisons, prisoners often seek to achieve something during their period of incarceration, and smoking cessation is often viewed as a way to achieve this goal.⁵

In addition to the lack of access to tobacco, prisoners have described incarceration as an opportunity to access smoking cessation services such as nicotine replacement therapy. However, imprisonment has also been shown to exacerbate variables that can lead to an increase in smoking behaviours. This includes factors such as boredom, coping with stress, missing friends and family, and a lack of family support which prisoners often describe in relation to their urges to smoke. Smoking has also been identified as a way of helping to manage stressful situations such as court appearances and prison visits. Similarly, experiences of boredom, prolonged periods locked in cells, bullying, and stress have also served as reasons for relapse by those who have attempted to stop smoking while incarcerated.

This suggests that in addition to smoking cessation initiatives, prisons should also improve access to resources such as gym facilities or sporting activities, to mitigate the aforementioned risk factors. Interventions for smoking cessation within prisons are also sometimes met with resistance and negative attitudes because of a belief that smoking cessation, especially when enforced through smoking restrictions, would place an intolerable burden of stress on prisoners at an already stressful time. However, the significant health risks caused by tobacco use in prison must also be taken into consideration, especially with regards to the health challenges surrounding second-hand smoke. Second-hand smoke is known to have various health-damaging effects, including an increased risk of heart disease and lung cancer in non-smokers. Other than smoking bans, very few measures have been taken within prisons to mitigate any consequent health risks, which demonstrates a low priority attached to smoking and health promotion efforts within prisons. This low effort continues to persist despite the World Health Organizations Framework Convention on Tobacco Control (WHO FCTC) declaring that all people, with an explicit mention of prisoners and prison staff, need to be protected from exposure to environmental tobacco smoke.

Comparison in Dependence Scores from 2021-2023

When comparing the dependence scores from the 2021 and 2023 surveys, most smoking offenders across both survey years were assessed as having a “moderate” risk of nicotine dependence (36.5% in 2021 vs 40.1% in 2023).

However, a notable change was observed among inmates assessed at the “very high” risk of nicotine dependence, with 8.1% of offenders scoring at this level in 2021 and no offenders scoring at this level in 2023. Similarly, the proportion of offenders assessed as having a “high” risk of nicotine dependence was also lower in 2023 (10.7%) when compared to the 2021 survey (29.7%).

However, a much smaller proportion of offenders were assessed as having “no risk” of nicotine dependence in the 2023 survey (1.1%) when compared to the 2021 (12.2%) survey results.

A similar proportion of offenders scored at the “low” level of nicotine dependence across both survey years.

TABLE A: COMPARISON OF NICOTINE DEPENDENCE LEVELS AMONG SMOKING INMATES FROM 2021-2023

Levels of Nicotine Dependence Among Smoking Inmates from 2021-2023		
Level of Dependence	Frequency	
	2021	2023
None	9 (12.2)	2 (1.1)
Low	10 (13.5)	28 (15.0)
Moderate	27 (36.5)	75 (40.1)
High	22 (29.7)	20 (10.7)
Very High	6 (8.1)	-
Total	74	125

1 World Health Organization. (2022). Tobacco. Retrieved from <https://www.who.int/news-room/fact-sheets/detail/tobacco>

2 World Health Organizaton. (2022). Tobacco use in prisons: A neglected public health issue. Retrieved from <https://www.who.int/europe/news/item/09-05-2022-tobacco-use-in-prisons--a-neglected-public-health-issue#:~:text=Among%20all%20psychoactive%20substances%2C%20tobacco,men%20and%2085%25%20among%20women.>

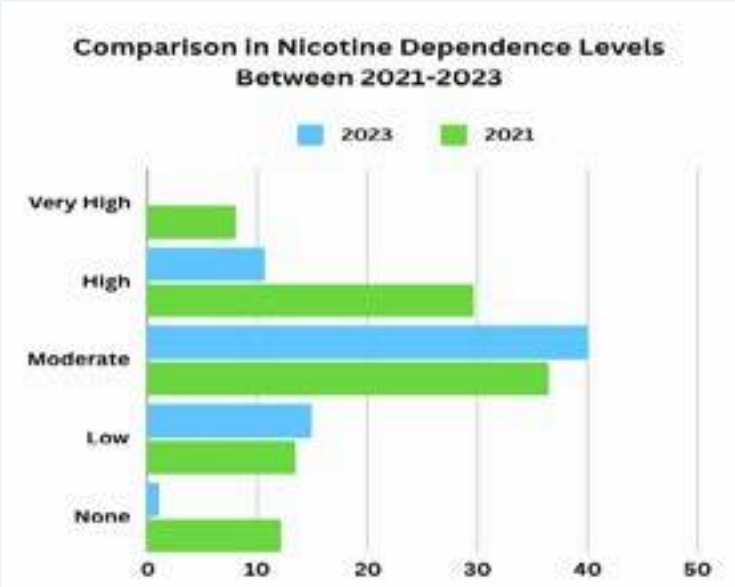
3 World Health Organization. (2022). Tobacco use in prisons. Retrieved from https://cdn.who.int/media/docs/librariesprovider2/euro-health-topics/tobacco-use-prisons-eng.pdf?sfvrsn=84982ed0_1

4 Zhang, J. (2018). Prison smoking bans in the United States: current policy, impact and obstacle. Journal of Hospital Management and Health Policy. 2(20),18-34.

5 MacAskill, S., Hayton, P. (2006). Stop smoking support in HM Prisons: The impact of nicotine replacement therapy. Retrieved from <https://bulger.co.uk/prison/Stop%20Smoking%20Support%202006.pdf>

6 Spaulding et al. (2018). Smoking in correctional settings worldwide: Prevalence, bans, and interventions. Epidemiology Review. 40(1), 82-95.

FIGURE A: A COMPARISON OF NICOTINE DEPENDENCE LEVELS
AMONG SMOKERS



Conclusion

While the harms of tobacco use remain a priority among public health initiatives across the globe, there remains a significant gap in tobacco focused public health strategies among incarcerated populations. This gap has persisted on a global level despite prison facilities holding a high concentration of the smoking population within any given country.⁶ If smoking cessation programmes along with other anti-tobacco public health strategies were prioritized among incarcerated populations, this could have a significant impact on reducing the burden of tobacco harms at the population level by reaching a significant proportion of a countries smoking population.

Within the Cayman Islands, the analysis from the HMCIPS Nicotine Dependence Survey demonstrated that all but 2 (1.1%) offenders who smoke are at some degree of risk for nicotine dependence. Among current smokers, most score within the moderate-high risk level of nicotine dependence according to the results of the Fagerstrom Test for Nicotine Dependence. Of these offenders, 79.6% have also indicated that they are thinking about quitting within the next 12 months. With a notable proportion of offenders indicating a willingness to try various nicotine replacement therapies, a greater focus on smoking cessation strategies for inmates would prove beneficial for offenders who would like to quit smoking.

The results from this survey highlight that smoking cessation programmes, in addition to addressing nicotine addiction, will also need to address a range of psychosocial factors connected to tobacco use including stress management, mental health concerns, and other relational factors. Factors including missing family and friends (84.1%), anxiety about their case and sentencing (65.9%), anxiety about their affairs to deal with at liberty (64.3%), and the stress of being incarcerated (62.0%), are frequently cited as reasons that enhance the need or desire to use tobacco while in prison. Moreover, the role of stress (57.1%) and a depressed mood (50.8%) are frequently cited as reasons for offenders’ relapse in the quitting of tobacco.

In addition to smoking cessation strategies, there is a need to provide greater education on the harms of tobacco use, particularly in relation to second-hand smoke. Although 93% of offenders have heard of second-hand smoke, and 90% also believe that second-hand smoke is dangerous, only 57.0% of smokers believe they are affected by second-hand smoke while in prison. This suggests that there may be a disconnect between an understanding of second-hand smoke on a theoretical level versus its applicability to the offender’s current environment and the impact of second-hand smoke on them and others while in prison.

Based on the findings of this survey the three main areas of priority for the HMCIPS in relation to tobacco use should include: (1) the promotion and support of smoking cessation strategies that address a wide range of psychosocial factors involved in the use of tobacco; (2) enhancing the protection and well-being of non-smoking offenders and staff from passive smoking exposure; and (3) providing opportunities for enhanced education on the impact of tobacco use on the health of all persons within prison, especially in relation to second-hand smoke.

Evaluation

The National Drug Council (NDC) through its Act (National Drug Council Law) is mandated to advise the Minister, and such persons, groups, organisations, or bodies as requested to do so, on policies and programmes related to the prevention of drug abuse, the treatment and rehabilitation of drug abusers, and the care of connected persons. Additionally, the National Anti-Drug Strategy has articulated the need to address treatment and rehabilitation in the following strategy:

Strategy III: To guarantee the delivery of treatment and rehabilitation services that meet the needs of individuals and their families... with the following objectives:

Ensuring a system of effective and varied treatment programmes

- Establishment of a transitional/ half-way house or low-threshold facility for homeless or dis-enfranchised persons
- Provide services as required to enhance Judicial process for drug related clients

Existence of a multi-level approach to treatment services which include:

- Short/long term treatment
- Transitional housing
- Judicial support services
- Male Treatment /Rehabilitation programmes
- Female Treatment /Rehabilitation programmes

In its continued effort to monitor and determine the effectiveness of transitional services on the island, the NDC is seeking to establish the outcomes of clients who use the available services offered by the Bridge Foundation. Evaluations such as this, provide evidence to determine the benefits of such a programme on our community as well as to determine the extent of impact and utilization of this service.

The Bridge Foundation

The Bridge Foundation is a non-profit organisation that provides sober-structured transitional housing for non-violent repeat offenders who are recovering from addiction to drugs and/or alcohol in the Cayman Islands. The organisation was established in 2012 and can support up to 12 residents at Anchor House in West Bay. The residents are typically referred after completing treatment at Caribbean Haven, Probation Services, or the Drug courts and are required to attend 12-step meetings during their 6-month stay. Mr. Frank “Bud” Volinsky, a U.S. citizen, is the Executive Director of The Bridge Foundation. He was recently awarded an Honorary British Empire Medal (BEM) for his outstanding contributions to the Cayman Islands. Mr. Volinsky has worked selflessly for eleven years to build The Bridge Foundation from just an idea to an essential stakeholder in the continuum of care for Caymanians released from either prison or treatment at Caribbean Haven Residential Centre. He established halfway houses that provide supervised transitional housing exclusively for those offenders with underlying substance abuse issues. It is here where addicts can learn the tools of recovery and begin their journey back into the community.

During the period from the last evaluation in 2021 to present, the Bridge Foundation has updated its Vision to read—their vision is to restore the dignity and self-respect of the disenfranchised through a sober-structured transitional housing programme. Their Mission has also been updated to read— mission is to help curb recidivism by managing sober-structured transitional housing for non-violent repeat offenders who are recovering from addiction to drugs and or alcohol. The objectives of the Halfway House programme are accomplished by means of public and private donations which the Foundation actively solicits. They also monitor and report the effectiveness and progress of their programme, while promoting sober structured living, educational opportunities, life skills development, self-determination, independence, physical and mental well-being, and spiritual development.

The Bridge Foundation (BF) has established a refuge for clients in need of transitional living through its Anchor House Halfway House Programme and more recently complemented by the Beacon Farmhouse programme. The programme uses a three-pronged approach to achieve its mission:

- 1. Provide a basic living area free of alcohol and drugs.**
- 2. Offer support that educates and enriches the client through 12-step programme-based lifestyle.**
- 3. Aid in the provision of life skills to facilitate independence and economic stability.**

From an operational point of view, the main goal continues to be to secure a permanent home for the halfway house programmes for both males and females. To this end, the Foundation is presently actively expanding its housing to accommodate an additional five male clients. A new women's facility is also proposed with the capacity to accommodate four females. The total capacity will therefore be 23 beds.

General Comments

- 1. Although the Bridge Foundation is a non-governmental charity, it can be viewed as a key component of the continuum of care. As such, an assessment at the policy level should be done to determine its placement within this continuum and how its services might be or can be integrated for the sustainability of service delivery in the long term. In other words, if it is determined on assessment to be important in the continuum, how can it be adequately funded, and its services be used effectively to improve outcomes within the continuum of care?**
- 2. The findings of this evaluation should be used by the government to determine the context of Service Level Agreement (SLA) with agencies needing funding for Halfway Houses or other client-centered services. This would provide information as to the level of expected results for efficiency, effectiveness, and sustainability. It will also provide guidance on minimum standards to adhere to.**
- 3. Agencies must be subjected to ongoing monitoring and formalized evaluation. This provides for a culture of oversight and accountability.**

Conclusion

This is a process evaluation that is conducted based on whether or not the programme is achieving what it has stated in its objectives (based on the Mission, Vision, business/ strategic plan, etc.). It can be concluded from the evaluation findings that the BF's efforts at providing transitional living have produced an acceptable level of success within the population it serves and during the evaluation period of 2021-2023.

Individuals have remained clean for extended periods and can speak to their now successful reintegration into mainstream society (having a bank account, full or part-time employment, national identification, and considering themselves as “equal citizens”). The programme management is working hard at making the programme successful and has a keen interest in progressively moving towards offering more opportunities to potential clients given that funding becomes available to sustain those efforts.

In addition, the author thinks that this programme can be considered the best-practice intervention for transitional living and community rehabilitation on the island. Evaluation after evaluation points to the fact that transitional living support, as provided by the BF, is a key component of the continuum, and the level of uncertainty surrounding the sustainability of operational activities due to lack of funding is concerning. This is also viewed because on average, seven or eight of every ten clients are referred from the government sector to this charity service.

Suggested Recommendations

Recommendations for what can be improved to meet regional and internationally accepted standards are contained in the suggestions following.

1. Financial support should be tied to a Memorandum of Understanding (MOU) and Service Level Agreement (SLA) with the NDC or some other responsible agency (RA). This will:

Have the RA provide oversight to the programme implementation through the RA’s own capacity or agency capacity identified by the RA. In this regard, it is my suggestion that the governance mandate of the National Drug Council be broadened to provide monitoring and oversight for all treatment services and to include periodic evaluation of these services.
- The sustainability and success of the BF programme can be significantly improved if the Foundation is provided with interagency support (as aforementioned) concerning the provision of needed goods and services for the clients. In this context, the evaluation supports the provision of additional funds in the context of a minimum package of care per person that is referred from any of the government agencies. This minimum package must be treated as additional support outside of the quarterly subvention.
- To garner community support (fundraising) and an overall understanding of the benefits of providing transitional living as a modality in the continuum of care for recovering addicts and released offenders, an awareness campaign supported by town hall meetings can be implemented. In addition, the testimonials that were given in support of the BF and scripted in this evaluation can serve a valuable role in “selling” the organization. The media can also play a role in this.



Management Discussion & Analysis of Financial statements

\$599,948 in Cash

as at December 31st, 2023

All Cash and Cash equivalents are held with a Class A bank in the Cayman Islands.



\$714,855 in Outputs

for Fiscal Year 2023

The Government has agreed to purchase certain outputs from the NDC. These outputs include public education and information campaigns, research and statistics, policy advice and Act reform.

\$11, 950 Surplus
generated during FY2023

\$14K more than
Budgeted

\$43K less than
FY2022

Personnel costs



+13%

compared to FY2022

Surveys & other projects



-65%

compared to FY2022

Traveling & subsistence



-71%

compared to FY2022

Expenses		2023	2022	2021
1.	Personnel emoluments	\$537,743	\$476,651	\$415,006
2.	Rent	\$66,000	\$66,000	\$66,000
3.	Audit & Accounting Fees	\$35,000	\$34,000	\$29,000
4.	Grants & Contributions- special events	\$24,466	\$21,812	\$14,396
5.	Utilities	\$14,724	\$16,237	\$14,329
6.	Operating Maintenance	\$10,386	\$13,731	\$11,610
7.	Other Expenses	\$42,766	\$58,604	\$63,084
8.	Total Expenses	\$731,085	\$687,035	\$613,424

Operations for the fiscal year resulted in a surplus of approximately \$12 thousand. Operating revenues were \$3.2 thousand above budget, while the organisation recorded savings in expenditures of \$10.7 thousand.

Our 2023 revenue of \$743 thousand showed a marginal increase of \$1.2 thousand over the previous fiscal year, and \$3.8 thousand more than the original budget. Outputs to Cabinet accounted for \$715 thousand, while donations and fundraising accounting for \$28 thousand.

Total expenses for the year amounted to \$731.1 thousand. This was \$10.7 thousand below the original budget of \$741.6 thousand, and \$43.8 thousand above the previous financial year.

Personnel costs (which account for 74% of our total expenditures) were \$35 thousand over budgeted expectations, and Grants & contributions for special events exceeded the budget by \$24 thousand. Funds for Grants & contributions are received outside of budgeted Government funding, and are acquired specifically through private and corporate sector contributions based on the actual cost associated with the annual Arrive Alive campaign and requisite prevention programming (one of the Council's initiatives to promote safety on the roads). Accordingly, these costs were not budgeted.

The \$12.7 thousand variance in Travel and Subsistence is largely related to the overseas travel expenses incurred overall between islands, regional and internationally which were significantly reduced as it relates to overseas training for NDC staff, Youth to Youth leaders and participants. It is anticipated that travel will increase in 2024 as normal travel resumes following the easing of certain restrictions relating to COVID-19.

The net carrying value of the organisation's fixed assets increased by \$6.5 thousand since the close of the previous financial year, due to the purchase of a photocopier, which was not originally budgeted for.

The 2023 fiscal year ended with cash and deposit balances of \$600 thousand. This was \$200.7 thousand higher than the budget anticipated, and \$91 thousand more than the \$508.6 thousand closing position of the prior fiscal year. The budget variance is primarily attributed to lower than expected staffing levels, the settlement of a portion of the outstanding receivables and higher than expected liabilities. These factors coupled with expenditure savings resulted in a better than expected closing cash position.

The organisation recorded closing net assets of \$779 thousand at the end of 2023. This was \$113 thousand more than the original budget, and \$20 thousand above the prior year's closing position.

Overall, the organisation had another successful year, with a surplus position of \$12 thousand. Increases in revenue due to fundraising and unbudgeted donations, coupled with savings in personnel emoluments, travel, and prevention, surveys, monitoring and evaluation, were slightly offset by overages in computer services, audit and accounting fees and monitoring & evaluation.



Challenges & Limitations

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

1. Funding does not allow for the impact that needs to be made in our communities especially when it relates to education and prevention materials and promotions.
2. Lack of an effective and defined legislative framework to provide the NDC with the ability to function successfully. Current legislation does not support the NDC’s activities or reflect the advancement of the organisation’s oversight role for demand and supply reduction efforts in the Cayman Islands.
 - a. Areas to address in the legislation to improve the functioning of the organisation include, but are not limited to:
 - i. Facilitate the collection of national data.
 - ii. Reassess the functions as dictated in the Act.
 - iii. Provide for the coordination of DEMAND and SUPPLY reduction efforts in the Cayman Islands.
 - iv. Require for the collection, analysis, and reporting of data from a National Drug Information Network (CAYDIN).
 - v. Providing or coordinating the licensing of persons in the food and beverage sector of the Cayman Islands through international licensing bodies.
3. The absence of a National Anti-Drug Strategy (a guiding strategy at a national level) to direct the efforts of drug control efforts both for supply and demand reduction.
 - i. Address related ill effects of substance use, misuse, and abuse which would include crime.
4. Dated legislation in the following areas which need urgent attention and further development as follows:
 - a. National Drug Council Act (2010 Revision)
 - b. Misuse of Drugs Act (2017 Revision) – This area of legislation is not currently up to date as the schedules for substances have not been updated in several years and should be brought up to standard.
 - c. Precursor Legislation – Does not exist in the Cayman Islands and in light of recent findings of synthetic marijuana by law enforcement, this area needs immediate consideration.
 - d. Prescription Drug Monitoring – There is a need for policies/controls/legislation to mitigate the abuse of prescribed drugs as there is evidence in the CISDUS as well as in the collection and reporting of narcotic and psychotropic drugs that suggest the misuse and abuse of prescribed drugs.

Reports Tabled or Filed by Statutory Deadlines

1. Annual Report 2021
2. Annual Report 2022

Human Resources Analytics

2023 In 2023, there were a total of 6 positions filled with 2 vacancies, for a total of 9 positions as per the budget. Our workforce at-a-glance is below:

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

Learning and Development of Staff

In 2023 training opportunities included the following courses, webinars, workshops, and certificate programmes:

Completed by the Programme Manager, Prevention Specialist, Programme Support Officer and Research Analyst:

- 4th Annual Teaching Cannabis Awareness & Prevention Conference
- Clearing the Air: Vaping and Youth in the Caribbean
- Early Exposure to Cannabis Long-lasting Consequences in the Brain
- Truth About Drugs: Making a Global Impact With Drug-Education
- Webinar-The Substance Use Professional's Guide to Addressing Medical Cannabis in Substance Use Treatment Settings
- Medical & Anti-Doping Commission (MADC) National Compliance & Anti-Doping
- Integrating Substance Use Prevention with Wellness: Part I, II & III
- 8th Annual Caribbean Alcoholic Reduction Day

Completed by the Prevention Specialist:

- Data Protection Leader - Basic Training
- Continuity of Operations Plans Training
- FOI Lunch & Learn with Information Managers
- Health Promotion Network - Alcohol Policy
- Introduction to JADE – Refresher

Completed by the Research Analyst:

- UNESCO – Youth, peace, and security knowledge cafe
- Recognizing & reporting abuse and neglect
- Children’s Mental Health, Rights, and Perspectives

Completed by the Prevention & Information Officer:

- Children and Family Futures Webinar: Doing Things Differently
- NCCAN Webinar: Current Trends in Nicotine, THC, and Vaping
- ISSUP Webinar: Cigarette/Nicotine use - a Gateway to other drug use

Alcohol Safety Training: Training for Intervention ProcedureS (TIPS) Train-the-Trainer Workshop.

NDC’s Certified Trainers include:

- Prevention Specialist
- Programme Support Officer
- Prevention and Information Officer

Additional workshops, webinars, and certificate courses completed by staff include:

- Fetal Alcohol Spectrum Disorder: Bending the Trajectory
- Webinar- Promoting Wellbeing and Mental Health in Schools
- 20 Years of Underage Drinking Prevention
- Mitigating Safety and Risk for Children Affected by Parental Substance Use Disorders Involved in the Child Welfare System
- Drug-Free World - Making A Global Impact with Drug Education
- Johnny’s Ambassador Youth Marijuana Prevention Conference
- Children and Families Affected by Parental Drug Use
- Child Safeguarding Workshop
- Darkness to Light Stewards of Children
- Drug World-Scientology Network
- Integrating Wellness in the Addiction Recovery Process webinar
- Second Steps
- Building Hope for Families Affected by Substance Use and Mental Health Disorders webinar
- Children’s Mental Health, Rights, and Perspectives
- Child Protection Policy Refresher

Looking Ahead

As we reflect on the past year, we are reminded of the invaluable role research plays in guiding our efforts at the National Drug Council (NDC). The data collected through CISDUS serves as the cornerstone of our evidence-based approach to drug prevention, shaping the development of policies, programs, education sessions, training workshops, campaigns, and other anti-drug strategies offered by the NDC

In 2023, the Cayman Islands Student Drug Use Survey (CISDUS) continued to provide us with essential insights into the prevalence, patterns, and trends of substance use among students in the Cayman Islands. This data has been instrumental in identifying emerging issues and prioritising areas of intervention to effectively address the needs of our youth population. From classroom education sessions to community-wide awareness campaigns, every aspect of our drug prevention efforts has been informed by the latest CISDUS findings.

Recognising the need to expand our scope of research beyond the Cayman Islands Student Drug Use Survey (CISDUS) we aim to gather data from post-secondary students and parents/guardians. This expansion will provide us with a more comprehensive understanding of substance abuse trends and allow us to tailor our prevention strategies to meet the needs of older youth and families.

In 2024, we will strive to strengthen our partnerships with schools, colleges, universities, and other key stakeholders to maximise the reach and impact of CISDUS. By working collaboratively, we plan to expand our data collection efforts, enhance the quality of our research, and develop curriculum to address the evolving needs of our youth population.

The NDC intends to continue to advocate for changes to the following areas of legislation (or further development of policies in these areas):

- National Drug Council Act
- Liquor Licensing Act
- Misuse of Drugs Act

Maintenance of Capability

Financial Performance Ratio	2023 Budget \$000s	2023 Actual \$000s
Current Assets: Current Liabilities	15.27	12.62
Total Assets: Total Liabilities	15.45	12.85
Human Capital Measures	2023 Budget \$000s	2023 Actual \$000s
Total Full-Time Equivalent Staff Employed	9	6
Staff Turnover (%)		
Senior Manager	0%	0%
Professional and Technical Staff	12.5	0%
Administrative Staff	-	-
Physical Capital Measures	2023 Budget \$000s	2023 Actual \$000s
Value of Total Assets	623	779
Changes to Asset Management Policies	Ongoing Review of operational policies	Ongoing Review of operational policies

Risk Management

Key risks faced by the National Drug Council	Impact	Actions taken to Mitigate risks	The Financial value of risks
Key risks for the NDC are those which are organisational in nature and include: a. working outside of the necessary framework required for strategically addressing the issues related to alcohol, tobacco and other drugs, b. limited personnel for the needs of the community c. inability to achieve outcomes or targets and delivery of services.		To address risks in item 1., the NDC relies on volunteers, constantly reviews its programming delivery to ensure areas of priority are addressed and works closely with stakeholders. The NDC continues to advocate for an update to the governing legislation and for the implementation of a National Anti-Drug Strategy to address supply and demand control for the Cayman Islands.	N/A
Compliance risk for reporting as required by stakeholders and CIG. a. Lack of segregation of duties.		To address risks in item 2., With limited staffing and vacancy, the Director, and administrative and financial positions there are limited opportunities for segregation, and as such the NDC relies on external accounting services to ensure sound financial management.	N/A

Freedom of Information (FOI)

Note summary FOI requests and timeliness of response.

APPLICATION DETAILS	NUMBER
Total Applications Received	0
Total Applications Open	0
Total Applications Closed	0
Applications for Personal Information (Applicant's own)	0
Application for General Information	0
TIMELINE DETAILS	NUMBER
Request Information (Decision made within 30 days)	0
Request Information) Decisions made later than 30 days and no extension taken under section 7 (4)	0
Request Information (Decision extended under section7 (4)	0
Request Information (Decision extended under section 7 (4) but responded to later than 60 days.	0
Internal Review (Decision made within 30 days)	0
Internal Review (Decision made later than 30 days)	0
FEES	
Fees levied under \$100.00	0
Fees levied \$101 - \$500	0
Fees levied \$501 – 1,000	0
Fees levied over \$1,000	0
Fees excused	0
AMENDMENTS AND ANNOTATIONS	
Request for Amendment or Annotation under section (28)	0
Number Amended	0
Number Annotated	0
INTERNAL REVIEWS	
Number of Requests for Internal Review	0
Number of Internal reviews Appealed	0

Scrutiny by Parliament and Public

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

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

Public Accounts Committee (PAC)

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

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

Finance Committee

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

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



National Drug Council

Audited Financial Statements

Year ended 31 December 2023

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National Drug Council
STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the National Drug Council in accordance with the provisions of Section 22(1) of the *National Drug Council Act (2010 Revision)* and of the *Public Management and Finance Act (2020 Revision)*. The financial statements comply with generally accepted accounting practices as defined in International Public Sector Accounting Standards and International Accounting Standards.

We accept responsibility for the accuracy and integrity of the information in these financial statements and their compliance with the *National Drug Council Act (2010 Revision)* and the *Public Management and Finance Act (2020 Revision)*.

As Chairperson and Acting Director, we are responsible for establishing and maintaining a system of internal controls designed to provide a reasonable assurance that the transactions recorded in the financial statements are authorized by Acts and properly record the financial transactions of the National Drug Council.

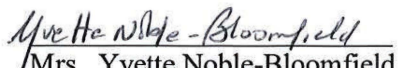
As Chairperson and Acting Director, we are responsible for the preparation of the National Drug Council financial statements and the judgments made therein.

The financial statements fairly present the statement of financial position as at 31 December 2023, statement of financial performance, statement of changes in net worth and statement of cash flows of the National Drug Council for the year ended 31 December 2023.

To the best of our knowledge we represent that these financial statements:

- a) completely and reliably reflect the financial transactions of the National Drug Council for the year ended 31 December 2023;
- b) fairly reflect the financial position as at 31 December 2023 and performance for the year ended 31 December 2023;
- c) comply with International Public Sector Accounting Standards as set out by the International Accounting Standards Board under the responsibility of the International Federation of Accountants.

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


Mrs. Yvette Noble-Bloomfield
Chairperson


Mrs. Brenda Watson
Programme Manager
Director (Acting)

Date: April 29, 2024

Date: April 29, 2024

AUDITOR GENERAL'S REPORT

To the Board of Directors of the National Drug Council

Opinion

I have audited the financial statements of the National Drug Council (the "Council"), which comprise the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in net assets and statement of cash flows for the year ended 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 25.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at 31 December 2023 and its financial performance and its cash flows for the year ended 31 December 2023 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Council in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR GENERAL'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Act (2020 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

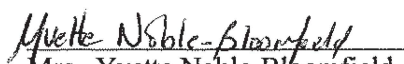


Sue Winspear, CPFA
Auditor General

29 April 2024
Cayman Islands

National Drug Council
STATEMENT OF FINANCIAL POSITION
As at 31 December 2023
(Stated in Cayman Islands Dollars)

ASSETS	Notes	2023	2022
Current Assets		\$	\$
Cash and cash equivalents	2(e)	599,948	508,580
Accounts receivable and prepaid expenses	4	164,858	240,390
Total Current Assets		764,806	748,970
Non-Current Assets			
Security deposit		5,500	5,500
Fixed assets	2(f), 3	8,752	3,573
Total Non-Current Assets		14,252	9,073
Total Assets		779,058	758,043
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable	13	25,052	2,927
Accrued audit fees	15	20,312	20,000
Donor Restricted Funds		2,000	-
Accrued accounting fees		-	14,000
Accrued payroll liabilities	5	13,538	14,910
Total Current Liabilities		60,902	51,837
EQUITY			
Accumulated surplus		718,156	706,206
Total Liabilities and Equity		779,058	758,043


Mrs. Yvette Noble-Bloomfield
Chairperson

Date: April 29, 2024


Mrs. Brenda Watson
Programme Manager
Director (Acting)

Date: April 29, 2024

The accompanying notes on pages 8-25 form an integral part of these financial statements.

National Drug Council
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31 December 2023
(Stated in Cayman Islands Dollars)

	Notes	2023	2022
Revenues		\$	\$
Outputs to Government	6	714,855	714,855
Other income	7	28,180	26,978
Total revenues		<u>743,035</u>	<u>741,833</u>
Expenses			
Personnel emoluments	8	538,743	476,651
Rent	9	66,000	66,000
Audit and accounting fees	11	35,000	34,000
Grants & contributions – special events	14	24,466	21,812
Utilities	12	14,724	16,237
Operating maintenance	10	10,386	13,731
Prevention, surveys, monitoring and evaluation		9,922	9,796
Computer services		9,068	10,651
Monitoring & Evaluation		4,990	-
Supplies & materials		4,842	5,926
Depreciation	3	3,688	2,905
Traveling and subsistence		2,932	9,763
Surveys and other public information projects		2,674	7,590
Youth development		2,303	8,919
Advertising and promotion		1,347	3,054
Total expenses		<u>731,085</u>	<u>687,035</u>
Surplus for the year		<u>11,950</u>	<u>54,798</u>

The accompanying notes on pages 8-25 form an integral part of these financial statements.

National Drug Council
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023
(Stated in Cayman Islands Dollars)

	Note	Accumulated Surplus \$	Total Equity \$
Balance as at 31 December 2021		651,408	651,408
Surplus for the year	19	54,798	54,798
Balance as at 31 December 2022	19	706,206	706,206
Surplus for the year		11,950	11,950
Balance as at 31 December 2023		718,156	718,156

The accompanying notes on pages 8-25 form an integral part of these financial statements.

National Drug Council
STATEMENT OF CASH FLOWS
For the year ended 31 December 2023
(Stated in Cayman Islands Dollars)

	Notes	2023 \$	2022 \$
Operating activities			
Surplus Retained for the year		11,950	54,798
Adjustment for non-cash transactions:			
Depreciation Expense	3	3,688	2,905
		<u>15,638</u>	<u>57,703</u>
Adjustments to reconcile net surplus from operations to net cash provided by operating activities:			
Decrease in accounts receivables and prepaid expenses		75,532	98,876
Increase/(decrease) in accounts payable		22,125	(8,844)
(Decrease) in accounting fees		(14,000)	-
Increase/(decrease) in accrued payroll liabilities		(1,372)	4,894
Increase/ in donor-restricted funds		2,000	-
Increase in accrued audit fees		313	5,000
Net cash provided by operating activities		<u>100,235</u>	<u>157,629</u>
Investing activity			
Purchase of fixed assets	3	(8,867)	-
Net cash used in investing activities		<u>(8,867)</u>	<u>-</u>
Net change in cash and cash equivalents		91,368	157,629
Cash and cash equivalents, beginning of year		508,580	350,951
Cash and cash equivalents, end of year		<u>599,948</u>	<u>508,580</u>

The accompanying notes on pages 8-25 form an integral part of these financial statements.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

1. Organization

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

The NDC continuously monitors situations relating to substance misuse and abuse in the Cayman Islands, with the aim of formulating drug prevention, treatment, and rehabilitation policies and programmes. This monitoring occurs via ongoing research and the maintenance of data collected via stakeholders. The NDC operated under the Ministry of Health and Wellness for the year ended 31 December 2023. During the year, the NDC satisfied its mandates and obligations as agreed in the Purchase and Ownership Agreements. As at 31 December 2023, the NDC had seven (7) full-time employees (2022: 7 employees).

2. Significant accounting policies

a) *Statement of Compliance*

In conformity with the Public Management & Finance Act (2020 revision), the financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Financial Reporting Standards applicable to the public sector have been used.

b) *Basis of Preparation*

The measurement base applied is historical cost. There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will have a significant impact on these financial statements other than enhanced disclosures.

These financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all years presented. The financial statements are presented in Cayman Islands dollars which is the functional currency of the NDC.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2023 have not been early adopted by the Council

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

IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations was issued in May 2022 with an effective date of January 1st, 2025. IPSAS 44 is not anticipated to impact the Council's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 45, Property, Plant and Equipment was issued in May 2023 and replaces IPSAS 17. It clarifies the recognition and measurement of infrastructure and heritage assets that are Property, Plant, and Equipment. IPSAS 45 is not anticipated to impact the Council's financial statements, but this will be assessed more fully closer to the effective date of adoption.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

2. Significant accounting policies cont'd

IPSAS 46, Measurement (issued in May 2023 and effective for periods beginning on or after January 1, 2025) provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. The impact of this standard on the Council's financial statements will be assessed more fully closer to the effective date of adoption.

IPSAS 47, Revenue (issued in May 2023 and effective for periods beginning on or after January 1, 2026) replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions and is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. The impact of this standard on the Council's financial statements will be assessed more fully closer to the effective date of adoption.

IPSAS 48, Transfer Expenses (issued in May 2023 and effective for periods beginning on or after January 1, 2026) provides accounting requirements for transfer expenses and presents two accounting models based on the existence of a binding arrangement. It is anticipated that IPSAS 48 will not have an impact on the Council's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 49, Retirement Benefit Plans (issued in November 2023 and effective for periods beginning on or after January 1, 2026) provides a principle-based approach to accounting for retirement benefit plans offering a completed view of their financial activities, assets, and obligations and establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans. It is anticipated that IPSAS 49 will not have an impact on the Council's financial statements.

The accounting policies below have been applied consistently to all periods presented in these financial statements.

New and revised accounting standards were issued that became effective for the financial year beginning 1 January 2023

The Council adopted IPSAS 41: Financial Instruments as of the transition date of 1 January 2023, replacing IPSAS 29: Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions in IPSAS 41, comparative information for the 31 December 2022 year has not been restated. Adjustments arising from adopting IPSAS 41 are recognised in opening equity at 1 January 2023 (the date of initial application).

The accounting policies for the year ended 31 December 2023 have been updated to comply with IPSAS 41. The main changes to the Council's accounting policies are:

- Trade and other receivables - This policy has been updated to reflect that the impairment of receivables are now determined by applying an expected credit loss model.
- Financial instruments and risk management - The policy has been updated to reflect:

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

2. Significant accounting policies cont'd

- the new measurement classification categories; and
- a new impairment model for financial assets based on expected credit losses, which is forward-looking and may result in earlier recognition of impairment losses.

IPSAS 41 also significantly amended the disclosures of financial instruments of IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to the financial instrument categories and to credit risk.

IPSAS 41 has had an immaterial impact on the Council's measurement and recognition of financial instruments, as financial assets that were recognised as loans and receivables are now recognised as amortised cost.

c) Use of Estimates

The preparation of financial statements in accordance with IPSAS requires management to make judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on experience and various other factors that are considered reasonable under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

d) Credit Risk

Credit risk is the risk that the counterparty to a transaction with the Council will fail to discharge its obligations, causing the Council to incur a financial loss. Financial assets that potentially subject the Council to credit risk consist of Cash and Cash Equivalents, short-term investments, trade receivables, and other receivables.

The Council manages its Credit risk by transacting only with creditworthy counterparties. Generally, the Council does not require collateral. Ongoing credit risk is managed through a review of aging analysis.

Maximum exposures to credit risk as at year end are the carrying value of financial assets in the statement of financial position.

ECLs are calculated on a lifetime basis for Trade Receivables. The credit risk on cash and cash equivalents and short-term investments is limited. The Council's main bank is Bank of Butterfield (BoB) which is a Class A local bank regulated by the Cayman Islands Monetary Authority.

e) Cash and cash equivalents

Cash and cash equivalents include amounts due from the Council's banking institution on demand and interest-bearing deposits with an original maturity of three months or less. All cash and cash equivalents are held with a Class A bank in the Cayman Islands.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

2. Significant accounting policies cont'd

Although cash and cash equivalents at 31 December 2023 are subject to the expected credit loss requirements of IPSAS 41, no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty banks.

f) Fixed Assets

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

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

Disposals

Gains and losses on disposal of fixed assets are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Statement of Financial Performance.

Impairment

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the year end. Assets subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts.

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

g) Deferred grant funds and income

Donation and grant income received for specific projects are initially recorded as a liability (per IPSAS 23), called donor-restricted funds. Subsequently, the related amounts are credited to income in years in which corresponding expenses on such projects are incurred.

h) Outputs to Government

The Cayman Islands Government (the "Government") has agreed to purchase certain outputs from the NDC. These outputs include public education and information campaigns, research and statistics, policy advice and Act reform. Output revenue is recognized as income when earned. As the NDC has no other significant source of funding for its operational expenses, its ability to continue as a going concern is contingent on this continued support from the Government.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

2. Significant accounting policies cont'd

i) Donations (Non-exchange)

The Council receives various funds from local entities. The Council designated these non-exchange transactions as donations defined under IPSAS 23 – Revenue from Non-Exchange Transactions.

j) Financial Instruments

Financial assets and financial liabilities are recognised in the Council's Statement of Financial Position when the Council becomes a party to the contractual provisions of the instrument.

Classification

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

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise accounts payable, accrued audit and accounting fees, and accrued payroll liabilities.

Recognition

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

Measurement

Financial assets and liabilities are initially measured at fair value. On initial recognition, transaction costs directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate.

Subsequent measurement and classification

IPSAS 41 requires financial assets to be subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost, or fair value through other comprehensive revenue and expense (FVTOCRE). Additionally, IPSAS 41 requires financial liabilities to be measured at either amortised cost or FVTSD.

This classification is based on the business model for managing financial instruments, and whether the payments are solely payments of principal or interest on the principal amount outstanding. The Council assessed the business model for holding financial assets at the date of initial application. It determined that these are held to collect contractual cash flows that are solely payments of principal and interest. Therefore, financial assets are subsequently measured at amortised cost. Financial liabilities are subsequently measured at amortised cost. Cash and cash equivalents, short-term investments, trade receivables and payables are recorded at amortized cost using the effective interest method less any impairment.

De-recognition

A financial asset is derecognized when the NDC realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

2. Significant accounting policies cont'd

k) Foreign Currency Translation

Revenue and expense transactions involving currencies other than Cayman Islands dollars are translated to Cayman Islands dollars at the exchange rates ruling at the time of those transactions. Assets and liabilities included in these financial statements are translated to Cayman Islands dollars at the rates of exchange prevailing at the statement of financial position date. Financial gains and losses arising on translation are included in the statement of financial performance.

l) Budget amounts

The original budget amounts for the financial year are as presented in the 2022-23 Ownership Agreement and approved by the Parliament on 6th December 2021. Where the budget is presented in a format different from the financial statements, a statement of comparison of budget and actual amounts is included in the financial statements; see note 19. There were no changes to the Council's originally 2022-2023 approved budget.

The appropriations cover a budget period of two financial years. The 2022-2023 Ownership Agreement covers the two financial years commencing 1 January 2022 to 31 December 2023. During the two-year period, funds can be transferred between the financial years. Unused appropriations from the 2022 budget can be carried over to 2023 to increase budgeted amounts. The 2022-2023 appropriations lapsed at the end of the budget year ended 31 December 2023. Any surplus at the end of the budget year is repayable to Parliament.

m) Expenses

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

n) Operating leases

Operating lease payments net of lease incentives received are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property. Lease incentives received are recognised evenly over the lease term as a reduction in rental expense.

o) Trade Receivables

Trade receivables are amounts due from customers for items sold or services performed in the ordinary course of business. Trade receivables and other receivables comprise balances due from other Government entities, including Output Receivables and balances due from third parties.

The simplified approach to providing for expected credit losses, as prescribed by IPSAS 41, is applied to trade and other receivables. The simplified approach involves making a provision equal to lifetime expected credit losses.

In measuring ECLs for third-party receivables, the estimated loss allowance for individually significant or other specific trade and other receivable balances are determined on an individual basis. Thereafter, the remaining third-party trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

The Council performed a specific ECL assessment on any related party debtors with qualitative or quantitative factors indicating doubts around collectability. Given the low risk of default on the remaining related party receivables held by the Council, the impact of the expected credit losses on these have been estimated to be negligible. These have a low risk of default due to the Cayman Islands Government's high credit rating and absence of historical losses on amounts due.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

2. Significant accounting policies cont'd

The Council considers related party receivables to be recoverable; however, a full provision for ECL is applied to receivables over 90 days past due because experience has indicated that these receivables are generally not recoverable.

p) Prepayments

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

q) Employee Benefits

Employees are entitled to salaries and wages, annual leave, time in lieu, and other similar benefits which are recognised in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for Council employees are paid to an agreed Pension Fund provider. The Council makes 5% contributions on behalf of the employees to the designated fund, and employees contribute 5% from their salaries to the funds as well.

The Council pays for its employees' health insurance coverage. Employees do not contribute to their health coverage except for any dependents covered under the plan.

r) Contingent Liabilities and Assets (including guarantees)

Contingent liabilities and assets are reported when the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligation that may require an outflow of resources, and the possibility of an outflow is not considered remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

3. Fixed Assets

	Office Equipment	Office Furniture	Computer Equipment	Computer Software	Lease Improvements	Total
	\$	\$	\$	\$	\$	\$
Balance at 31 Dec 2021	42,470		49,098	19,139	26,440	178,140
Additions during year	-	-	-	-	-	-
Balance at 31 Dec 2022	42,470	40,993	49,098	19,139	26,440	178,140
Additions during year	6,367	2,500	-	-	-	8,867
Balance at 31 Dec 2023	48,837	43,493	49,098	19,139	26,440	187,007
<i>Accumulated depreciation:</i>						
Balance at 31 Dec 2021	42,470	37,226	47,664	19,139	25,163	171,662
Depreciation for year	-	900	1,198	-	807	2,905
Balance at 31 Dec 2022	42,470	38,126	48,862	19,139	25,970	174,567
Depreciation for year	1,769	1,317	132	-	470	3,688
Balance at 31 Dec 2023	44,239	39,443	48,994	19,139	26,440	178,255
NBV at 31 Dec 2022	-	2,867	236	-	470	3,573
NBV at 31 Dec 2023	4,598	4,050	104	-	-	8,752

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

4. Accounts receivable & prepaid expenses

	2023	2022
	\$	\$
Cabinet Funds receivable	115,937	230,490
Donation receivable	24,580	-
Prepaid expenses	24,341	9,900
	<u>164,858</u>	<u>240,390</u>

Cabinet Funds receivable are for Outputs supplied to the Ministry for which funds had not been received at 31 December 2023.

Maturity Profile	2023	2022
	\$	\$
Current	-	10,429
1-30 days	12,290	-
Past due 31-60 days	53,796	83,805
Past due 61-90 days	74,416	131,036
Past due 90 days and above	15	5,219
	<u>140,517</u>	<u>230,490</u>

5. Accrued payroll liabilities

	2023	2022
	\$	\$
Accrued vacation	6,960	5,880
Accrued salaries	-	2,429
Accrued other payroll liabilities	6,578	6,331
Accrued pension	-	270
	<u>13,538</u>	<u>14,910</u>

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

6. Outputs to Government

	2023	2022
	\$	\$
Outputs to Government	714,855	714,855
	<u>714,855</u>	<u>714,855</u>

NDC's Outputs are supplied to the Ministry of Health and Wellness during the normal course of business. The Outputs relate to all expenses for the year based on activity and time spent on the Council's efforts and includes the office, programme supplies, and human resource costs.

7. Other income

	2023	2022
	\$	\$
Donations	27,080	24,746
Payables Written-Off	-	570
Boardroom rental	144	400
Discounts	-	1,262
Fundraising	956	-
	<u>28,180</u>	<u>26,978</u>

8. Personnel emoluments

	2023	2022
	\$	\$
Salaries & wages	429,615	375,609
Medical insurance	79,085	73,173
Pension	20,564	18,193
Motor car allowance	7,900	7,450
Movement in annual leave provision	1,080	584
Staff Uniforms	251	-
Movement in accrued time-in-lieu	248	1,642
	<u>538,743</u>	<u>476,651</u>

Staff may perform duties beyond their normal working hours during the ordinary course of business. Employees who accumulate any such time can recover it in the subsequent year when they are not busy. The policy of the NDC is that a maximum of 37.5 hours (5 days) can be taken over to the following year. These must be used within the first quarter of the following year if it is suitable to the NDC, or it will be written off. The 2023 accrued time-in-lieu reflects the number of hours brought forward and eligible for carry-over into the upcoming 2024 financial year.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

9. Rent

On 4 April 2020, the NDC signed a new five-year agreement with International Logistics and Consulting LLC (c/o Meri Tarlova) for the premises at Caymanian Village. The agreement maintains a rate of \$5,500 per month for each of the next five years, covering the period from 30 April 2020 to 30 April 2025.

Rental expenses incurred in 2023 amounted to \$66,000 and were paid to Meri Tarlova. Therefore, future commitments for the remaining 16 months total \$88,000 (\$66,000 of the future commitments are due within one year, and the remainder of \$12,000 is due beyond one year to the end of the lease).

10. Operating maintenance

The Council incurs various operating costs to sustain its ordinary course of business. These mainly include indirect expenses that support the work of the Council in delivering its programme activities. For 2023, these costs included:

	2023	2022
	\$	\$
Software subscription	2,719	3,416
Janitorial services	1,834	1,860
Website maintenance	1,251	2,354
Bank charges	843	1,021
Security services	1,427	1,350
Staff Appreciation	977	1,036
Other	1,335	2,694
	<u>10,386</u>	<u>13,731</u>

11. Audit & Accounting fees

The statutory audit for 2023 is \$35,000 as specified by the Office of the Auditor General. Fees in the prior year relate to the statutory audit and professional accountancy services amounting to \$20,000 and CI\$ 14,000, respectively. The Council's audit was carried out by a private sector entity in prior years.

12. Utilities

	2023	2022
	\$	\$
Electricity	7,043	7,233
Telephone	7,232	7,705
Water	449	1,299
	<u>14,724</u>	<u>16,237</u>

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

13. Accounts Payable

The Council receives goods and services on credit during the normal course of business. All vendor accounts are satisfactorily serviced within the credit period the vendor allows. The most material outstanding vendor balance at the close of the financial year was some \$14,288 relating to the statutory audit, the payment of which is due in the 2024 financial year once the audit is complete.

14. Grants & Contributions – Special events

A portion of the Output funding provided by the Government and public contributions through donations was used to support the following special event:

	2023	2022
	\$	\$
Arrive Alive 345 Campaign	24,466	21,812
	<u>24,466</u>	<u>21,812</u>

15. Accrued audit fees

The Council's statutory annual audit is normally completed between March and April of each year; however, the cost to complete the audit is recognized and accrued in the financial year that will be reviewed. As at December 31st, 2023, \$20,312 was accrued as audit fees relating to fiscal year 2023 (2022: \$20,000).

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

16. Related parties

The NDC is a statutory body of the Cayman Islands Government. The Council is economically dependent on the Government for the purchase of its services under a Purchase Agreement with the Ministry of Health & Wellness. For the year ended 31 December 2023, the Council billed \$714,855 to the Government for services sold (2022: \$714,855). Of the billed amount, \$115,937 remained outstanding as at 31 December 2023 (2022: \$230,490). This amount is included in Accounts Receivable and Prepaid Expenses in the Statement of Financial Position.

The Auditor General is statutorily responsible for auditing the National Drug Council's financial statements. The fee for 2023 was \$35,000 (2022:\$5,000).

Key Management Personnel

The pension and health insurance benefits provided to key management personnel are the same as those provided to all employees. Following the resignation of the Director, effective 30 September 2019, the Programme Manager assumed the role in an acting capacity, effective 1 October 2019. Total key management personnel remuneration and other benefits amounted to \$125,273 (2022: \$120,739) which includes salary, allowances, pension, honorarium and health insurance.

Governing Council members

The NDC governing council currently has 13 members. No stipend is paid to members (2022: Nil).

Dividend Payments

Pursuant to Section 16 of the Public Management and Finance Act (2020 Revision), Section 39(3) of the Public Authorities Act (2020 Revision), and section 19 of the Policy for the Payment of Annual Dividends by Statutory Authorities and Government Companies, taken together, the NDC is exempt from delivering dividend payments as the NDC met the prescribed criteria set out in section 19 (a) of Policy 1 of 2019 (The operations of the Council is not self-sustainable, it relies on Government subsidies and charitable donations).

17. Financial instrument risks

The Council is exposed to various financial risks including credit risk, exchange rate risk and liquidity risk. The Council's risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of up to date and reliable information systems. These risks are managed within the parameters established by the Financial Regulations (2022 Revision).

Credit risks

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

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

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

Financial Instrument risks cont'd

The Council is also exposed to a significant concentration of credit risk in relation to receivables transactions, most of which was due from the Cayman Islands Government. No credit limits have been established. As at 31 December 2023, no provision for doubtful debts (2022: Nil) has been made on these receivables as management considers these debts to be recoverable in full.

The carrying amount of financial assets recorded in the financial statements represents the Council's maximum exposure to credit risk. Debtors are not required to provide collateral.

Exchange rate risk

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

Liquidity risk

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

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

18. Other Disclosures

Suspected Fraud

During the year 2011/12, management became aware of suspicious activity relating to its cash balances. Specifically, approximately CI\$5,500 was misappropriated from its bank accounts. A further unquantified amount was misappropriated through fraudulent time booking leading to wage overpayment to a former employee. The matter is under investigation and management awaits its conclusion. During the year ended 31 December 2023 the Council has not been provided with an update on the matter.

National Drug Council
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

19. Statement of comparison of budget and actual amounts

For the year ended 31 December 2023

	Variance Notes	2023 Actual	2023 Budget	Variance
Revenues		\$	\$	\$
Outputs to Government		714,855	714,855	-
Other Income	a	28,180	25,000	3,180
Total revenues		<u>743,035</u>	<u>739,855</u>	<u>3,180</u>
Expenses				
Personnel emoluments	b	538,743	574,035	(35,292)
Rent		66,000	66,000	-
Prevention, surveys, monitoring and evaluation	c	17,586	20,000	(2,414)
Travelling and subsistence	d	2,932	15,500	(12,568)
Audit and accounting fees	e	35,000	29,000	6,000
Utilities	f	14,724	18,700	(3,976)
Computer services	g	9,068	-	9,068
Operating maintenance	h	10,386	10,830	(444)
Youth development	i	2,303	-	2,303
Advertising & promotion	j	1,347	-	1,347
Depreciation	k	3,688	-	3,688
Supplies & materials	l	4,842	7,500	(2,658)
Grants & contributions – special events	m	24,466	-	24,466
Total expenses		<u>731,085</u>	<u>741,565</u>	<u>(10,480)</u>
Net surplus/(deficit) for the year	n	<u>11,950</u>	<u>(1,710)</u>	<u>13,660</u>

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

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

ASSETS	Variance Notes	2023 Actual	2023 Budget	Variance
Current assets		\$	\$	\$
Cash and cash equivalents	o	599,948	399,275	200,673
Accounts receivables	p	140,517	245,076	(104,559)
Prepaid expenses	p	24,341	13,500	10,841
Total Current Assets		<u>764,806</u>	<u>657,851</u>	<u>106,955</u>
Non-Current Assets				
Security deposit		5,500	5,500	-
Fixed assets	q	8,752	2,442	6,311
Total assets		<u>779,058</u>	<u>665,793</u>	<u>113,265</u>
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable	r	25,052	7,762	17,290
Donor restricted funds		2,000	-	2,000
Accrued audit Fees	s	20,312	15,000	5,312
Accrued other payroll liabilities	t	13,538	12,934	604
Accrued accounting	u	-	7,500	(7,500)
Total Current Liabilities		<u>60,902</u>	<u>43,196</u>	<u>17,706</u>
EQUITY				
Accumulated surplus		718,156	622,597	95,559
Total Liabilities and Equity		<u>779,058</u>	<u>665,793</u>	<u>113,265</u>

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

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

Statement of Cash Flows	2023 Actual	2023 Budget	Variance
	\$	\$	\$
Net cash (used in)/provided by operations	100,235	-	100,235
Investing activity			
Purchase of fixed assets	(8,867)	-	(8,867)
Net cash (used in) investing activities	(8,867)	-	(8,867)
Net change in cash and cash equivalents:			
Cash and cash equivalents, beginning of year	508,580	399,275	109,305
Net Change in Cash and cash equivalents	91,368	-	91,368
Cash and cash equivalents, end of year	599,948	399,275	200,673

- a. Other Income (over by \$3,180): relate to the donations of assets with a fair value of \$2,500 from a corporate donor. A further \$956 related to Fundraising for the Youth-to-Youth programme. Donations are budgeted on a contingency basis and actual amounts could vary in any given year. Actual donations were above budget for 2023.
- b. Personnel emoluments (under by \$35,292): The 2023 budget was prepared with the expectation of eight (8) employees in post during the year. However, due to changes in the staffing levels during the current financial year, the Council had seven (7) full-time employees for most of the year. This resulted in lower than-budgeted personnel costs for salaries, pensions, motor car upkeep, and health insurance payments.
- c. Prevention, surveys, monitoring and evaluation and other public information projects (under by \$2,414): Most of the variance represents the use of technology as a more efficient way of delivering this programme. Shifting certain processes online required fewer resources to facilitate the administration, final analysis and reporting.
- d. Travelling and Subsistence (under by \$12,568): The budgeted travel mainly related to overseas training for NDC staff, Youth to Youth leaders and participants. This was not executed as planned; however, the Council expects increased travel in 2024 as normal travel resumes following the easing of certain restrictions relating to COVID-19
- e. Audit and Accounting Fees (over by \$6,000): Variance relates to an increase in OAG fees as the audit of the NDC is brought in-house by the Government. The increase in fees from the OAG was partially offset by a decrease in fees for Accounting Services stemming from a change in service providers.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

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

- f. Utilities (under by \$3,976): Electricity is a significant part of the utilities expense category. The cost of electricity is difficult to predict as it is affected by temperature, the price of oil, and other factors. Management also makes conservation efforts by ensuring the temperature within the office is kept at an appropriate level and water consumption is minimal.
- g. Computer Services (over by \$9,068): The variance stems from the service and support to the computer network, server, and additional costs incurred due to the ongoing services required to facilitate programmes and ensuring staff retained remote access. These costs were not budgeted.
- h. Operating Maintenance (under by \$444): The variance is less than 5% of the budgeted expense, which is not unusual for budgets that are prepared two years in advance.
- i. Youth Development (over by \$2,303): Variance represents the allocation of funds towards the increased efforts of the Council in its development of youth programmes. These costs in 2023 were separated from the overall theme of Prevention, surveys, monitoring, and evaluation to demonstrate the development activities in these areas accurately.
- j. Advertising & Promotion (over by \$1,347): The variance relates to the costs associated with print media for educational and informational space acquired in the Cayman Parent Magazine and costs associated with banners and display at the Alex Panton symposium. These costs were not budgeted.
- k. Depreciation (over \$ 3,688): Depreciation was not budgeted for the 2023 fiscal year. The Council also benefited from donated assets by a corporate sponsor. These unexpected assets will attract increased depreciation as the benefit of their use is consumed.
- l. Supplies and materials (under by \$2,658): Variance is related to the inclusion of an online platform for resources which contributed to the reduced spend.
- m. Grants and Contributions (over by \$24,466): Variance relates mainly to the Arrive Alive 345 Campaign which includes the costs of the annual Designated Driver and Purple Ribbon Bus operations in 2023. Funds are received outside of budgeted government funding and are acquired specifically through private and corporate sector contributions based on the actual cost associated with the annual campaign and requisite prevention programming. This is one of the Councils' initiatives to promote road safety. These costs were not budgeted.
- n. Surplus (over by \$13,660): the budget assumed a small loss of \$1,710. Therefore, the surplus stems from the Council billing and recognizing its full appropriation for 2023, an increase in donation and fundraising income and prudent financial management resulting in savings as described in the analysis above.
- o. Cash and Cash equivalents (over by \$200,673): The variance is related to lower-than-expected staffing levels, the settlement of a portion of the outstanding receivables, and higher-than-expected liabilities. These factors, coupled with expenditure savings, resulted in a better-than-expected closing cash position.
- p. Accounts Receivables and Prepaid Expenses (under by \$93,718): The variance results from the timely settlement of output billings by the Ministry of Health & Wellness.

National Drug Council
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

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

- q. Fixed Assets (over by \$6,310): The variance relates to the purchase of a Photocopier which was not originally budgeted for.
- r. Accounts Payable (over by \$17,290): Some \$14,288 of this amount relates to audit fees, the invoice for which was received late in the fiscal year. The Council settles its vendor obligations in a timely manner and in accordance with the terms agreed upon.
- s. Accrued Audit Fees (over by \$5,312): Should be considered along with (e) Audit and Accounting Fees. The variance relates to the difference in actual audit fees to budgeted audit fees.
- t. Accrued other payroll liabilities (over by \$604): This is a variable sum that is difficult to predict two years in advance. The variance is less than 5% which is not unusual.
- u. Accrued Accounting Fees (under by 7,500): The NDC tendered for the accounting services contract and a new provider was chosen. A new contract was not agreed until January 2024, there was nil cost incurred for 2023 for accounting fees.

20. Compliance with the Public Authorities Act, (2020 Revision)

The Council is required to comply with the Public Authorities Act, (2020 Revision, the “PAA”). Amongst other matters, Section 39 (2) of the PAA requires that where a public authority has surplus cash reserves for a period of more than ninety days, the surplus shall be paid to core government unless otherwise directed by Cabinet, after written consultation with the Board. Cabinet has approved the exemption of public authorities from paying over surplus cash reserves as at 31 December 2022 and 2023.

Section 39 (3) of the PAA also requires that a public authority pay dividends in accordance with the formulae established by the Minister of Finance and Economic Development (the “Ministry”) after written consultation with the Board, unless otherwise directed by Cabinet.

The Council will not be required to pay a dividend out of its surplus as at 31 December 2023 because its operations are not self-sustaining. Going forward, the Council may be required to pay a dividend in accordance with Government’s policy for the payment of annual dividends unless the Council continues to satisfy the exemption criteria noted under the policy.

PAA 36: Section 36(1) of the PAA requires public authorities to pay an annual capital charge for the use of equity invested by the Government in the authority. The capital charge is set by the Minister of Finance after consultation with a public authority’s board. There is no capital charge payable for 2023. (2022: Nil) because the rate for the 2022 and 2023 financial years was set at 0%. Going forward, the Council may be required to pay a capital charge in accordance with the PAA.

21. Subsequent Events

In preparing these financial statements, management has evaluated and disclosed all material subsequent events up to 29th April 2024 which is the date that the financial statements were available to be issued.