



2018/2019

**FIREARM
LICENSING
AUTHORITY**
Annual Report

FLA .. Regulating With Purpose

PROMOTING FIREARM SAFETY AND RESPONSIBILITY

The Five Basic Firearm Safety Rules:

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

Licensed holders can also ensure firearm security, and the safety of themselves and others by practicing the following safety tips:

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



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Presents:

Annual Report 2018/19

The purpose of this report is to provide the Houses of Parliament, partners, stakeholders and clients with information on the performance of the Firearm Licensing Authority (FLA) for the 2018/2019 financial year and the prospects for the financial year 2019/2020.



FIREARM LICENSING AUTHORITY



► VISION STATEMENT

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

► MISSION STATEMENT

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



Corporate Profile

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

OUR HISTORY

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

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

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

Parliamentary Counsel to amend the Firearms Act accordingly.

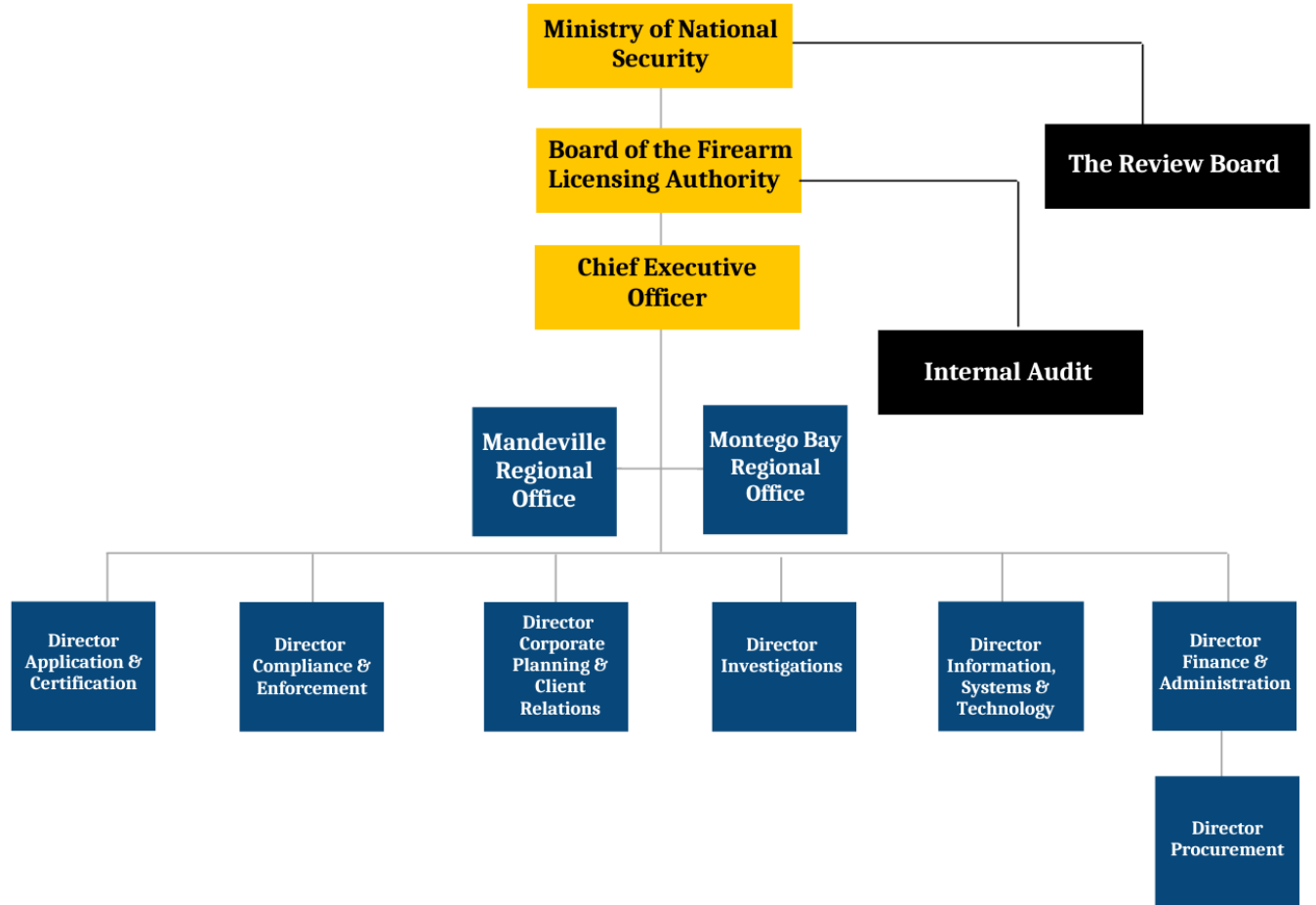
WHAT WE ARE NOW

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

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

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

Organizational Structure



Message from the Minister of National Security



The Ministry of National Security (MNS) holds firm to the belief that the safety and security of a nation is pivotal to the continuous development of its people in all facets of life. This belief has been the driving force of the various functions and implementations of the Ministry, and its extensions.

The Firearm Licensing Authority (FLA) being one of the extensions of the Ministry, continues to diligently champion this goal and its mandate to serve the people of Jamaica through the effective regulation of firearm use and handling.

For the period of 2018 to 2019, the new energy of the Authority was almost palpable with the aggressive propulsion towards technological improvement, increased welfare for members of staff and the inclusion of more modern facilities. This has aided the functions and services of the FLA, which has in turn reflected positively on the Ministry. The period has not only been one of rejuvenation, but closer interaction between the FLA, the MNS, its departments and agencies as well as the Cabinet Office of Jamaica. It is through these interactions that the Ministry continues to monitor the performance of the Authority, ensuring that it is in keeping with the standards and goals of the constitution of Jamaica.

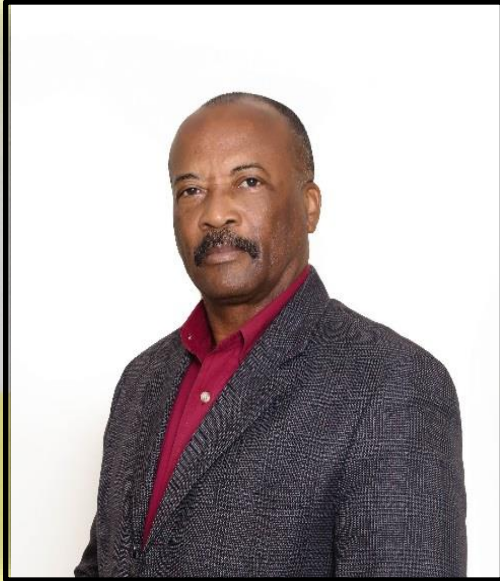
As the Minister entrusted to oversee the FLA, I must acknowledge and laud the efforts of the Board of the Authority, the CEO and management team for their diligent work and commitment to regulating with effectiveness and transparency, the private firearm industry. The Ministry of National Security will continue to support the leaders of the FLA in order to safeguard its standards.

Sincerely,

A handwritten signature in blue ink, appearing to read 'H. Chang', written over a light blue horizontal line.

Hon. Dr. Horace Chang, CD, MP
Deputy Prime Minister & Minister

Message from the Chairman of the Board



The Firearm Licensing Authority weathered an eventful year for the period of 2018-2019. Amidst the myriad of challenges faced, which could have affected the Authority's upward trajectory, its drive for continuous improvement has seen the Authority increasing its efficiency and productivity like never before. The period began with a progressive transformation of the Authority's strategic focus and performance measurement framework. This included a revamping of the Authority's vision and mission statements, and strategic objectives which has now enabled a better alignment of the policies of the FLA in accordance with the Firearms Act and regulations.

The Authority's thrust towards technological improvement was also a key area of focus during the period. As such, several measures were implemented by the very competent CEO, Shane Dalling. These included the operationalization of a Q-Logic system to manage customer flow and services daily, and the conceptualization of a new Online Tracking System to improve transparency and accountability within the application process.

There has also been great strides in driving compliance throughout the year. Several delinquency drives were embarked upon as well as public education drives that were done in association with the Jamaica Constabulary Force and the Ministry of National Security.

Greater support is expected through the amendments to the Firearms Act which will drive effective regulation and improve transparency within the private firearm industry, as we continue to play our part in advancing the vision of the Ministry of National Security. Through the integration of our systems and increase partnerships with our stakeholders, the Authority will persist its mission to "regulate with purpose" and effectively contribute to national security infrastructure.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Carter', written in a cursive style.

Colonel (Ret'd) Audley Carter

Message from the CEO



I would first like to express that it continues to be a privilege to lead the team at the Firearm Licensing Authority (FLA). Despite the many challenges we have encountered throughout the financial year 2018/19, we have managed to use them as avenues fostering change, growth and development. In this regard, I am pleased to inform that the Authority has made several advancements in its operational efficiency, accountability and customer service, during the financial year 2018/19.

As part of a successful modification process, this financial year saw the Authority embracing a change in its mission and vision statements to better reflect its current climate and purpose. This is in keeping with the belief that, our vision and mission should lead us towards achieving our strategic objectives. The Authority, in an effort to create a more efficient operational environment, has also managed to change its organizational structure. This is evident in the creation, upgrading and re-titling of several posts within the structure. Further to this, renovation activities – creation of spaces to improve our staffing needs and strengthen our customer service experience was undertaken at the different locations.

Additionally, developments were made in areas promoting transparency and accountability, as the Authority did a thorough review of its Policies and Procedural Manual to strengthen its internal procedures and processes, to date; this has in fact strengthened compliance and adherence to the Firearms Act.

To further promote and ensure compliance, the Authority has partnered with other stakeholders within the national security architecture to carry out several compliance and enforcement drives; this has resulted in a higher compliance rate among our license holders.

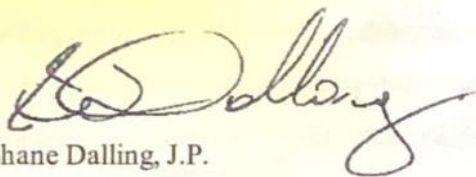
Great strides were also made in the area of customer service with the establishment of a call center, to handle all incoming queries and complaints. The Authority also adjusted its operating hours to

better serve its customers. In addition to this, the Authority has completed 90 percent of its backlogged applications.

Perhaps, the most significant achievement for the Authority in this financial period was the modernization of our technologies such as updating our existing Brasstraxx Machines; implementation of an electronic fingerprinting device at all our offices, which is directly connected to the Criminal Records Office database; and installation of Digital Advertising Display Units, which provides timely updates and firearm safety tips to our customers. This, in and of itself, has not only allowed the organization to operate in an efficient and transparent manner, but has ensured that our processes and procedures are carried out in an effective and seamless way. This has also assisted in aligning our processes with international best practices.

As the Authority looks beyond the financial period 2018/19, it is our intention to continually invest in our capabilities to ensure that the image of the Authority mirrors an entity of which the public, as well as all other key stakeholders, can have strong confidence and uphold us to a standard where our integrity is unquestionable.

Sincerely,



Shane Dalling, J.P.

Chief Executive Officer

The FLA Board



From left (standing):

Mr. Albert Edwards (Ret'd Superintendent of Police), and Mr. Khaleel Azan

From left (seated):

**Ms. Ena Rose, Colonel (Ret'd) Audley Carter- Chairman, and Justice (Ret'd)
Marva McIntosh**

The Review Board



From left: Mrs. Caroline Hay, (Senior DPP), Hon. Justice (Ret'd) Seymour Panton and Mr. Kelso Small (Ret'd Superintendent of Police)

Corporate Governance: The Board of the Authority

FLA BOARD

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

“The Authority shall consist of the following persons:

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

-Firearms Act Part V, Section 26A. 1

REVIEW BOARD

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

The Review Board shall consist of-

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

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

PERFORMANCE AT A GLANCE

ITEM	PARTICULARS
<p>Revamp of the Authority's Vision and Mission Statements and Strategic Objectives</p>	<p>In an effort to improve the quality of the Strategic Business Plan of the Authority, the Board and Senior Management Team in collaboration with the Performance Management and Evaluations Branch of the Office of the Cabinet, reviewed and restructured the Authority's strategic planning process in accordance with the Firearms Act and international standards. As a result, the vision and mission statements and the strategic direction of the FLA were revamped and granted final approval from Cabinet Office for implementation.</p>
<p>Upgrade and Acquisition of New Brasstraxx Machines</p>	<p>Through the Ministry's Security Strengthening Project (SSP) and with funding provided by the Inter-American Development Bank, the FLA upgraded its two (2) existing Brasstraxx Machines to HD3D technology resulting in reduced time it takes to capture the ballistic signatures of all registered firearms. This has resulted in greater efficiency within the Ballistics unit. A third Brasstraxx Machine was also purchased to allow for increased productivity, accountability and accuracy of the ballistic database.</p>
<p>Implementation of the Morph RapID Machines at the Regional Offices</p>	<p>The Morph RapID machine is connected directly to the Criminal Records Office database. It provides an electronic report on the criminal background, if any, of all licence holders who visit the Authority or applicants of firearm licences within seconds. This machine was first installed at the Head Office in January 2018 and was later installed at the Regional Offices in early 2019. This has helped to improve the security framework by which the authority operates. It aids in ensuring that unfit persons or those of questionable character are not entrusted with a firearm licence.</p>
<p>Change in Opening Hours to Improve Customer Service Experience</p>	<p>The majority of communication with customers is now) email-based. this was implemented in an effort to be more effective in communicating important information.</p> <p>In our efforts, approval was received for the establishment of a Call Centre and a Corporate Communications Officer for the Authority. This initiative is expected to improve customer experience and drive public education.</p>

PERFORMANCE AT A GLANCE

ITEM	PARTICULARS
<p>Improved Turnaround Time with the Processing of Applications</p>	<p>Due to increased training with investigators and the negotiated partnership agreements with external agencies that are relied upon for security clearances on all applicants, files were processed more efficiently. This resulted in a one hundred percent (100%) improvement in the turnaround time for new applications from two years to one year.</p>
<p>Implementation of the Call Centre</p>	<p>A call center operation was implemented in September 2018 to effectively streamline the high volume of calls received on a daily basis and improve the quality of service given to customers. Since its implementation, there has been positive feedback from the public at large. In addition, the procurement process has begun for a new PBX system and implementation should take place by the end of this calendar year.</p>
<p>Implementation of Kiosks Display Stands</p>	<p>The lobbies of all three FLA offices have been modernized with the implementation of Kiosks Display Stands. The Kiosks provide information on firearm safety and responsibility tips and a continuous display of pertinent policies and guidelines of the FLA.</p>
<p>Compliance and Enforcement Drive (date)</p>	<p>The Compliance and Enforcement department embarked on an enforcement drive in the third financial quarter of 2018. Letters were to delinquent license holders advising them to have their firearm license regularized immediately with the authority.</p>
<p>Review and Update of the FLA Procedures Manual</p>	<p>In an effort to streamline the operations of the Authority and realign its policies and procedures in accordance with the Firearms Act, the procedures manual was reviewed and updated by the senior management team.</p>

PERFORMANCE AT A GLANCE

ITEM	PARTICULARS
<p>Reconfiguration of Montego Bay Regional Office</p>	<p>The Montego Bay Regional Office has been reconfigured to streamline its operations and improve the quality of service offered to customers as well as the security and safety of staff members.</p>
<p>Restructuring of the FLA Website Complete</p>	<p>The Authority's website (www.fla.gov.jm) was renovated in January of 2019 to align it with the Government of Jamaica's standards. It will provide information to stakeholders and the public at large in accordance with the Corporate Governance Framework requirements.</p>
<p>Acquisition and Implementation of an Automated Customer Management System at the HQ</p>	<p>There has been significant improvement to customer experience at the FLA Head Office, with the implementation of an automated customer management system formally called the Q-Logic System. The system has also facilitated improved accountability among staff with its aptitude to track employee downtime and access control.</p>
<p>Launch of the Authority's Social Media Platform</p>	<p>To adapt a more advanced technologically-based approach in communicating with the public and rebuild the image of the FLA, the Corporate Communications unit rebranded and launched social media pages for FLA's Instagram, Facebook and Twitter accounts. The Authority intends to maximize the use of these platforms to keep license holders as well as the general public informed. Ultimately, improving transparency in the perspective of our stakeholders.</p>
<p>Implementation of Online Tracking System</p>	<p>The Authority has initiated the development of an online tracking portal to its new website. The portal allows for new applicants of firearm licences to track their applications online and receive automated email notifications, once their application has moved from one process to the next.</p>

STATISTICAL HIGHLIGHTS

Board Decisions for The Period April 2018- March 2019

MONTH	Application Files				Investigative Files				TOTAL
	APPROVED	%	DENIED	%	APPROVED	%	REVOKED/ DENIED	%	
APRIL 2018	85	53%	76	47%	1	8%	11	92%	173
MAY 2018	126	61%	81	39%	2	25%	6	75%	215
JUNE 2018	134	41%	193	59%	3	19%	13	81%	343
JULY 2018	266	55%	220	45%	3	15%	17	85%	506
AUGUST 2018	207	44%	268	56%	17	44%	22	56%	514
SEPTEMBER 2018	134	36%	241	64%	33	36%	59	64%	467
OCTOBER 2018	163	34%	314	66%	32	43%	42	57%	551
NOVEMBER 2018	141	39%	216	61%	28	39%	71	61%	456
DECEMBER 2018	99	40%	149	60%	14	32%	30	68%	292
JANUARY 2019	120	49%	122	51%	11	31%	24	69%	277
FEBRUARY 2019	175	46%	203	54%	14	26%	40	74%	432
MARCH 2019	100	40%	147	60%	11	79%	4	21%	262
APRIL 2018 - MAR 2019	1,750	44%	2,230	56%	169	33%	339	67%	4,488

During the period, the FLA made great strides in increasing the number of applications processed by the Board.

Pictorial Highlights

Christmas/Staff Appreciation Function



Mixology



Digicel 5k Run/Walk



FLA Administrative Assistant Day



Meet Our Directors



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



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



Standing from the left: Mr. Cleveland Crooks (Compliance), Ms. Verona Lemonius, Ms. Diedre Mullings, (Applications & Certification), and Mr. Haleem Anderson (Finance).

Sitting from the left: Ms. Kimoy Gaynor (Corporate Planning & Client Relations), Ms. Denise Walfall (Procurement), Ms. Aldean Campbell (Investigation) and Ms. Letine Allen (Special Projects).

Meet Our Managers



Standing from the left: Monique Patterson (Investigation) Andre Morrison (Information Systems and Technology), Rasheeka Holt (Firearm Records and Information), Simone (Quality Control), Camille Lennox (Human Resources and Development), and Errol Brown (Special Projects).

Sitting from the left: Nichelle Duncan (Examinations), Richieka Whyte-Edwards (Applications), Elsworth Callum (Compliance and Enforcement), Tamika Shimhue (Finance), Camille Thomas-Lawrence (Special Projects).

Meet Our Teams

THE GENERAL ADMINISTRATION DEPARTMENT



The General Administration Department consists of the Office of the CEO, Corporate Planning & Client Relations Unit, Internal Audit Unit, the Special Projects Unit and the Firearm Records and Information Unit which was formerly a part of the Finance Department. The General Administration Department coordinates the activities of the other five (5) departments and the Regional Offices, in tandem with the Board of the Authority. In executing the functional responsibilities of the FLA this department is guided by the specifications of the Firearms Act and Regulations.

The department has the responsibility of ensuring that the operational plans of each department and office are in line with the strategic objectives of the Authority. Additionally, the department monitors & evaluates each department to ensure that targets are achieved, for the success of the Authority.

- **The Corporate Planning & Client Relations Unit:** This unit is responsible for reporting to and communicating with our stakeholders. Several reports and plans are developed by

this unit including the CEO's Board Report, the MNS Quarterly Reports, the Annual Reports, and the Strategic Business and Operational Plans. The Unit also includes a call center facility that is responsible for streamlining the high volume of calls received on a daily basis and giving quality service to customers. The call center is supervised by the Corporate Communications Officer; this post was implemented in 2018.

- **The Internal Audit Unit:** This unit is responsible for the monitoring and evaluation of internal processes to ensure that the integrity and intended purposes of procedures are being maintained. Additionally, this branch provides support to senior management in recommending new or amended procedures based on audits conducted, that will assist in increasing efficiency and mitigating risk.
- **The Firearm Records and Information Unit:** This unit handles all applications and licenses. All activities and decisions are fully and accurately documented, managed, and monitored in accordance with the regulatory framework and record management best practices. The unit ensures that there is increased adherence to existing records and archives legislation and regulations for the effective and efficient management of the records and information assets of FLA.
- **The Special Projects Unit:** This unit is tasked to clear the backlog of Applications and miscellaneous files, along with carrying out other duties assigned by the CEO. The unit is presently processing and completing current investigations of Miscellaneous Files (Compliance and Enforcement (CED) files and Investigation Department files), along with carrying out other investigations assigned by the CEO.

THE APPLICATION & CERTIFICATION DEPARTMENT



The Application and Certification Department is mandated to realize the vision, mission, and strategic objectives of the Firearm Licensing Authority. This is achieved by delivering efficient service to the clients through professional and industry-standard customer service. The department is comprised of the following units; Applications, Renewals, Firearm Examination, and Ballistics.

- **The Applications Unit:**

This unit is responsible for the collection and processing of applications and is vital to the first and final stages of the application process

- **The Renewals Unit:**

The renewal unit is responsible for the renewals and the recertification of licenses. This unit has obtained the organization's objective of processing renewal within an average time of twenty-five (25) minutes.

- **The Firearm Examination and Ballistics Unit:**

This unit is responsible for the processing, examination, tracking, and marking of all approved firearms under the Authority.

Highlights/Achievements:

- Implementation of the QLogic customer numbering system;
- Installation of the Camera and Quality Assurance (QA) machine.
- The Examination Unit developed and implemented a correspondence tracking system to electronically log the movement of correspondence and application which allows us to monitor the processing time of same.
- Firearm testing projects were conducted and completed for the testing of one thousand nine hundred and forty-five (1,945) private Security Company Firearms; of the total five hundred and ninety (590) firearms that were marked for destruction, three hundred and thirty (330) firearms were tested as the remaining balance were defective therefore could not be tested.
- A total of five hundred and ninety (590) firearms, firearm parts, and components that were obsolete and unserviceable were sorted and tagged for the destruction project.
- The Data Input Unit was transferred to the Application and Certification Department.
- Two (2) BrassTraxx machines were replaced with newer versions.
- The Department processed three thousand nine hundred and thirteen (3,913) new applications for the period.
- A total of thirty-two thousand three hundred and eighty-nine (32,389) licensed firearm holders were renewed for the period.

THE INVESTIGATION DEPARTMENT



The Investigation Department aims to foster confidence in the service provided by the Firearm Licensing Authority (FLA) through comprehensive, transparent, unbiased reports that can stand up to scrutiny; while upholding the tenets of professionalism, integrity, and good customer service. The branch has undergone several process reviews in a concerted effort to enhance productivity and advance the efficiency of the organization.

Highlights/Achievements:

- From April 2018 to March 2019, the branch processed five thousand three hundred and twenty-seven (5,327) new applications that were submitted for a board decision.
- There has been a massive increase in the number of security clearances received for license holders and new applicants which has aided the department in processing the files. The total number of clearances received in 2018/19 is thirteen thousand nine hundred and ninety-nine (13,999).
- Modification of IT system accommodating file tracking movement to all Investigators and Regional Offices.
- Improved filing and records management system, installation of shelves and preparation of a master list, recording all files in the department; aiding checks and balances.

THE COMPLIANCE & ENFORCEMENT DEPARTMENT



The Compliance and Enforcement Department is mandated to conduct mandatory and frequent audits of all Security Companies, approved Ranges, Dealers, Trainers, and Gunsmiths. The department investigates complaints from and against Licensed Firearm Holders. As part of the audit process, the team recommends policy changes to ensure more efficient control in the discharge of FLA's mandate. Guidance is given to the Security Companies, Approved Range Operators, Dealers and Trainers to increase compliance and adherence to the Firearms Act and FLA regulations.

Highlights/Achievements:

- All audits of Ranges, Dealers, and Security Companies were completed.
- All Security Companies were renewed.
- Ninety-three percent (93%) of revocation orders were served

THE INFORMATION SYSTEMS & TECHNOLOGY DEPARTMENT



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

- **The Quality Control Unit:** This unit is tasked with ensuring that all data in regards to customers, applications, and information are accurately uploaded. The unit carries out constant quality control checks and assessments to ensure that overall integrity is being maintained

Highlights/Achievements:

- The website development has been completed except the upload of a few reports.
- The Application Management System software was upgraded to allow the internal tracking of New Application files. Software is in use and is functional.

- BrassTraxx software upgrade was completed. An upgrade was done to facilitate 3D imaging and two (2) defective Data Concentrators were replaced.
- Quotation for the PBX system was submitted for review and further discussion.
- A delinquent list was completed for Civilians, Police, and Soldiers.
- Installation of Digicel Internet, 10MB Fiber in Montego Bay regional office, and 3MB peer-to-peer Wireless in Mandeville regional office. In addition, the upgrade of the Internet bandwidth at the FLA head office from 8MB to 20MB was completed.

THE FINANCE & ADMINISTRATION DEPARTMENT



The Finance & Administration Department has been persistent in achieving its overall objective throughout the fiscal year 2018/2019, which is the efficient management of the human, financial and physical resources of the Firearm Licensing Authority (FLA). The Department is responsible for the operations of three (3) units; Finance, Human Resource Management & Development, and Procurement & Office Services.

- **The Finance Unit:** This unit provides prudent management of the organization's finances to ensure the viability of the Authority to meet the fiscal targets set by the Ministry of Finance & the Public Service.
- **The Human Resource Management & Development Unit:** This unit is committed to the development and well-being of the employees of the Firearm Licensing Authority.
- **The Procurement & Office Services Unit:** This unit ensures the efficient distribution and use of the Authority's assets.

Highlights/Achievements:

- All deadlines were met in respect of statutory deductions, salary deductions, and reports to external parties such as the Ministry of Finance & Public Service.

- Members of staff submitted their declaration of assets, liabilities, and income to the Integrity Commission.
- Staff complement has now increased to one hundred and fifty-seven (157) members.
- The canteen at the Head Office has been refurbished.
- The Montego Bay Regional Office has been successfully re-configured with the implementation of a container building that is fully equipped to accommodate up to twenty-eight (28) staff members and a testing area.
- The implementation of a customer flow management queuing system.
- The installation of service contracts with reputable companies in an effort to have monitored schedules for the service and repairs of equipment.
- The security camera system has been upgraded and is now able to clearly capture images while facilitating a storage period of over six (6) months.

MONTEGO BAY REGIONAL OFFICE



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

The Office continues to offer the range of services provided at the headquarters, which includes accepting and investigating applications for firearm applications for licences and permits, renewal of existing licence, and conducting and the re-certification interview of existing licence holders, amongst others.

Highlights/Achievements

- The region saw a significant reduction in the backlog of files in the investigative unit.
- Operational highlights for the period under review show:
 1. Processing of six hundred and sixty-two (662) new Firearm Applications.
 2. Processing of seven thousand nine hundred and fifteen (7915) Renewals.
 3. Processing of two thousand and ninety-eight (2098) Recertification Interviews.
- A renovation exercise was executed. All main customer areas were relocated to the ground floor which increased access to relevant areas by customers, and additional bathrooms were constructed.
- An additional 3M Machine was implemented at the renewals area.
- The Branch now offers a walk-in service for holders requiring recertification

MANDEVILLE REGIONAL OFFICE



The Mandeville Regional Office's mandate is to respond to the service needs of residence in southern Jamaica, primarily in the parishes of Manchester, Clarendon, St. Elizabeth, and Southern Trelawney. Similar to the Montego Bay Regional Office, the Mandeville Regional Office offers all services offered at headquarters. However, some processes require completion at the head office, for example, processing High-Security Identification Cards.

Highlights/Achievements:

- All firearms in storage were updated on the Vault Management System.
- Positive feedback was garnered from Customer Satisfaction Survey Forms completed by customers.
- Cross-training was done in the area of Biometrics, Fingerprinting, Firearm Examination Unit, Customer Service, & Data Entry.
- Processing of three hundred and sixty-four (364) new Firearm Applications
- All Renewals have been processed in an average of thirty minutes.
- All firearms were tested by the ballistics unit.

Annual Compensation for Senior Management April 2018 to March 2019

Name and Position of Directors	Fees (\$)	Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Review Board					
Hon. Justice (Ret'd) Seymour Panton Review Board Chairman	1,200,000	N/A	N/A	N/A	1,200,000
Ms. Caroline Hay (Ret'd) Snr. DPP Review Board Member	1,000,000	N/A	N/A	N/A	1,000,000
SSP (Ret'd) Kelso Small Review Board Member	1,000,000	N/A	N/A	N/A	1,000,000
Board of the Authority					
Colonel (Ret'd) Audley Carter Board Chairman*	1,220,074	492,000 (*)	N/A	N/A	1,712,074
Mr. Khaleel Azan Board Member*	1,193,300	492,000 (*)	N/A	N/A	1,685,300
Justice (Ret'd) Marva McIntosh Board member	1,552,900	642,400	N/A	N/A	2,195,300
Mr. Albert Edwards Board Member	1,072,547	642,400	N/A	N/A	1,714,947
Ms. Ena Rose Board Member	1,627,605	642,400	N/A	N/A	2,270,005

(*) Colonel Audley Carter and Mr. Khaleel Azan were appointed to the Board in July 2018 and received travelling fees from July 2018 to March 2019.

Annual Compensation for Senior Management (cont'd)

Name and Position of Senior Executives	Salary (2018-19) (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Senior Executives							
Mr. Shane Dalling Chief Executive Officer	10,121,000	-	- (**)	N/A	-	N/A	10,121,000
Mr. Cleveland Crooks Director, Compliance & Enforcement	2,782,000	-	1,543,000	N/A	N/A	N/A	4,323,000
Mr. Haleem Anderson Finance & Administration	2,819,000	550,000	1,543,000	N/A	N/A	N/A	4,912,000
Ms. Aldean Campbell Director, Investigations	3,036,000	-	1,543,000	N/A	N/A	N/A	4,579,000
Ms. Deidre Mullings Applications & Certification	2,777,000	626,000	1,543,000	N/A	N/A	N/A	4,946,000
Ms. Verona Lemonius Director, Information Systems & Technology	2,280,000	-	814,000	N/A	N/A	N/A	3,094,000
Ms. Letine Allen Director, Special Projects	4,054,000	898,000	1,543,000	N/A	N/A	N/A	6,495,000
Ms. Kimoy Gaynor Director, Corporate Planning & Client Relations	2,271,000	342,000	814,000	N/A	N/A	N/A	3,427,000

(**) – Mr. Shane Dalling was provided with a motor vehicle in July 2018, which was fully maintained by the Authority. Therefore, a travelling allowance was not required.

INCOME GENERATION

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

Core Services	Fees (March 2017 – April 2018)
Firearm User's Licence	\$12,000.00
Firearm User's (Employees) Certificate	\$5,000.00 (+\$500.00 per additional firearm)
Firearm User's (Special) Licence	\$12,000.00
Firearm User's (Restricted) Licence	\$6,000.00
Firearm Dealers' Licence	\$200,000.00
Gunsmith Licence	\$25,000.00
Appeal Fee	\$12,000.00



Income and Expenditure Comparison: FY 2017/18 vs. FY 2018/19



Details	Financial Year 2016-2017	Financial Year 2017-2018
Licence Fee Income	\$676,268,928	\$648,303,905
Interest Income	\$21,124,674	\$13,514,628
Total Expenses	\$565,363,596	\$572,799,222
Net Surplus	\$122,161,190	\$100,454,450

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



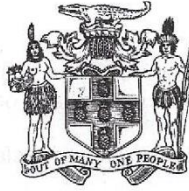
FIREARM LICENSING AUTHORITY
FINANCIAL STATEMENTS

MARCH 31, 2018

FIREARM LICENSING AUTHORITY
Financial Statements
Year ended March 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Firearms Licensing Authority

Opinion

I have audited the accompanying Financial Statements of the Firearm Licensing Authority (FLA), set out on pages 1 to 17, which comprise the Statement of Financial Position as at March 31, 2019, Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, the Financial Statements give a true and fair view of the financial position of the Firearm Licensing Authority as at March 31, 2019, and of its financial performance, and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the Financial Statements for the year ended March 31, 2019. I have determined that there are no key audit matters to report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with IPSAS. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the Financial Statements, management is responsible for assessing the FLA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there are plans to liquidate the FLA or to cease operations, or has no realistic alternative but to do so.


Auditor's Responsibility for the audit of the Financial Statements

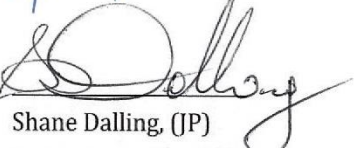
My responsibility is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with the auditing standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements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

**FIREARM LICENSING AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019**

	Note	2019 \$	2018 \$
Non-current assets			
Property, plant and equipment	6	129,939,266	112,514,732
Intangible assets	7	791,583	516,533
		<u>130,730,849</u>	<u>113,031,265</u>
Current assets			
Inventory	8	2,516,148	2,771,416
Receivables	9	37,280,599	17,989,019
Cash and cash equivalents	10	503,224,042	474,163,448
		<u>543,020,789</u>	<u>494,923,883</u>
Total assets		<u><u>673,751,638</u></u>	<u><u>607,955,148</u></u>
Current liabilities			
Payables	11	81,396,526	53,842,756
Employee benefits	12	31,922,579	17,485,913
		<u>113,319,105</u>	<u>71,328,669</u>
Net assets		<u><u>560,432,533</u></u>	<u><u>536,626,479</u></u>
Equity			
Accumulated surplus		<u>560,432,533</u>	<u>536,626,479</u>
Total equity		<u><u>560,432,533</u></u>	<u><u>536,626,479</u></u>

Approved for issue on behalf of Firearm Licensing Authority on
its behalf by:


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

April 26, 2022 and signed on

Shane Dalling, (JP)
Chief Executive Officer

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

**FIREARM LICENSING AUHTORITY
STATEMENT OF FINANCIAL PERFORMANCE
YEAR ENDED MARCH 31, 2019**

Revenue	Note	2019 \$	2018 \$
Licence fees		653,772,201	676,268,928
Storage fees		7,465,600	4,856,000
Book fees		750,800	601,400
Total operating revenue		661,988,601	681,726,328
Expenses			
Salaries and related costs	13	252,202,384	244,712,429
Travelling		67,323,338	62,222,939
Property related expenses		9,170,534	5,276,043
Office rental		29,417,872	27,623,544
Utilities		29,597,833	25,713,957
Board expenses		12,348,727	15,549,618
Security		36,758,630	29,737,944
Depreciation and amortization	6, 7	50,351,880	44,728,376
Motor vehicles expenses		3,778,012	9,214,963
Software maintenance		5,276,414	7,717,293
Audit fees		206,353	206,353
Other expenses	14	76,849,429	68,694,719
Tax expenses		22,518,178	23,965,418
Total operating expenses		595,799,584	565,363,596
Operating surplus		66,189,017	116,362,732
Interest income		14,029,648	21,124,674
Gain on asset disposal		1,215,000	850,000
Miscellaneous income		2,372,389	823,784
		17,617,037	22,798,458
Surplus for the year		83,806,054	139,161,190
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Special Distribution	16	(60,000,000)	(17,000,000)
Net Surplus		23,806,054	122,161,190

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

**FIREARM LICENSING AUTHORITY
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2019**

	Note	Accumulated Surplus \$	Total \$
Balance as at March 31, 2017		414,465,289	414,465,289
Transferred to Accountant General Surplus for the year		(17,000,000) <u>139,161,190</u>	(17,000,000) <u>139,161,190</u>
Balance as at March 31, 2018		536,626,479	536,626,479
Transferred to Accountant General Surplus for the year		(60,000,000) <u>83,806,054</u>	(60,000,000) <u>83,806,054</u>
Balance as at March 31, 2019		<u>560,432,533</u>	<u>560,432,533</u>

The accompanying notes form an integral part of the financial statements

**FIREARM LICENSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2019**

	2019 \$	2018 \$
Cash flows from operating activities:		
Surplus for the period	83,806,054	139,161,190
Items not affecting cash resources:		
Depreciation & amortisation	50,351,880	44,728,376
Interest income	(13,630,873)	(21,124,674)
Gain on disposal	(1,215,000)	(850,000)
	<u>119,312,061</u>	<u>161,914,892</u>
Changes in operating assets and liabilities:		
Inventories	255,268	1,211,116
Receivables	(22,966,787)	(3,632,750)
Payables	27,553,770	(3,576,465)
Employee Benefits	14,436,666	(1,295,540)
	<u>138,590,978</u>	<u>154,621,253</u>
Net Cash provided by operating activities		
Cash Flows from Investing Activities:		
Capital expenditure	(68,051,464)	(53,656,261)
Proceeds from sale of fixed assets	1,215,000	850,000
Interest Received	17,306,080	18,564,963
	<u>(49,530,384)</u>	<u>(34,241,298)</u>
Net cash used in investing activities		
Cash Flows from Financing Activities:		
Special Distribution	(60,000,000)	(17,000,000)
	<u>(60,000,000)</u>	<u>(17,000,000)</u>
Net cash used in financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	29,060,594	103,379,955
Cash and cash equivalents at beginning of year	474,163,448	370,783,493
Cash and cash equivalents at end of year (Note 10)	<u><u>503,224,042</u></u>	<u><u>474,163,448</u></u>

The accompanying notes form an integral part of the financial statements

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

1. IDENTIFICATION

The Firearm Licensing Authority (FLA) was established in 2005 by an Act of Parliament; on March 1, 2006 the Firearm Amendment Act (2005) came into operation, and with it, the Firearm Licensing Authority was established as a statutory organization within the Ministry of National Security. The Act provides that the Authority is responsible for the control, manufacture, sale, purchase, importation, exportation, trans-shipment, disposal, possession and use of firearms and ammunition in Jamaica. The Authority is managed by a Board of Directors and a Chief Executive Officer, and reports to the Minister of National Security.

The functions of the Authority are:

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

The Authority shall have the power to –

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

2. BASIS OF PREPARATION

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

3. ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

3. ACCOUNTING JUDGMENTS AND ESTIMATES (Cont'd)

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Property, Plant and Equipment

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

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

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

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

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

(b) Intangible Assets

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

(c) Impairment of non-current assets

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

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Inventory

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

(e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. The authority's financial instruments at March 31, 2019 were receivables and payables.

Financial assets

(i) Classification

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

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

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

(ii) Recognition and Measurement

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

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

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Financial instruments (Cont'd)

Financial assets (Cont'd)

(ii) Recognition and Measurement (Cont'd)

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

Financial Liabilities

(i) Classification, Recognition and Measurement

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

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

(f) Employee benefits

(i) Vacation leave entitlements

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

(ii) Gratuity

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

(g) Revenue recognition

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

Interest income is recognized in the Statement of Financial Performance for all interest-bearing instruments on an accrual basis unless collectability is doubtful.

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) General Consumption Tax & Income Tax

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

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

(i) Foreign currency translation

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

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

(j) Leases

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

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

(k) Related parties

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

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

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

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

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

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Related parties (Cont'd)

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

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

5. FINANCIAL RISK MANAGEMENT

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

a) Market Risk

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

Interest Rate Risk

Interest rate risk is the risk that the value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority's interest rate risk arises from variable rate deposits held at various financial institutions. At the reporting date, the total value of variable rate financial instruments is: **\$452,840,961(2018: \$443,044,458)**

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

5. FINANCIAL RISK MANAGEMENT (Cont'd)

a) Market Risk (Cont'd)

Interest Rate Risk (Cont'd)

Cash flow sensitivity analysis

	Increase/(decrease) in surplus	
	2019	2018
	\$	\$
1% (2018: 0.5%) increase	4,528,410	2,215,222
1% (2018: 0.5%) decrease	(4,528,410)	(2,215,222)

b) Credit Risk

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

Maximum exposure to credit risk

	2019	2018
	\$	\$
Cash and cash equivalents	503,224,042	474,163,448
Receivables	20,324,118	4,426,648
	<u>523,548,160</u>	<u>478,590,096</u>

c) Liquidity Risk

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

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

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

5. FINANCIAL RISK MANAGEMENT (Cont'd)

c) Liquidity Risk (Cont'd)

The table below summarizes the maturity profile of the Authority's financial liabilities at March 31, 2019 based on the contractual undiscounted payments.

	Carrying Amount \$	Contractual Amount \$	Due within 3 months \$	Due within 1 year \$
March 31, 2019				
Payables	81,396,526	81,396,526	81,396,526	-
Employee benefits	31,922,579	31,922,579	-	31,922,579
	<u>113,319,105</u>	<u>113,319,105</u>	<u>81,396,526</u>	<u>31,922,579</u>
March 31, 2018				
Payables	53,842,756	53,842,756	5,084,313	48,758,443
Employee benefits	17,485,913	17,485,913	-	17,485,913
	<u>71,328,669</u>	<u>71,328,669</u>	<u>5,084,313</u>	<u>66,244,356</u>

6. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles \$	Office Equipment \$	Furniture & Fixtures \$	Computer Equipment \$	Leasehold Improvements \$	Total \$
Cost						
At April 1, 2018	28,971,992	91,776,496	13,728,482	48,704,547	124,931,340	308,112,857
Additions	9,786,019	19,290,360	4,056,992	13,054,936	21,448,157	67,636,464
Disposals	(5,900,000)	-	-	-	-	(5,900,000)
At March 31, 2019	<u>32,858,011</u>	<u>111,066,856</u>	<u>17,785,474</u>	<u>61,759,483</u>	<u>146,379,497</u>	<u>369,849,321</u>
Depreciation						
At April 1, 2018	11,679,175	64,814,319	4,800,224	23,930,519	90,373,888	195,598,125
Charges	5,534,211	11,121,478	1,456,922	9,675,474	22,423,845	50,211,930
Disposals	(5,900,000)	-	-	-	-	(5,900,000)
At March 31, 2019	<u>11,313,386</u>	<u>75,935,797</u>	<u>6,257,146</u>	<u>33,605,993</u>	<u>112,797,733</u>	<u>239,910,055</u>
Net Book Value						
At March 31, 2019	<u>21,544,625</u>	<u>35,131,059</u>	<u>11,528,328</u>	<u>28,153,490</u>	<u>33,581,764</u>	<u>129,939,266</u>
At March 31, 2018	<u>17,292,817</u>	<u>26,962,177</u>	<u>8,928,258</u>	<u>24,774,028</u>	<u>34,557,452</u>	<u>112,514,732</u>

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

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

7. INTANGIBLE ASSETS

Cost	
At 1 April 2018	\$ 596,000
Additions	415,000
At 31 March 2019	<u>1,011,000</u>
Amortisation	
At 1 April 2018	79,467
Charge for the year	139,950
At 31 March 2019	<u>219,417</u>
Net Book Value:	
31 March 2019	<u>791,583</u>
31 March 2018	<u>516,533</u>

8. INVENTORY

	2019	2018
	\$	\$
Licence cards	622,097	2,522,371
Other	1,894,051	249,045
	<u>2,516,148</u>	<u>2,771,416</u>

9. RECEIVABLES

	2019	2018
	\$	\$
Staff Receivables	20,755,744	4,657,681
Interest Receivable	1,496,390	5,171,597
Withholding Tax Receivable	7,268,201	7,256,270
Prepayments	394,222	855,172
Other Receivables	7,366,042	48,299
	<u>37,280,599</u>	<u>17,989,019</u>

10. CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Short term deposits	452,840,961	443,044,458
Cash at bank	50,215,509	30,634,481
Cash on hand	167,572	484,509
	<u>503,224,042</u>	<u>474,163,448</u>

Short term deposits have a tenure of 30-180 days and are at interest rates of 0.75% to 4.60% per annum.

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

11. PAYABLES

	2019	2018
	\$	\$
Accounts Payable	5,324,445	2,043,650
Accrued Expenses	25,402,989	2,908,483
Customer deposits	47,810,943	48,758,443
GCT Payable	794,535	-
Other Payables	2,063,614	132,180
	<u>81,396,526</u>	<u>53,842,756</u>

12. EMPLOYEE BENEFITS

	2019	2018
	\$	\$
Gratuity Payable	21,728,002	9,796,103
Vacation Leave Payable	9,859,482	7,427,543
Other Benefits Payable	335,095	262,267
	<u>31,922,579</u>	<u>17,485,913</u>

13. SALARIES AND RELATED COSTS

i.	2019	2018
	\$	\$
Salaries and wages	203,465,923	202,878,055
Gratuity	32,030,546	24,333,872
Vacation	5,658,711	6,102,402
Employer's statutory contribution	11,047,204	11,398,100
	<u>252,202,384</u>	<u>244,712,429</u>

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

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

	2019	2018
Permanent	132	136
Temporary	20	10
	<u>152</u>	<u>146</u>

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

13. SALARIES AND RELATED COSTS (Cont'd)

iii. Executive Salaries

				2019	2018
	Salary	Travelling	Gratuity	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	10,121	-	-	10,121	8,350
Director Finance & Administration	2,818	1,579	557	4,954	4,428
Director Information Systems & Technology	2,294	813	-	3,107	3,266
Director Compliance & Enforcement	2,796	1,525	-	4,321	6,880
Director Application & Certification	2,777	1,543	637	4,957	4,012
Director Investigations	3,050	1,543	-	4,593	5,314
Director Corporate Planning & Client Relations	2,271	769	346	3,386	3,259
Director Special Projects	4,062	1,543	898	6,503	4,630
Director Public Procurement	581	251	-	832	-
Director Regional Office Montego Bay	2,794	1,537	664	4,995	-
Director Regional Office Mandeville	2,794	1,459	661	4,914	-

**FIREARM LICENSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

14. OTHER EXPENSES

	2019	2018
	\$	\$
Access & License Cards	3,768,969	3,041,945
Accommodation	5,169,195	2,460,484
Advertising & Public Relations	1,438,201	2,453,613
Bank Charges	4,261,265	3,118,016
Cable TV Services	284,175	275,787
Cleaning & Sanitation	4,095,353	2,400,396
Computer Repairs/Maintenance	2,053,497	648,731
Contributions	1,920,497	21,000
Courier Services	357,238	43,694
Custom Fees	2,596,272	390,413
Delivery/Haulage Charges	276,861	110,500
Equipment Rental	89,326	315,650
Gun Related - Ammo etc.	867,030	584,369
Insurance	483,156	394,810
Locksmith	209,737	155,118
Membership Fees	79,280	97,129
Office expenses	-	1,276,975
Postal Charges	37,513	44,200
Printing	6,421,175	7,559,741
Professional Fees	8,266,738	10,644,919
Repairs & Maint.- Furniture & Equip.	3,498,618	4,584,598
Seminars & Conferences	796,110	563,683
Signs	50,021	-
Staff Meeting/Function	8,608,115	13,301,530
Staff Training	1,731,445	1,284,186
Staff Welfare	11,680,375	6,666,935
Stationery & Office Supplies	7,334,257	5,703,409
Subscriptions - Magazines/Newspapers	475,010	552,888
	<u>76,849,429</u>	<u>68,694,719</u>

15. LEASE COMMITMENTS

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

	2019	2018
	\$	\$
Within 1 year	29,158,764	26,660,851
Within 2 years	-	2,715,656
Within 5 years	10,166,186	-
	<u>39,324,950</u>	<u>29,376,507</u>



LOCATIONS

1

Firearm Licensing Authority Headquarters
91A Old Hope Road, Kingston 6,
(876) 927-5159-60 / 927-6057-59
Email:fla@cwjamaica.com

2

Montego Bay Regional Office
Shop #9, Bogue City Centre
Bogue, Montego Bay, St. James
(876) 978-0245

3

Mandeville Regional Office
Shop G15, James Warehouse Plaza,
Mandeville, Manchester
(876) 927-6073 / (876) 927-6075
(876) 618-0487

4

St. Ann Regional Office
Diary Road,
Discovery Bay, St. Ann
Tel: (876)

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