



An Agency of the Ministry of Industry, Commerce, Agriculture and Fisheries

"Protecting Your Rights, Securing Our Future"

# CONSUMER AFFAIRS COMMISSION

Annual Report

# 2016/ 2017



## Mission

*To make Jamaica a better place by facilitating ethical relations between Providers and Consumers.*

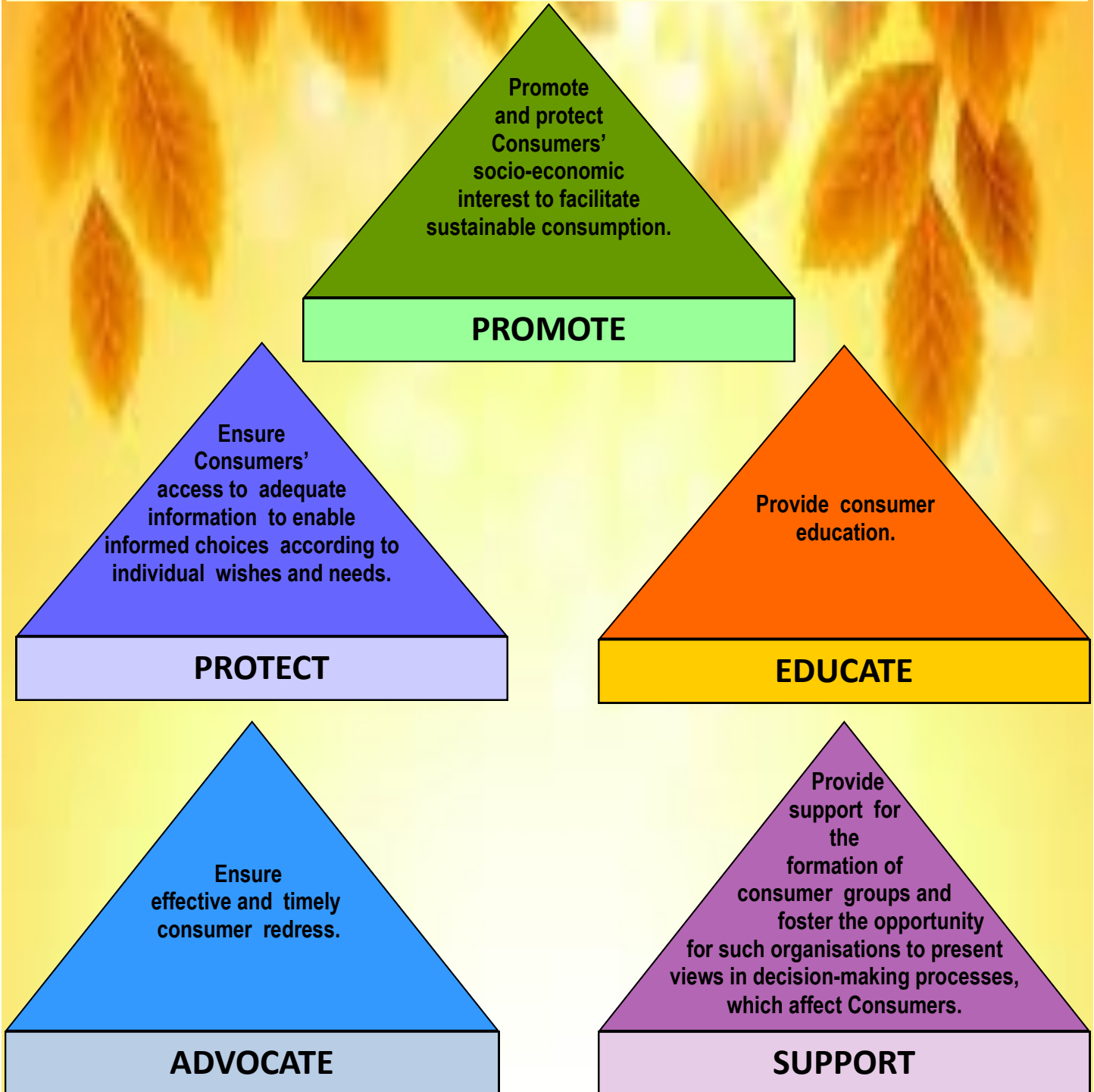
## Vision

*In 2020, the CAC is an objective, proactive, responsive and technologically driven Agency that has forged strategic alliances with key stakeholders resulting in responsible consumers and providers understanding and exercising their rights and responsibilities in the Jamaican marketplace.*



# Our role and function

The Consumer Affairs Commission's role and function are driven by consumers' rights and strategic objectives which are as follows:

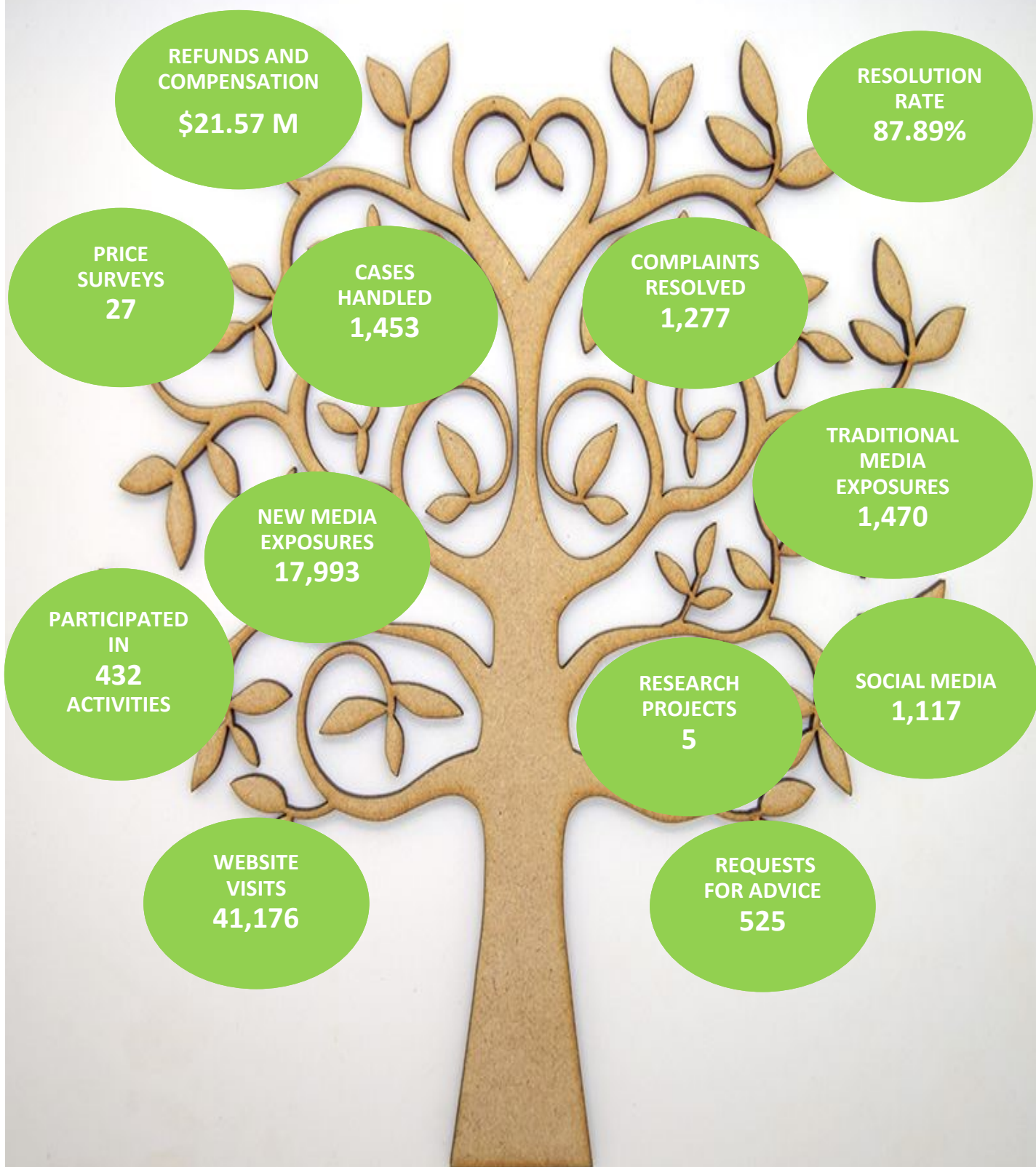


# Charter of rights

The rights of the consumer are derived from the Charter of Rights of the Consumer and the United Nations Guidelines for Consumer Protection to which Jamaica became a signatory in 1985. There are eight (8) basic Consumer Rights which the Consumer Education Programme of the Commission is based on, and are as follows:



# A fruitful year...



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## Consumer Affairs Commission

**\$21.57 M**  
secured on behalf of aggrieved  
consumers

**1,453**  
cases handled

**1,277**  
resolved

**87.89%**  
resolution rate

# Glossary of terms

Acronyms	Definitions
AIA	Aid-In-Appropriation
BOJ	Bank of Jamaica
CARREX	Caricom Rapid Alert Exchange System
CAC/Commission	Consumer Affairs Commission
CPSC	Consumer Product Safety Commission
CB	Caribbean Broilers
CI	Consumers International
CPA	Consumer Protection Act
CPC	Consumer Protection in the Caribbean
CPT	Consumer Protection Tribunal
CMS	Case Management Service
CSHN	Consumer Safety and Health Network
CTMS	Central Treasury Management System
FISC	Financial Inclusion Steering Committee
FY	Financial Year
HEART/NTA	Human Employment and Resource Training Trust/National Training Agency
IDB	Inter-American Development Bank
IMF	International Monetary Fund
ISO	International Organisation for Standardisation
JAMPRO	Jamaica Promotions Corporation
JBA	Jamaica Bankers' Association
JBDC	Jamaica Business Development Corporation
JCC	Jamaica Chamber of Commerce
JCDC	Jamaica Cultural Development Commission
JGRA	Jamaica Gasoline Retailers Association

Acronyms	Definitions
JIS	Jamaica Information Service
JMA	Jamaica Manufacturers Association
JPSCo	Jamaica Public Service Company Ltd
MICAF	Ministry of Industry, Commerce, Agriculture and Fisheries
MOFP	Ministry of Finance and Planning
MOH	Ministry of Health
NCRA	National Compliance Regulatory Authority
NAHFSC	National Agricultural Health and Food Safety Committee
NCL	National Consumer League
NFIS	National Financial Inclusion Strategy
NFIT	National Food Industry Task Force
NPGE	National Policy on Gender Equality
NYS	National Youth Service
OAS	Organisation of American States
OUR	Office of Utilities Regulation
ODPEM	Office of Disaster Preparedness and Emergency Management
PAHO	Pan American Health Organisation
PMAS	Performance Management and Appraisal System
PSOJ	Private Sector Organisation of Jamaica
PTA	Parent Teachers Association
PSTU	Public Sector Transformation Unit
SMS	Short Message Service
ULSD	Ultra-Low Sulphur Diesel
USP	Un-interrupted Power Supply
WCRD	World Consumer Rights Day



# Transmittal Letter

January 30, 2018

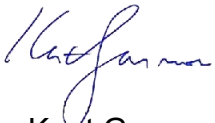
Honourable Karl Samuda, CD, MP  
Minister of Industry, Commerce, Agriculture and Fisheries  
Ministry of Industry, Commerce, Agriculture and Fisheries  
4 St. Lucia Avenue  
Kingston 5

Dear Minister:

In accordance with Section 15 of the Consumer Protection Act, I transmit herewith the Commission's report for the year ended March 31, 2017 and a copy of the Commission's Audited Accounts as at March 31, 2017, duly certified by the Auditors.

I am,

Yours respectfully,



Mr. Kent Gammon,  
Chairman

# Board of Commissioners



The Honourable Karl Samuda, Minister of Industry, Commerce, Agriculture and Fisheries (centre at head of table) joined in the first meeting of the newly appointed Board Directors of the Consumer Affairs Commission in August 2016.

# Our Board of Commissioners



**Kent Gammon**  
Chairman



**Dorothy Carter-Bradford**  
Deputy Chairman



**Daenia Ashpole**  
Director



**Vernon Derby**  
Director



**Tess Maria Leon**  
Director



**Rachel McDonald**  
Director



**Michelle Parkins**  
Director



**Damali Thomas**  
Director



**Ian Walters**  
Director



**Donovan White**  
Director



**Morland Wilson**  
Director



**Joyce Young**  
Director

# Board Committees

## FINANCE AND AUDIT

- **Mr. Donovan White**  
Chair
- **Mr. Ian Walters**
- **Mr. Vernon Derby**

## HUMAN RESOURCE AND ADMINISTRATION

- **Mrs. Dorothy  
Carter-Bradford**  
Chair
- **Mrs. Joyce Young**
- **Moreland Wilson**

## LEGAL AND CORPORATE GOVERNANCE

- **Mr. Damali Thomas**  
Chair
- **Ms. Daenia Ashpole**
- **Mr. Kent Gammon**

## PUBLIC RELATIONS

- **Ms. Tess Maria Leon**  
Chair
- **Ms. Daenia Ashpole**
- **Ms. Rachel McDonald**

# Chairman's Message



# Chairman's Message

It is the mandate of the Consumer Affairs Commission (CAC) to increase consumer confidence by empowering them to make the right decisions when purchasing goods and services in the marketplace. To fulfil this mandate during the 2016/17 Financial Year, the Commission focused its energies on thematic drives to complement the overarching theme of **information empowerment**.



Kent Gammon  
Chairman

The CAC is a unique organisation, which rightly holds a special place in the Jamaican society. It offers consumers the advice they need to solve their problems on an incredibly diverse range of issues. The Commission makes it easy to access this advice, through thousands of outreach activities held at schools, libraries, expositions, trade shows and via presentations; as well as online and over the phone.

Among the areas addressed during the period were:

- Bad Gas
- Cybersecurity
- E-Commerce
- Food Safety (corned beef ban and fake rice)
- Product Recall Notices
- Financial Inclusion
- Banking Fees

Although these areas resonated strongly with consumers and were prominently highlighted in the media, the Commission also worked behind the scenes through its contribution to consumer policy via Technical Committees and legislative reviews. It is for this reason that the scope of the CAC's mandate can be deemed unlimited, as new issues are always being brought to the Commission's attention. As a result, this has reinforced the Commission's quest to facilitate ethical relations between consumers and providers in the marketplace.

While the remit of the Commission, based on the Consumer Protection Act (CPA) (2005) Amended 2012, has always been consumer protection, inherent to achieving this, is the need for consumers to also be empowered through education. This is a core activity of the Commission and its efforts will be redoubled so that consumers are aware of what their rights and responsibilities are under the CPA.

## Looking towards the 2017/18 Financial Year


During the 2017/18 Financial Year, the Commission remains committed to exploring new policy and legislative areas. The Agency will continue to work diligently with the Bureau of Standards

Jamaica and the National Compliance and Regulatory Authority to ensure that consumers have all the information they need on a product when making purchases. The Commission is aware of the lingering grievances the effects of the purchase of 'bad gas' has had on consumers between December 2015 to April 2016 and will continue to meet with the major stakeholders in the petroleum industry in arriving at an amicable solution to consumers.

The Commission is also cognisant of the concerns of consumers about products in the marketplace that may cause harm and will continue to collaborate with the Ministry of Industry, Commerce, Agriculture and Fisheries (portfolio ministry), the Bureau of Standards Jamaica, the Jamaica Customs Agency and the Ministry of Health in tracking down the source of such products.

The Commission will continue to carryout its monitoring role in its bid to protect consumers. However, integral to the Commission's success in fulfilling these objectives is the need for consumers to make reports when they observe anomalies or illegal activities taking place in the marketplace, so that the requisite actions can be quickly taken to protect all consumers in Jamaica.

The strides made during the 2016/17 Financial Year were made possible by the dedicated staff of the Commission. The progress made, the improvements introduced and the innovation delivered were all important in charting the way forward for the 2017/18 Financial Year. On behalf of the Board, I thank each and everyone for their unstinting support, as together we remain committed to ensuring that the Commission's contribution is included in all facets of life to ensure that the rights of the consumer are observed and protected.

  
.....  
Mr. Kent Gammon,  
Chairman

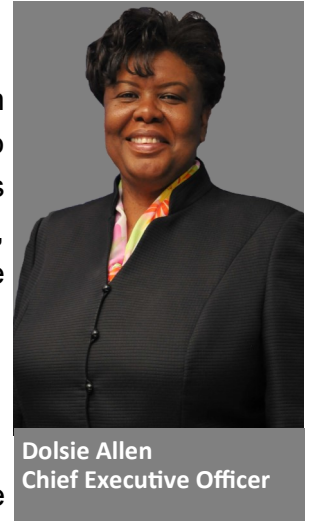
# Chief Executive Officer's Report





# Chief Executive Officer's Report

During the 2016/17 Financial Year, the Consumer Affairs Commission (CAC) continued to build on its solid foundation of operational excellence to empower and educate consumers. In so doing, the Commission sharpened its focus on delivering more value to consumers by advancing the digital agenda, reinforcing the consumer rights and responsibilities campaign and made important steps with regards to consumer policy.



Dolsie Allen  
Chief Executive Officer

## Strategy and Performance

The issue of consumer protection and empowerment is key to ensuring the transparent operation of the marketplace. As the agency mandated to protect consumers as stated by the Consumer Protection Act (2005) (Amended 2012), the role and functions of the Commission therefore touched all areas of life. Each year, based on the complaints made by consumers or the broader issues which are highlighted in the socio-economic dialogue, the contribution of the Commission is not only relevant, but key to ensuring consumer safety and health.

## Complaints Resolution

One of the key areas addressed by the Consumer Affairs Commission is that of complaints resolution whereby the Commission assists consumers and providers to resolve issues that occur due to unsatisfactory transactions taking place in the marketplace. For the 2016/17 Financial Year, the Commission handled 1,453 cases of which 1,277 were resolved which reflected a resolution rate of 87.8%. However, in terms of refunds and compensation on behalf of aggrieved consumers, the Commission secured \$21.57 Million.

**CONSUMER AFFAIRS COMMISSION**  
An Agency of the Ministry of Industry, Commerce, Agriculture and Fisheries  
"Protecting Your Rights, Securing Our Future"

**"BAD GAS": FINAL CALL FOR COMPLAINT DOCUMENTS!**

Pursuant to its legal mandate, the Consumer Affairs Commission (CAC) continues to investigate complaints relating to "bad gas" with a view to seeking redress under the Consumer Protection Act from the persons/entities responsible.

In this regard, the Consumer Affairs Commission is urging affected consumers to submit the following documents **BY FRIDAY, APRIL 8, 2016**:

1. Name, address and telephone numbers.
2. Detailed report from mechanic or dealer outlining the problem and corrective action taken.
3. Receipt of petrol purchased or if unavailable, provide date and place of purchase.
4. Photographs of work carried out and affected parts if available.
5. Receipt of parts purchased, repairs and any other related costs, e.g. wrecker fees.
6. Any other helpful information.

For more information, kindly contact the:

**Consumer Affairs Commission**  
34 Trafalgar Road, Kingston 10  
OR  
30-34 Market Street, Montego Bay, St James  
or  
23 Caledonia Road, Mandeville, Manchester  
Tel: 1 876-906-5425/906-8568, 906-0813  
Toll Free: 1 888-991-4470 • Fax: 1 876-906-7525  
Email: info@cac.gov.jm • Website: www.cac.gov.jm

## Bad Gas

The issue of "bad gas" surfaced in November 2015 when consumers began making complaints to the Commission about petrol bought at service station pumps causing their vehicles to malfunction. These complaints continued into the last quarter of the 2015/16 Financial Year, when consumers were urged to make their complaints to the Commission by April 8, 2016. The reports informed the then Ministry of Science, Technology, Energy and Mining (MSTEM) now Ministry of Science, Energy and Technology (MSET) to spearhead the activities geared towards identifying the contaminant. The Commission was named to the Committee charged with examining

Advertisement placed in both the Jamaica Gleaner and Observer on April 24, 2017 urging consumers to submit their complaint documents regarding "bad gas".

the current processes governing the petrol trade, identifying any loopholes and making recommendations. A specially convened Working Committee was formed by the Consumer Affairs Commission to evaluate the complaints that were made by consumers. As at the 2016/17 Financial Year, this Committee evaluated approximately 224 of the 382 complaints about bad gas which have been submitted to the Commission with the required documentation. It should be noted that what is generally referred to as the bad gas claims are treated separately and are not included in the overall complaints handled by the Commission.

## **Corned Beef Ban**

On March 20, 2017, the Ministry of Industry, Commerce, Agriculture and Fisheries imposed an immediate import ban on corned beef originating from Brazil. The move followed reports from Brazilian authorities that several major Brazilian meat processors had been “selling rotten beef and poultry”. The companies were also alleged to have paid hefty bribes to auditors in exchange for fraudulent sanitary licenses. It should be noted that Brazil supplied 99.5 per cent of the corned beef in the local market.

Given the seriousness of the situation, the Minister of Industry, Commerce, Agriculture and Fisheries, the Honourable Karl Samuda called an emergency meeting with officials from the portfolio ministry, the Ministry of Health, the Consumer Affairs Commission, the Bureau of Standards Jamaica, the National Compliance Regulatory Authority, and the Jamaica Customs Agency. In addition, the Ministry convened a meeting with the major distributors and importers of corned beef.

Following the discussions, it was agreed that given the implications for the country’s public health, the following steps were to be taken immediately:

1. A temporary hold placed on all permits for the import of corned beef from Brazil.
2. As a precautionary measure, all corned beef currently on the shelves were withdrawn.
3. The National Food Recall Committee met immediately to determine next steps and inform when it would be safe to consume the product.

During the period, the Bureau of Standards Jamaica conducted chemical test profiles to ascertain the contents of corned beef on the market and the Veterinary Services Division of the Ministry conducted microbiological and residue tests to ascertain whether contaminants were present in the products on the local market.

A fact finding mission to Brazil led by the Veterinary Services Division of the Ministry of Industry,



The Hon. Karl Samuda (2nd right), Minister of Industry, Commerce, Agriculture and Fisheries, discusses steps to be taken to address allegations regarding corned beef imported from Brazil with representatives from the Ministry of Health, Jamaica Customs Agency, Consumer Affairs Commission, National Compliance Regulatory Authority and The Bureau of Standards Jamaica. Others from left are Dr. Osbil Watson, Chief Veterinary Officer at the Ministry; Permanent Secretary Donovan Stanberry; and Chief Technical Director, Dermon Spence.

Commerce, Agriculture and Fisheries and comprised food safety experts in the Ministry of Health was also undertaken. The Consumer Affairs Commission was part of the team.

## World Consumer Rights Day 2017

The Consumer Affairs Commission (CAC) joined the rest of the global community in observing World Consumer Rights Day (WCRD) on March 15, 2017 under the theme '**Empowering Consumers in the Digital Age**'. Each year, the theme is chosen by Consumers International (CI), the world federation of consumer groups, comprising 240 Member organisations in 120 countries.

To realise this objective, the CAC staged a number of activities between March 12 and 17, 2017. In addition, consumer sensitisation will continue throughout the rest of the year.

This is against the background that the internet is multi-jurisdictional and void of sufficient global legal protection mechanisms for the consumer. Therefore, consumers must be made aware that they should be responsible when using it. As such, the CAC's message concentrated on the provision of information geared towards reducing risks while engaging in the digital sphere. Key areas of focus included:

**Consumer Affairs Commission**  
An Agency of the Ministry of Industry, Commerce, Agriculture and Fisheries

**W**ednesday March 15, 2017 marks World Consumer Rights Day (WCRD) which has been celebrated annually since March 15, 1983. It provides an opportunity for the rights of all consumers to be promoted, respected and protected.

However, questions remain about how to improve the quality of services, which online services can consumers trust, what happens to the data they share online and what are the rights of consumers in relation to digital products and services.

As government, we will continue the work to ensure that regulations and laws governing e-commerce transactions are in place. It is imperative that inter-connectivity standards are developed in the areas of disclosure, digital signatures, content regulation, certification, privacy and encryption.

While being mindful of how to reduce the risks of falling prey to others who use the internet for illegal purposes, Jamaica will be able to take advantage of its rapid growth and the many opportunities that it has created. The government is committed to this process as evidenced in the facilitating of the Business Process Outsourcing (BPO) sector; the implementation of the new ASICYLUDA system; and the general investment in training as it relates to the logistics and supply chain management.

On this World Consumer Rights Day, I urge all consumers to be responsible about their conduct when using the internet, especially in minimising the inherent risks that technological advancement brings to the modern world...the digital age.

Globally, electronic commerce (e-commerce) has merged domestic and international marketplaces. Information and communication technologies have eroded physical boundaries and improved the ease of doing business, thereby creating greater efficiencies in cross-border trade. Locally, many consumers are now able to conduct electronic transactions including banking activities without physical and time constraints.

Jamaica, through the Consumer Affairs Commission, the agency mandated to empower consumers and providers is pleased to join with the global consumer community in bringing greater awareness about issues affecting consumers. Under the theme, "**Empowering Consumers in the Digital Age**", the Commission will continue to highlight the challenges of operating in the digital sphere.

Happy World Consumer Rights Day Jamaica!

**CONSUMER AFFAIRS COMMISSION**  
34 Trafalgar Road, Kingston 10, Jamaica  
Tel: 1-876-906-5425, 906-8568, 906-0813 • Website: [www.cac.gov.jm](http://www.cac.gov.jm) • Email: [info@cac.gov.jm](mailto:info@cac.gov.jm) • Follow us on [Twitter](#) • Like us on [Facebook](#)

⇒ **Online transactions (banking, shopping cross border transactions) and data privacy focusing on what to do when and after engaging online.**

⇒ **Legislative gaps and consumer exposure.**

⇒ **Social media concentrating on safety (including geographical locations).**

The World Consumer Rights Day 2017 message which was published in the Jamaica Gleaner and Jamaica Observer on Wednesday March 15, 2017.

In the broader context: service issues related to insufficient high speed wireless technologies; irregular service; and, affordability and access of the available technology for consumers.

## Local and International Partnerships

As the leader in consumer protection locally and regionally, the Consumer Affairs Commission is able to maintain this status through its partnerships developed locally, regionally and internationally. Among the most notable alliances formed during the 2016/17 Financial Year were: Memorandum of Understanding (MOU) formalised and courtesy call made; National Agriculture Health Food Safety and Coordinating Committee, CARREX and National Food Industry Task Force.

## Memorandum of Understanding and Courtesy Call

In a bid to facilitate ethical relations between consumers and providers while empowering and protecting consumers in the marketplace, the Consumer Affairs Commission sought to formalise

its working relationships with the Office of the Utilities Regulation, the Office of the Public Defender as well as re-engaged the Private Sector Organisation of Jamaica.



Private Sector Organisation of Jamaica (PSOJ) President, Mr. Paul B. Scott (centre) discussing matters relating to ethical business practices in the marketplace with Consumer Affairs Commission Chairman Mr. Kent Gammon (right) and Chief Executive Officer, Mrs. Dolsie Allen. The CAC and the PSOJ will continue to work together to further facilitate a competitive environment, while protecting the rights of consumers. The occasion was a courtesy call on the PSOJ by the CAC on October 18, 2016.



Chief Executive Officer of the Consumer Affairs Commission (CAC), Mrs. Dolsie Allen (left); and Director General of the Office of Utilities Regulation (OUR), Mr. Ansord Hewitt (right), sign a Memorandum of Understanding (MOU), which will see the entities working more closely to provide speedy redress for consumer complaints. The signing ceremony was held on January 19 at the CAC's corporate offices in St Andrew. Looking on is Chairman of the CAC, Mr. Kent Gammon (seated centre).

### ***CARICOM Level II Training on Risk Assessment and Product Safety***



Workshop participants in the CARICOM Level II Training on Risk Assessment and Product Safety workshop held at the Marriott Courtyard Hotel on February 8, 2017.

The CARICOM Level II Training on Risk Assessment and Product Safety workshop was designed to build capacity with respect to Caricom Rapid Alert Exchange System (CARREX). Its objective was the provision of a more advanced level of training to 60 regional CARREX National Contact Points (NCPs) and Standards officials who previously participated in the Level I training, held in collaboration with the Organisation of American States (OAS) Secretariat in December 2014 in Suriname. This training which was in collaboration with the United States Consumer Product Safety Commission (CPSC) further strengthened and built the capacity of officials of the CARREX National Network (CNN) and the CARICOM Secretariat who are responsible for the daily operationalisation and implementation of CARREX.

The training sought to further enhance the knowledge and experience of participants in risk assessment and product safety. In so doing, the CNNs would be better able to detect and assess unsafe products and take timely measures necessary to halt the circulation of products which pose a serious risk to the health and safety of consumers in the region. The training was also aimed at facilitating more active and competent market surveillance processes for non-food consumer goods

and enabled the Member States to contribute more meaningfully to the effective and efficient utilisation of CARREX nationally and regionally.

The training led by the US Consumer Product Safety Commission (CPSC), focused on risk assessment and management, product safety, investigative techniques and enforcement.

### ***National Agriculture Health Food Safety and Coordinating Committee (NAHFSCC)***

As the government agency mandated by law to protect consumers in the marketplace, the Consumer Affairs Commission is also a member of the National Agriculture Health Food Safety and Coordinating Committee (NAHFSCC). The NAHFSCC is the oversight monitory body comprising Ministries, Departments and Agencies (MDAs), and academia engaged in the production, manufacturing, import and export, storage and distribution of all foods consumed in Jamaica. The Commission's role is therefore critical as it is the Agency which informs consumers about foods that are not safe to be consumed and the process of obtaining redress.

### ***National Food Industry Task Force***

The Consumer Affairs Commission was invited to become a member of the National Food Industry Task Force (NFIT), that was officially convened by the Honourable Christopher Tufton, Minister of Health, on September 22, 2016. It is expected that the Committee develop and implement a national plan to combat non-communicable diseases (NCDs) as part of the overall Government of Jamaica imperative under the United Nations Sustainable Development Goals as well as Vision 2030.

### **Looking towards 2017/18 Financial Year**

For the 2017/18 Financial Year, the Consumer Affairs Commission will seek to develop a National Consumer Policy geared towards a collaborative approach to consumer protection working in tandem with the legislative framework. The Commission will also lend its voice in advocating for consumers to be treated fairly when conducting e-commerce activities given that the current legislation does not adequately address this area of commerce.

Also included in the Commission's agenda for the 2017/18 Financial Year are the issues pertaining to cyber crime and the need for consumers to be educated about the pros and cons when utilising the internet.



.....  
Mrs. Dolsie Allen,  
Chief Executive Officer

# World Consumer Rights Day 2017



Mr. Kent Gammon, Chairman of the Consumer Affairs Commission speaking to guests at the head table, (l-r) Inspector Warren Williams, Cybercrime Unit - Jamaica Constabulary Force; Mr. Stephen Wedderburn, Chief Technical Director, Ministry of Industry, Commerce, Agriculture and Fisheries; Mr. Lloyd Parchment, Jamaica Bankers Association and Mrs Dolsie Allen, Chief Executive Officer, CAC.



Mr. Stephen Wedderburn, Chief Technical Director, Ministry of Industry, Commerce, Agriculture and Fisheries addressing the audience on behalf of the Honourable Karl Samuda, CD, M.P, Minister of Industry, Commerce, Agriculture and Fisheries while (l-r) Mr. Kent Gammon, Chairman of the CAC and Mr. Lloyd Parchment, Jamaica Bankers Association, listen.



Mr. Ansord Hewitt, Director General, Office of Utilities Regulation brought greetings.



A cross-section of the audience with the Directors of the Consumer Affairs Commission sitting front and centre (l-r) Ms. Tess Maria Leon, Mrs. Joyce Young, Mr. Vernon Derby and Ms. Daenia Ashpole.



L-R: Mr. Kent Gammon, Chairman, CAC; Inspector Warren Williams, Head of Cybercrime Unit, JCF; Mr. Stephen Wedderburn, Chief Technical Director, MCAF; Mrs. Dolsie Allen, CEO, CAC; Mr. Vernon Derby, Board Director, CAC encouraging consumers to work towards a #BetterDigitalWorld.



A cross-section of the audience comprising Heads of Agencies, Consumer Affairs Commission Board Directors (second left: Ms. Tess Maria Leon, Mrs. Joyce Young, Mr. Vernon Derby, Ms. Daenia Ashpole, Mr. Damali Thomas, Ms. Michelle Parkins and Mrs. Dorothy Carter-Bradford) and students from Ardenne High, St Mary Technical High School, Boys' Town NCTVET and HEART College of Beauty Services.



Students of the St. Mary Technical High School and the Heart College of Beauty Services having a wonderful time learning about their consumer rights and responsibilities while Mr. Richard Rowe, Regional Officer - CAC, provided guidance.



Mrs. Dolsie Allen (left), Chief Executive Officer, Consumer Affairs Commission and Mr. Vernon Derby, Nationwide News Network (NNN) Talk Show host of the programme "At Your Service" handing over a gift certificate valued at \$10,000 to Christine McFarlane, the consumer who provided the winning answer to the World Consumer Rights Day 2017 challenge which was aired on the programme.



"College Day" at Knox Community College was a World Consumer Rights Day 2017 affair as Mr. Tim Watson, Regional Officer — CAC, engaged the students about being "Empowered Consumers in the Digital Age".

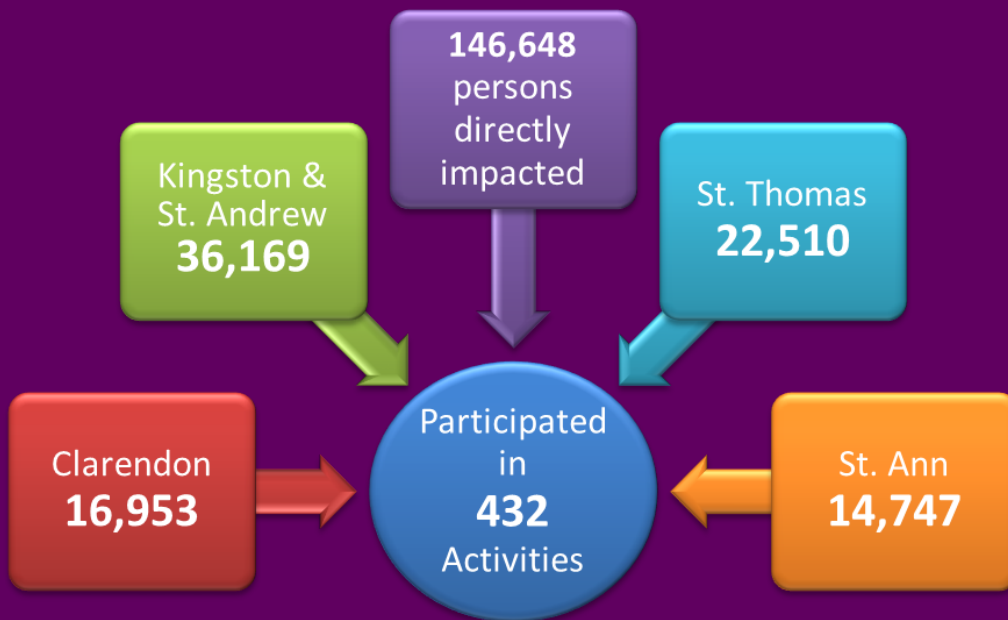


Mrs. Suzette Grigg-Cummings, Regional Officer — CAC, giving a presentation to members of staff and visitors at the St. James Parish Library in Montego Bay on World Consumer Rights Day 2017.



An animated Mr. Richard Rowe making a presentation to students at the Bridgeport High School in November 2016. Inset - a student responding to a question posed.

# Consumer Education





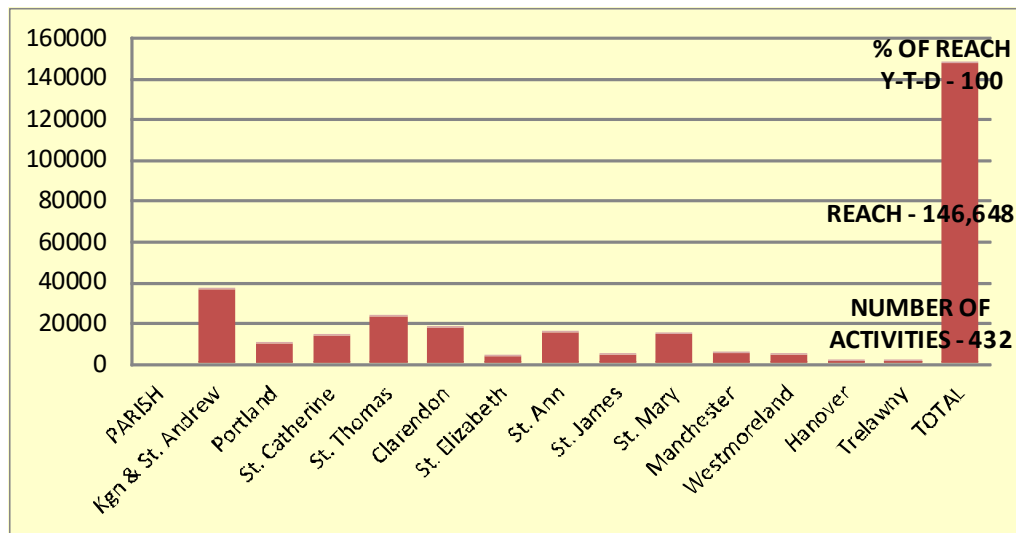
# Consumer Education

Consumer Education is one of the core responsibilities of the Field Operations Unit. It is also one of the eight (8) consumer rights.

According to UNESCO, “As with issues of citizenship and health, consumer education is a key cross-curricular theme. Traditionally, consumer education was seen as the study of prudent shopping habits, family budgeting, and ways of avoiding advertising and credit traps. However, consumerism touches on all aspects of daily life in the modern world and might be seen as a core value”.

As at the end of the 2016/17 Financial Year, the Consumer Affairs Commission directly impacted **146,648** persons through its participation in **432** activities. This achievement resulted in the Commission exceeding its target by **46,648** or **46.7%**. During the period under review, **86,748** or **59.2%** were adults, while students accounted for **59,900** or **40.8%** of the total consumers reached.

**Chart 1 shows the number of activities and persons directly impacted via outreach activities during the 2016/17 Financial Year**



The top three parishes with the largest reach were Kingston & St. Andrew with **36,169** or **24.7%**, St. Thomas with **22,510** or **15.3%** and Clarendon with **16,953** or **11.6%**. Of importance however, is the fact that the Commission’s outreach programme was executed in all parishes across the island throughout the year.

**Table 1 highlights the Actual Reach Per Quarter – Adults & Students during the 2016/17 Financial Year**

Quarters	Reach Adults	Reach Students	Total	No. of Activities	Average Reach Per Activity
Q1 Achievements	20,745	15,591	36,336	95	382
Q2 Achievements	16,604	5,357	21,961	103	213
Q3 Achievements	14,052	13,573	27,625	98	282
Q4 Achievements	35,347	25,379	60,726	136	446
Year's Achievement	86,748	59,900	146,648	432	399

The Commission's audiences continued to be dominated by **Females** as they accounted for **92,656** or **63%** and **males 53,992** or **37%**.

**Table 2 shows the Gender breakdown for the total outreach activities for the 2016/17 Financial Year**

Period	Females	Males	Total	% of	% of Males
Q1 Achievements	23,570	12,766	36,336	64.9	35.1
Q2 Achievements	14,124	7,837	21,961	64.2	35.2
Q3 Achievements	17,835	9,790	27,625	64.6	35.4
Q4 Achievements	37,127	23,599	60,726	61.1	38.9
Year's Total	92,656	53,992	146,648	63.2	36.8

Among the main highlights of the activities participated in during the 2016/17 Financial Year were the following:

### Exhibitions

- Displays at the 4-H Clubs Parish Achievement Days and the National Achievement Day, Civil Service Week;
- Safety & Security Awareness Week;
- Caribbean Maritime Week Annual Expo;
- RJR/Gleaner Communications Group Cross Country Invasion;
- Office of Utilities (OUR) Parish Connections;
- Desk Days in branches of Courts and Singer Jamaica Limited outlets, COK Sodality branches during Credit Union Week and some supermarkets during the Christmas Season;
- Annual Denbigh Agricultural, Industrial and Food Show; and,

- The Jamaica Business Development Corporation's Global Entrepreneurship Week Open House & Business Incubator and Mobile Clinics.

### **Presentations**

- Schools' Staff Development Sessions;
- Parent Teachers Association Meetings and Parents' Days;
- HEART Trust/NTA;
- Tertiary Institutions;
- National Youth Service;
- Summer Camps organised by churches;
- Service Clubs;
- Senior Citizens' Associations;
- Community Groups;
- Staff in a number of Government Agencies and Departments as well as business places;
- Students doing CSEC Examinations at various schools
- Career, Health and Book Fairs; and,
- Clientele of hospitals and clinics in a number of parishes.

### **Exhibitions and Presentations**

- Health & Wellness Fairs organised by schools and community groups and the Jamaica Cultural Development Commission's Culinary Arts Regional Finals;
- Jamaica Agricultural Society Association's Branch Societies Annual General Meeting; and,
- National Council for Senior Citizens Club Culture Days.

# Communication and Information

Traditional Media

**1,470**



New Media

**17,993**



Social Media

**1,117**



# Communication and Information

The Communications Unit's core function is the dissemination of information via sustained communication/education and media campaign programmes. Inextricably linked to this function is the maintenance of the Consumer Affairs Commission's corporate image.

For the 2016/17 Financial Year, the Communications Unit recorded a total of **20,580** media exposures which were broken down as follows: Traditional **1,470**, New Media **17,993** and Social Media Original Posts **1,117**.

**Table 3 shows the total number of traditional media exposures recorded by the Consumer Affairs Commission between April 1, 2016 and March 31, 2017**

Month	Press Releases	Media Interviews	Print Articles	Radio Prog	Radio Prog	TV Prog	*Online / Social Media	Print Spots	Print Spots	Radio Spots	Radio Spots	TV Spots	TV Spots	New Media/ Email Marketing	New Media SMS Alert	Total Exposures
	Issued	(Radio, TV, print)	(Free)	(Free)	(Paid)	(Free)	(Free)	Paid	(Free)	Paid	(Free)	Paid	(Free)			
April	0	6	3	27	0	12	53	0	0	0	0	0	0	0	1,171	1,272
May	2	3	4	52	0	5	83	0	0	0	0	0	0	1,171	1,171	2,491
June	7	5	5	61	0	5	97	0	0	0	0	0	1	640	0	821
July	4	3	0	2	0	7	29	0	0	0	0	0	0	480	0	525
August	1	9	4	102	0	16	153	0	0	0	0	0	0	2,537	0	2,822
September	2	2	7	40	0	6	39	0	0	0	0	0	0	0	0	96
October	1	1	8	59	0	13	98	1	0	0	0	0	0	3,294	0	3,475
November	4	4	2	75	0	0	78	0	0	0	0	0	0	3,351	0	3,514
December	6	30	27	454	0	12	83	1	0	0	0	0	0	3,930	0	4,543
January	1	6	8	84	0	23	152	0	0	0	0	0	0	0	0	274
February	2	5	4	46	0	10	68	0	0	0	0	0	0	180	0	315
March	2	8	25	113	2	23	184	2	5	0	0	0	0	68	0	432
<b>Total</b>	<b>32</b>	<b>82</b>	<b>97</b>	<b>1115</b>	<b>2</b>	<b>132</b>	<b>1117</b>	<b>4</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>15,651</b>	<b>2,342</b>	<b>20,580</b>

## Advertising Expenditure

During the period under review, the Commission's spend on advertising was Two Million One Hundred and Ninety Thousand Six Hundred Eighty One Dollars and Ninety cents (\$2,190,681.90). A breakdown of the payments to each type of advertisement is as follows:

**Table 4 showing actual negotiated media opportunities for Financial Year 2016/17**

Yellow Pages (Print)	482,465.00	
Radio	300,000.00	
Newspaper (Bad Gas)	46,868.00	
FTC Magazine	15,000.00	<b>844,333.00</b>
WCRD (print)	1,268,124.85	
WCRD	78,224.00	<b>1,346,348.90</b>
<b>TOTAL</b>	<b>2,190,681.90</b>	

Cost savings, which were realised by the Commission for the period, April 1, 2016 to March 31, 2017 was significant, although below that of the previous FY 2015/16. The Commission's flexibility to negotiate were significantly curtailed, as the Financial Year saw the merger of the Gleaner/POWER 106 with the RJR Group which temporarily dwarfed the competitiveness of the other media houses based on the advertising packages that were offered. Several activities were cut back and media houses were forced to retail each programme minute of airtime which would often be free to non-profit and some government organisations.

However, the Commission was still able to benefit from the longstanding relationships and its position as a critical agency, providing information to consumers especially during uncertainty in the marketplace. This uncertainty reinforced by the incidents of alleged fake foods, recalls as well as the issue of "bad gas" were investigated by the CAC and kept the Agency in demand.

Cost savings on negotiated opportunities and exposures were estimated at the average market value of the period stated (FY 2016/17).

**Table 5 provides information on the non-cost media opportunities and the estimated value at the market rate for the Financial Year 2016/17**

Type of Media	Number of Negotiated Exposures	Estimated Cost Negotiated (per exposure)	Total Estimated Cost ('000)	Actual Spend	Total Cost of Exposures
Print (Newspaper)	97	\$50K (1/4 page average)	\$485,000.00	\$46,868.00	\$531,868.00.00
Print (FTC Magazine)	1	0	0	\$15,000.00	\$15,000.00
Print (Yellow Pages)	1	0	0	\$482,465.00	\$482,465.00
Print (WCRD)	1	0	0	\$78,224.00	\$78,224.00
WCRD Banking Fees	1	0	0	\$1,268,124.85	\$1,268,124.85
Radio	1,115	\$35K (30 seconds)	\$39,025,000.00	\$300,000.00	\$39,325,000.00
Television	132	\$35K x 5 minutes or (\$175K per exposure)	\$23,100,000.00		\$23,100,000.00
<b>TOTAL</b>	<b>1,348</b>		<b>\$62,610,000.00</b>	<b>\$2,190,681.85</b>	<b>\$64,800,681.85</b>

The Commission had a total of **1,348 free exposures** at a total cost savings of Sixty Two Million Six Hundred Ten Dollars (**\$62,610,000**) compared to actual cost of print and broadcast media in the amount of Two Million One Hundred and Ninety Thousand Six Hundred Eighty-One Dollars and Eighty-Five Cents (**\$2,190,681.85**)

The media exposure for which the CAC was not required to outlay any funds amounted to **96.6%** of the total cost of the exposures.

### **Projections for 2017/18 Financial Year**

While the Commission's monetary investment in its visibility campaign increased over the 2015/16 Financial Year, the allocation was insufficient to maintain a sustained presence. Therefore for the Commission to achieve its goal of a sustained media presence during the 2017/18 Financial Year, it is important that sufficient monetary allocation be made to facilitate the development of collaterals, placement of advertisements and execution of activities.

Based on the All Media Survey, radio is the medium by which most consumers can be reached and is cost effective. To ensure that the Commission obtains the best spend for its money while reaching its target audience, for the upcoming Financial Year, the focus will be placed on creating an identifiable jingle as well the creation of radio docu-dramas that will educate consumers about their rights and responsibilities.

# Complaints Resolution Services

Top Complaints from Consumers  
April 2016 - March 2017



### BY PARISH

- 1 St. Andrew
- 2 St. Catherine
- 3 Kingston
- 4 St. James
- 5 Manchester

### BY CATEGORY

- 1 Electrical Equipment & Appliances
- 2 Utility Services
- 3 Other Services (including finance, laundry, hair, education)
- 4 Hardware & Household Fixtures
- 5 Hardware & Household Fixtures

### BY REFUNDS/COMPENSATION

- 1 Automotive - \$15,643,840.77
- 2 Appliances and Electronic items - \$1,726,010.62
- 3 Hardware and Household Fixtures - \$856,415.50
- 4 Utility Services - \$763,054.68
- 5 Furniture - \$404,903



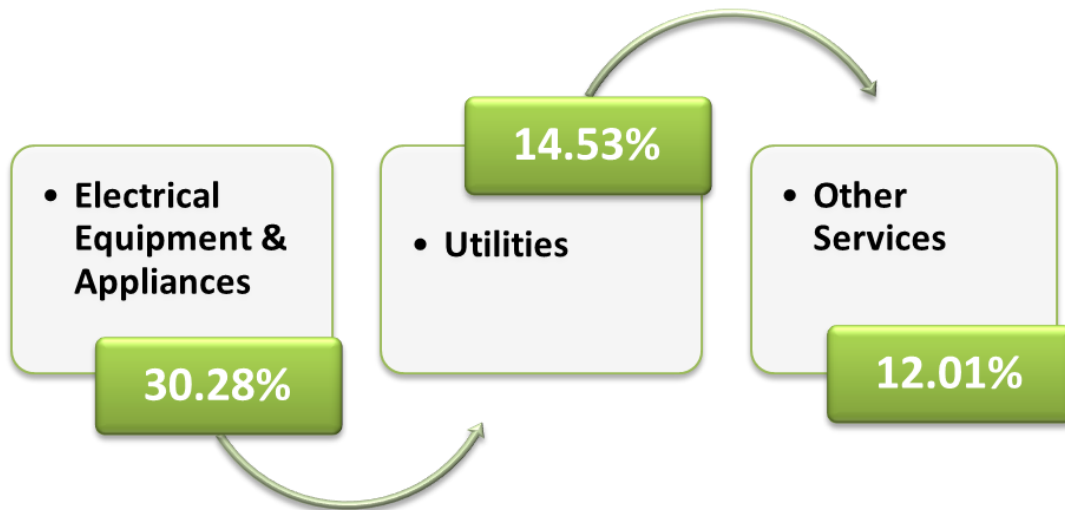


# Complaints Resolution Services

The Field Operations Unit's core responsibilities are complaints resolution services and consumer/business education. For the Financial Year April 1, 2016 – March 2017 the Commission resolved **1,277** cases of the **1,453** handled which resulted in a resolution rate of **87.89%**.

At the end of the Financial Year, the top complaint categories were similar to what has been evidenced over the past few years. The **Electrical Equipment & Appliances** category elicited the majority of the complaints filed with the Commission as the database showed that this category amounted to **30.28%** of all complaints filed. This was followed by the **Utilities** category with **14.53%** and thereafter **Other Services** with **12.01%**. The other complaint categories were **Cable Services - 8.52%**; **Motor Vehicle & Parts - 7.71%**; **Jewellery, Clothing, Kitchenware – 6.01%**; **Computer and Computer Hardware - 5.36%**; **Hardware - 4.22%**; **Furniture – 4.14%**; **Chemical, Pharmaceutical and Petroleum - 2.44%**; **Other – 2.11%**; and, **Payment Difficulties – 0.81%**.

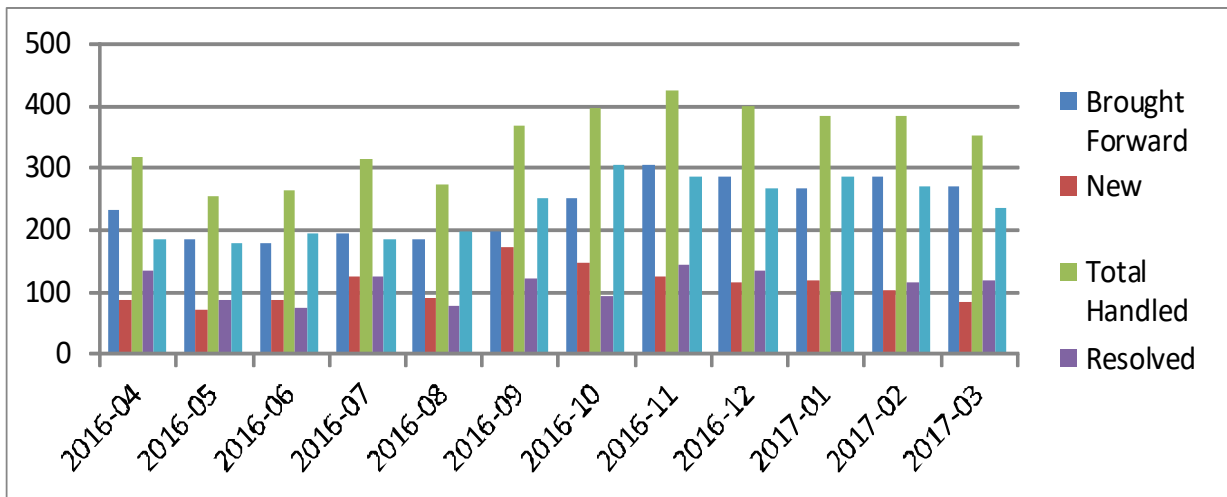
Figure 1 highlighting the top complaints category for the 2016/17 Financial Year



**Table 6 showing the case disposition by month during the 2016/17 Financial Year**

Month	Brought Forward	New	Total Handled	Resolved	Carried Forward
2016-04	229	86	315	132	183
2016-05	183	70	253	84	175
2016-06	175	85	260	72	191
2016-07	191	122	313	121	183
2016-08	183	89	272	76	196
2016-09	196	171	367	118	249
2016-10	249	145	394	92	302
2016-11	302	122	424	141	283
2016-12	283	114	397	131	266
2017-01	266	115	381	97	284
2017-02	284	99	383	114	269
2017-03	269	82	351	117	234
<b>Total</b>		<b>1300</b>		<b>1295</b>	

**Chart 2 highlights the case disposition by month during the 2016/17 Financial Year**



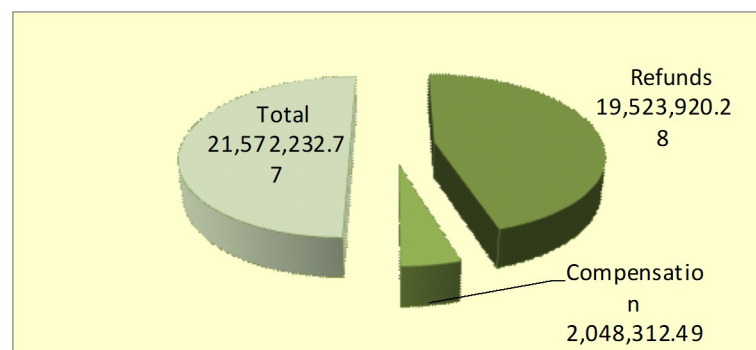
**Table 7 shows the case disposition by month during the 2016/17 Financial Year**

Category	Complaint	% of Total
C3 - Electrical Equipment, Appliances etc.	25	30.49%
C13 - Other Services (include complaints relating to services apart from those mentioned in 1- 11)	17	20.73%
C4 - Utilities	14	17.07%
C10 - Motor Vehicle & Parts	4	4.88%
C5 - Cable Services	7	8.54%
C7 - Jewellery, Clothing Kitchenware	5	6.10%
C11 - Payment Difficulties (in respect of tangible items only)	3	3.66%
C9 - Food and Beverages	0	0.00%
C1 - Furniture	3	3.66%
C2 - Hardware Items	1	1.22%
C8 - Chemical, Pharmaceutical and Petroleum Products	1	1.22%
C6 - Computer and Computer Parts	1	1.22%
C12 - Other (Other complaints against individuals where there are apparent breaches of contracts)	1	1.22%
<b>Total</b>	<b>82</b>	<b>100%</b>

### Refunds / Compensation

For the 2016/17 Financial Year, the Commission secured **\$21,572,232.77** in compensation/refund on behalf of aggrieved consumers. With regard to refund/compensation for the corresponding period in 2016, the Commission secured **\$27,143,083.92**.

**Chart 3 provides details of the compensation/refund obtained on behalf of consumers during the 2016/17 Financial Year**



### Advice and Information

There were **525** requests for advice and information for the Financial Year. This represents a significant decrease when compared to the corresponding period for the 2015/16 Financial Year as the number recorded was **876**.

# Market Research



# Market Research

**The Market Research Unit** is responsible for research, surveys and other market surveillance activities which provide evidence-based support for advocacy, consumer education, and the development and strengthening of national consumer policies.

For the 2016/17 Financial Year, 27 price surveys were conducted comprising: Petrol 12, Grocery 12, Hardware 1, Textbook 1 and Banking 1. In addition, 5 research projects were also carried out and included the Bureau of Standards Jamaica (BSJ) Customer Satisfaction; Commercial Banking Hall Wait Time; the CAC Clientele; CAC Staff Engagement and Companies Office of Jamaica (COJ) Customer Satisfaction studies. Of the research projects, two were paid consultancies; one was requested by the portfolio minister; and two were planned CAC targets. A trend analysis was also initiated to track awareness of the CAC brand among consumers. During the period, research data was consistently published on the CAC's website. A total of thirteen (13) Consumer Alerts™ (Grocery, Agricultural products and Banking Rates and Fees) were also published.

## World Commodity Prices

World commodity prices tracked FYTD revealed minimal price changes in Rice (-6%), Maize (-3%) and Soybeans (3%); and substantial price changes in Wheat (-17%), Sugar (19%) and Crude Oil (21%).

The average published United States Gulf Coast (USGC) Regular price was US\$1.54/gal, which was 3% (US\$0.04/gal) less than the previous month's price and 23% (US\$0.31/gal) more than the previous year's point to point price. This represented an increase of US\$0.16 (11%) for the 2016/17 FY.

The average published USGC Ultra Low Sulphur Diesel (ULSD) price was 32% or (US\$0.36/gal) greater than the previous year's. This was a reduction of 25% or (US\$0.30/gal) for the 2016/2017 fiscal period.

**Table 8 summarises petroleum price movements within the last 12 months**

Product	Avg. Observed price (J\$/litre)	Monthly Price Change	FYTD Price Change	Annual point-to-point Price Change
E10 87	128.46	7.2% (J\$8.63/litre)	15.5% (J\$17.23/litre)	19% (\$20.51/litre)
E10 90	137.07	6.7% (J\$8.56/litre)	14.6% (J\$17.45/litre)	18% (\$20.58/litre)
Diesel	127.29	6.6% (J\$7.89/litre)	21.7% (J\$22.73/litre)	26% (\$26.08/litre)
ULSD	136.02	2.8% (J\$3.75/litre)	16.7% (J\$19.48/litre)	18% (\$21.07/litre)

## Basket of Critical Items

An analysis of the CAC's basket of critical food items in supermarkets showed that the majority of commodities continued to experience marginal to moderate price increases between April 2016 and March 2017). See Table 9 below:

*Table 9 showing the Fiscal Y-T-D changes in supermarket prices for specific items in the CAC's basket of critical grocery items during the 2016/17 Financial Year*

Product	Quantity	Fiscal Year Change (%)
Brunswick Sardines	106 g	12
Bulk Dark Sugar	1 kg	11
Dried Salted Fish	1 kg	-10
Nestle Lactogen 1 Infant Formula	400 g	4
Anchor Powdered Whole Milk	80 g	4
Lasco Skimmed Milk Powder	80 g	-6
Bulk Cornmeal	1 kg	-5
Bulk Rice	1 kg	14
Bulk Counter Flour	1 kg	-1

A review of average prices of selected grocery items by counties revealed that the majority of the lowest prices were evident in the Cornwall County. Conversely, the majority of the highest prices were observed in Surrey.

The March 2017 grocery survey also showed that the majority of products surveyed - 91 (or 76%) of 119 - were readily available in over 50% of supermarkets surveyed.

## Agricultural Products

The price for the majority of a select set of local agricultural produce in supermarkets between February and March 2017 increased between 2% and 37%. Four products (Cabbage, Tomatoes, Onion and Yellow Yam) recorded price reductions between 3% and 16%. During the period 2016/2017 Financial Year, amongst the same select items, the majority had increased between 1% and 80%. Four products (Yellow Yam, Cabbage, Onion and Ripe Plantains) fell by 14, 12, 8 and 6 percent respectively.

Among the select set of agricultural products, the majority (64%) of the local variety was available in over 50% of outlets surveyed. The imported variety of agricultural products was unavailable in most outlets. Two imported products (Onion and Red Peas) however, were readily available in over 80% of outlets islandwide.

## Technical Committees

The Consumer Affairs Commission contributed to several Bureau of Standards Jamaica Technical Committees during the 2016/17 Financial Year. The main aim of the Commission serving on these Committees was to provide the consumer perspective to the standards which were developed.

### Electrical Practices and Products Technical Committee

- IEC 60335-1: 2010+AMD1: 2013+AMD2: 2016 Household and similar electric appliances - Safety-General requirements
- IEC 60335-2-3:2012+AMD1:2015 Household and similar electric appliances- Safety- Part 2-3: Particular requirements for electric irons
- IEC 60335-2-7:2008+AMD1:2011+AMD2:2016 Household and similar electrical appliances - Safety - Part 2-7: Particular requirements for washing machines
- IEC 60335-2-9:2008+AMD1:2012+AMD2:2016 Household and similar electrical appliances - Safety - Part 2-9: Particular requirements for grills, toasters and similar portable cooking appliances
- IEC 60335-2-69:2016 Household and similar electrical appliances - Safety - Part 2-69: Particular requirements for wet and dry vacuum cleaners, including power brush, for commercial use
- IEC 60335-2-80: 2015 Household and similar electric appliances- Safety- Part 2- 80: Particular requirements for fans
- IEC 60076-11:2004 Power transformers - Part 11: Dry-type transformers
- IEC 60335-2-21:2012 Household and similar electrical appliances - Safety - Part 2-21: Particular requirements for storage water heaters
- IEC 60065: 2014 Audio, video and similar electronic apparatus - Safety requirements

### Furniture Technical Committee

- JS 106 Part 3 Jamaican Standards Specifications for Plastic Chairs
- JS 106 Part 5 Jamaican Standards Specifications for Sleep Product Control
- JS 106 Part 6 Jamaican Standards Specifications for Laminated Bamboo Furniture

### Labelling Committee

- JS 1 Part 30 Labelling of Brewery Products (Beer, Stout, Ale, Malt Beverage)

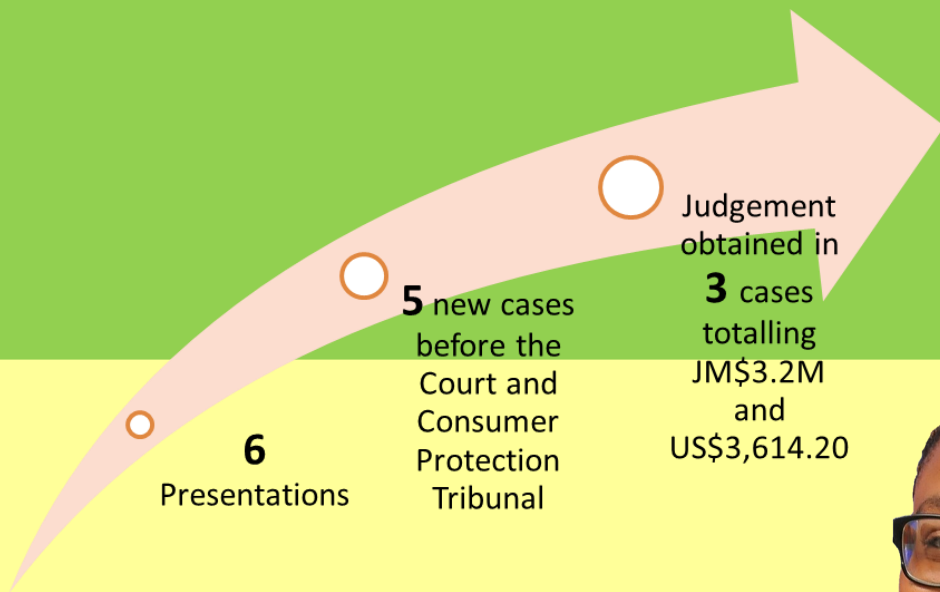
- JS 1 Part 15 Jamaican Standards Specification for the Labelling of Commodities. Part 15 Labelling of Household Chemicals
- JS 1 Part 17 Jamaican Standards Specification for the Labelling of Commodities. Part 17 The Precautionary Labelling of Hazardous Industrial Chemicals

### **National Food Standards Committee**

- JS 261: 2017 Jams, Jellies and Marmalades
- JS 171: 2017 Part Liquid Whole Milk (Cow's)
- JS 174: 2017 Liquid Low Fat (Half Skimmed or Partly Skimmed) Cow's Milk
- JS 173: 2017 Recombined Milk
- JS 87: 2017 Fluoridated Iodized Salt
- JS101: 2017 Granulated Sugar
- JS 102: 2016 Jamaican Standard Specification for Brown Cane Sugar
- CR42:201X CARICOM Regional Standard, Process Foods - Ketchup



# Legal Intervention



# Legal Intervention

The Legal Unit is responsible for the provision of legal representation to consumers before the courts and the Consumer Protection Tribunal (CPT). The Unit also provides legislative review towards the amendment of the Consumer Protection Act (CPA), opinions on in-house cases; as well as administrative/secretarial services to the Board of Directors and the CPT.

During the 2016/ 17 Financial Year there was an increase in the number of outreach activities as six (6) presentations were conducted by the Legal Unit; this included two (2) presentations to members of the Jamaica Constabulary Force (JCF) in order to sensitise them on the provisions of the Consumer Protection Act (CPA). The two (2) presentations to members of the (JCF) were conducted to Officers at the May Pen Police Station and the St. Ann's Bay Police Station. Presentations were conducted to consumers generally and to business operators as a part of the CAC's overall campaign to bring awareness to the protection granted under the CPA and the rights and responsibilities of consumers.

Five (5) new cases were filed before the Courts and the Consumer Protection Tribunal (CPT). Judgement was obtained in three (3) cases, namely, one (1) judgment from the Supreme Court, one (1) from the Corporate Area Parish Court and one (1) from the CPT amounting to a total of JM\$3,168,868.65 and US\$3,614.20 in judgments awarded to aggrieved consumers. Of the three (3) judgments received, one (1) was for a case filed before the CPT in the previous Financial Year.

The CAC continued its participation as a member of the Financial Inclusion Steering Committee (FISC) and the FISC Consumer Protection and Financial Capability Working Group. In relation to legal intervention in furthering the National Financial Inclusion Strategy (NFIS) and consumer protection in financial services on a whole, the CAC provided comments on the Micro-credit Bill 2016 and the Banking Services (Amendment) Bill 2016. In addition, the Commission continued to advocate for contractual terms to be kept clear and reasonable, for confidentiality of customer information to be maintained and for greater transparency to thwart unfair business practices.

For the 2017/18 Financial Year, the Commission will seek to:

- increase the number of outreach activities/presentations on the CPA, particularly to the JCF;
- continue to secure compensation for aggrieved consumers via litigation; and,
- finalise the simplifying of the CPA so consumers will have access to the law in a simplified version and should therefore be better informed about their rights and responsibilities.

# Information Technology

Case Management  
System Upgraded

Completed installation  
of Windows 10  
operating system



**The Information Technology (IT) Unit** is responsible for managing information and communication technologies in the Commission with an aim to increasing operational efficiency and improve availability of information to serve both the internal and external customers.

During the 2016/2017 Financial Year, the Commission completed a critical upgrade of the Case Management System and was able to maintain a 99.8% uptime for all computer systems. Additionally, the Commission completed the installation of the Windows 10 operating system throughout the organisation and upgraded a number of computers assigned to various officers.

### **Case Management System Upgrade Project**

On August 1, 2017 the upgraded Case Management System was implemented through the collaborative efforts of the Complaints and Information Technology units and the vendor. Since implementation, the new system has contributed significantly to the efficiency with which complaints are now being processed and has also improved reporting capabilities. The previous version of the system reached its limits of operational efficiency due to the growth in the number of complaints records in the system.

The new system was acquired without any capital expenditure as the Commission opted to rent the use of the system rather than purchasing the licenses. This proved very beneficial to the CAC, as the Commission was severely constrained by its finite budget, while there was a tremendous need for the upgrade.

Further improvement of the system is expected to bring new features like brand reporting and integrated email messaging.

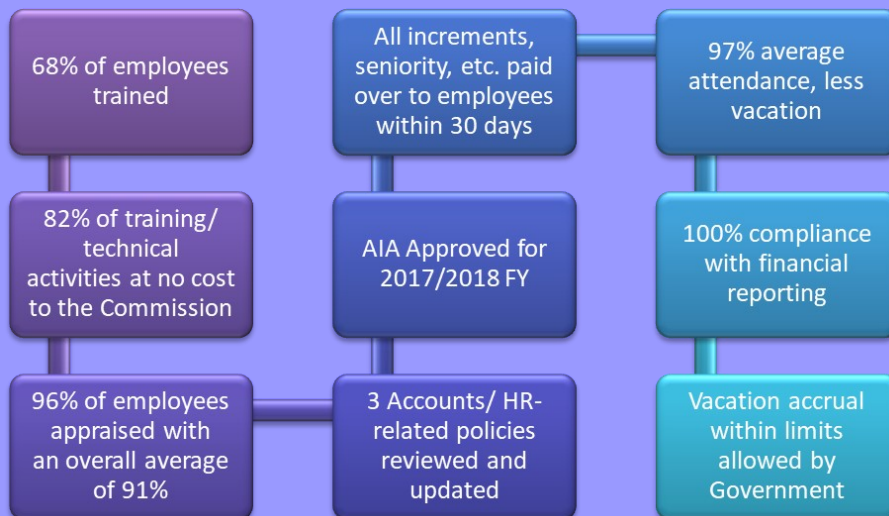
### **IDB/CARICOM Donation**

The CAC received computer equipment donated by CARICOM which was funded by the Inter-American Development Bank (IDB). The equipment is expected to enhance the Commission's outreach capabilities and improve its network and telecommunications infrastructure.

### **Forward to 2017/2018**

During the 2017/18 Financial Year, the Commission will be pursuing a number of projects. Among them, the development and launch of a consumer mobile application that will allow users to submit complaints, conduct a basic price query and receive new alerts. The CAC will also be implementing new hard technologies and improving its network and communication infrastructure.

# Finance and Administration



# Finance and Administration

## OVERVIEW

The purpose of the Finance and Administration Department is to:

- ⇒ Implement and maintain administrative, human resource management, finance policies, systems, and procedures which conform to relevant government rules and regulations and enhance staff comfort, safety and productivity.
- ⇒ Provide Facilities Management, Human Resource Management, Training, Industrial Relations and Financial Services which support the achievement of the Commission's strategic programmes and objectives.
- ⇒ Attract and retain high caliber staff that matches the requirements of the organisation.
- ⇒ Maintain an appropriate performance based appraisal and incentive awards system.

## ACHIEVEMENTS

68% of employees received additional training	All increments, seniority, etc. paid over to employees within 30 days
82% of training/ technical activities at no cost to the Commission	AIA Approved for 2017/2018 FY
96% of employees appraised with an overall average of 91%	3 Accounts/ HR-related policies reviewed and updated
97% average attendance, less vacation	100% compliance with financial reporting
Vacation accrual within limits allowed by Government	100% compliance with staff requests
Active development/ team activities calendar	

## HUMAN RESOURCES

### *Staffing*

The Commission ended the Financial Year (FY) with 39 posts comprising 26 occupied positions, twelve clear vacancies and one position not appointed. At the end of the review period, gender composition was 9 male, 18 females or 33% male, 67% female.

During the year, one employee retired and three resigned. As a result, three employees were promoted and others appointed in acting positions.

At the start of the Financial Year, the final tranche of increases for wages, salaries and allowances were paid to public sector workers.

### ***Training and Development***

**Target:** 50% of staff trained annually at no direct cost to the Commission.

**Achievement:** 68% of staff trained with 82% of training at no direct cost to the Commission.

As at March 2017, twenty-seven (27) employees participated and completed 14 different training activities, including two overseas. The activities included workshops, seminars and forums. All activities were related to the duties carried out by the employees who participated. These were based on impending legislation/ technical papers, application techniques, industry standards and general business/ international environment.

Separately, employees from three (3) Units were trained in the upgraded Case Management System (CMS) software, implemented in July 2016.

### ***Social Development/ Interaction***

Employees were involved in activities to enhance social interaction and to keep staff morale high. Activities included recognition of staff birthdays, themed competitions and presentations to staff in areas such as benefits, among others. Eight activities were held.

### ***Performance Review***

**Target:** 85% of staff members appraised.

**Achievement:** 96% of staff members appraised.

In keeping with the 2013 implementation of the Performance Management Appraisal System (PMAS), at the start of the reporting period, employees were appraised for the 2015/2016 FY, receiving an average score of 91%.

All increments, seniority and other payments due were made to staff upon presentation of the satisfactory PMAS score of 75%.

### ***Accrued Vacation***

As at March 31, 2017, Accrued Vacation was an average of 22 days to each employee which is 51% of the maximum allowed. Accrued vacation was valued at \$4.2M.

### ***Meetings***

Five (5) staff meetings were held during the FY and one developmental session.

## ADMINISTRATION

### *Policy and Procedures*

Three (3) policies were created, one (1) drafted. These were:

- ⇒ Non-Financial Assets Policy and Procedures – created;
- ⇒ CAC Bad Gas Bank Account Policy – created;
- ⇒ Training and Development Policy and Procedures.

### *Insurance*

The Commission maintained policies for commercial/ computer all-risks and personal accident and dismemberment. These policies were reviewed and renewed during the financial year.

## FINANCE AND ACCOUNTING

### Funds

#### *Receipts*

For the 2016/2017 Financial Year, total receipt was \$115.96M including subvention from the Parent Ministry of \$115.67M. Subvention received was 98% of the budget or a shortfall of approximately \$1.23M, some of which represented funds retained for taxes and utilities but which, at the end of the financial year, had not been paid over.

#### *Expenditure*

For the period under review, expenditure amounted to \$117.87, including accounts payable of \$1.98M. Total cash and bank balance at the end of the financial year was \$3.66M, representing funds already committed.

## 2017/2018 TARGETS

For the 2017/18 Financial Year, the Finance and Administration Department has targeted the following objectives:

60% training plan implemented	Staff turn-over benchmark established
50% employees trained at no cost	100% department SOPs completed
100% policies and plans reviewed and updated/created	100% unit and individual work plans completed



100% compliance with reporting requirements	100% employees appraised
Staff Engagement baseline study completed	50% of ISO activities to be completed

### **Estimates of Expenditure**

The Commission was awarded Estimates of Expenditures for the Financial Year 2017/2018, totaling \$120.4M representing: Direction and Administration of \$109.35M, including Appropriation in Aid of \$2M and \$11.1M for Consumer Rights Education.

## Directors Compensation: July 2016 - March 2017

Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Board Chairman: K. Gammon	48,000.00				48,000.00
11 Other Members:					
D. Ashpole	38,600.00	8,798.40			47,398.40
C. Carter-Bradford	27,000.00				27,000.00
V. Derby	35,200.00				35,200.00
T. Leon	20,000.00	1,410.00			21,410.00
R. McDonald	28,000.00	2,068.00			30,068.00
M. Parkins	32,500.00				32,500.00
D. Thomas	28,000.00				28,000.00
I. Walters	24,600.00				24,600.00
D. White	33,000.00	5,170.00			38,170.00
M. Wilson	17,600.00				17,600.00
J. Young	35,200.00	7,275.60			42,475.60
<b>Total</b>	<b>367,700.00</b>	<b>24,721.40</b>			<b>392,421.40</b>

### Notes

- Where a non-cash benefit is received (e.g. government housing), the value of that benefit is quantified and stated in the appropriate column above.
- Board was appointed June 2016.

## Senior Executive Compensation: April 2016 - March 2017

Position of Senior Executive	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Chief Exec. Officer	3,622,368.96		1,341,624.00	714,538.50		5,678,531.46
Legal Officer	3,103,848.00	1,495,166.74	707,448.00	424,640.26		5,731,103.00
Director of Field Operations	2,493,300.00		707,448.00	224,651.82		3,425,399.82
Finance and Admin Manager	2,493,300.00		707,448.00	44,694.00		3,245,442.00

### Notes

1. Where contractual obligations and allowances are stated in a foreign currency, the sum in that stated currency is clearly provided and not the Jamaican equivalent.
2. Other Allowances includes seniority, laundry, robing, housing, utility, etc.
3. Where a non-cash benefit is received (e.g. government housing), the value of that benefit is quantified and stated in the appropriate column above.

# Audited Financial Statements

**THE CONSUMER AFFAIRS COMMISSION**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2017**

**THE CONSUMER AFFAIRS COMMISSION  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2017**

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## INDEPENDENT AUDITOR'S REPORT

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To the members of  
**THE CONSUMER AFFAIRS COMMISSION**

### Report on the Audit of Financial Statements

#### Opinion

We have audited the accompanying financial statements of The Consumer Affairs Commission (the "Commission"), set out on pages 4 to 20 which comprise the statement of financial position as at March 31, 2017, the statement of comprehensive income, the statement of changes in reserves, and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Commission as at March 31, 2017, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Trade Act of 1955 and the Consumer Protection Act of 2005 (the "Acts").

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Acts and for such internal control as management determines is necessary to enable the preparation 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Commission's financial reporting process.

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## **Independent Auditor's Report (cont'd)**

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### **To the members of THE CONSUMER AFFAIRS COMMISSION**

#### **Auditor's responsibilities for the audit of the financial statements**

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Plan'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 Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Cont. /3



**Independent Auditor's Report (cont'd)**

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To the members of  
**THE CONSUMER AFFAIRS COMMISSION**

**Report on additional matters as required by the Jamaican Companies Act**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

CrichtonMullings & Associates  
Chartered Accountants

Kingston Jamaica

**THE CONSUMER AFFAIRS COMMISSION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2017**

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property and equipment	5	8,015,614	8,423,450
Retirement benefit assets	6	363,735,000	289,242,000
		<u>371,750,614</u>	<u>297,665,450</u>
<b>Current Assets</b>			
Receivables and prepayments	7	2,820,429	2,969,369
Cash and bank balances	8	3,656,613	3,317,619
		<u>6,477,042</u>	<u>6,286,988</u>
<b>TOTAL ASSETS</b>		<u>378,227,656</u>	<u>303,952,438</u>
<b>RESERVES AND LIABILITIES</b>			
<b>RESERVES</b>			
Retirement benefit reserve	6	363,735,000	289,242,000
Accumulated surplus		6,790,221	7,186,298
		<u>370,525,221</u>	<u>296,428,298</u>
<b>Current liabilities</b>			
Payables and accruals	9	7,702,435	7,524,140
		<u>7,702,435</u>	<u>7,524,140</u>
<b>TOTAL RESERVES AND LIABILITIES</b>		<u>378,227,656</u>	<u>303,952,438</u>

**APPROVED, on behalf of the Board on**

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Chairman

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Chief Executive Officer

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

**THE CONSUMER AFFAIRS COMMISSION  
STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED MARCH 31, 2017**

	Note	2017 \$	2016 \$
<b>Income</b>			
Grants		115,669,238	105,338,589
Administrative and general expenses	10	<u>114,512,223</u>	<u>104,865,015</u>
<b>Operating surplus</b>		1,157,015	473,574
Other income		<u>286,917</u>	<u>308,502</u>
		1,443,932	782,076
Finance and policy costs	11	<u>1,851,906</u>	<u>1,788,710</u>
<b>Net deficit</b>		(407,974)	(1,006,634)
Other comprehensive income:			
Remeasurement of actuarial gain		61,230,000	46,317,000
Actuarial gain on defined benefit plan		<u>13,263,000</u>	<u>11,427,000</u>
<b>Net surplus for the year, being total comprehensive income</b>		<u>74,085,026</u>	<u>56,737,366</u>

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION  
STATEMENT OF CHANGES IN RESERVES  
YEAR ENDED MARCH 31, 2017**

	<b>Retirement Benefit Reserve</b>	<b>Accumulated Surplus</b>	<b>Total</b>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at March 31, 2015	231,498,000	7,940,210	239,438,210
Net surplus, being total comprehensive income for the year	-	56,737,366	56,737,366
Adjustment	-	252,722	252,722
Remeasurement of actuarial gain	46,317,000	(46,317,000)	-
Actuarial gain on defined benefit plan	<u>11,427,000</u>	<u>(11,427,000)</u>	<u>-</u>
Balance at March 31, 2016	289,242,000	7,186,298	296,428,298
Net surplus, being total comprehensive income for the year	-	74,085,026	74,085,026
Adjustment	-	11,897	11,897
Remeasurement of actuarial gain	61,230,000	(61,230,000)	-
Actuarial gain on defined benefit plan	<u>13,263,000</u>	<u>(13,263,000)</u>	<u>-</u>
<b>Balance at March 31, 2017</b>	<b><u>363,735,000</u></b>	<b><u>6,790,221</u></b>	<b><u>370,525,221</u></b>

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION  
STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2017**

	2017	2016
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net surplus for the year	74,085,026	56,737,366
<b>Adjustments for items not affecting cash resources:</b>		
Depreciation	1,767,373	1,689,722
Adjustment	11,897	252,722
Loss on the disposal of property and equipment	145,308	-
Retirement benefit assets	<u>(74,493,000)</u>	<u>(57,744,000)</u>
	1,516,604	935,810
Decrease / (increase) in operating assets:		
Receivables and prepayments	148,940	(91,535)
Increase in operating liabilities:		
Payables and accruals	<u>178,294</u>	<u>641,285</u>
Net cash provided by operating activities	<u>1,843,838</u>	<u>1,485,560</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	<u>(1,504,844)</u>	<u>(279,908)</u>
Net cash used in investing activities	<u>(1,504,844)</u>	<u>(279,908)</u>
<b>NET INCREASE IN CASH AND BANK BALANCES</b>	<b>338,994</b>	<b>1,205,652</b>
<b>CASH AND BANK BALANCES - Beginning of the year</b>	<u><b>3,317,619</b></u>	<u><b>2,111,967</b></u>
<b>CASH AND BANK BALANCES - End of the year</b>	<u><u><b>3,656,613</b></u></u>	<u><u><b>3,317,619</b></u></u>
<b>REPRESENTED BY:</b>		
Cash and bank balances	<u><u><b>3,656,613</b></u></u>	<u><u><b>3,317,619</b></u></u>

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2017**

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**1. IDENTIFICATION**

The Consumer Affairs Commission (the "Commission") was established under the Trade Act 1955 as amended by Act 22 of 1970 and acts as chief protagonist to ensure the fundamental rights of the consumer with respect to prices and trade practices.

The Commission is domiciled in Jamaica, with its registered office at 34 Trafalgar Road, Kingston 10.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

**(a) Statement of Compliance**

The Commission's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and the relevant requirements of the Trade Act of 1955 and the Consumer Protection Act of 2005 (the "Acts").

The financial statements have been prepared under the historical cost convention and are expressed in Jamaican dollars, unless otherwise indicated.

**(b) Changes in accounting standards and interpretations:**

**Future Changes**

The Commission has identified the following revised or new International Financial Reporting Standards or Interpretations which have been issued but are not yet effective, and which have not been adopted early. Those that are not considered relevant to the Commission's operations are:

- *IFRS 2 'Share-based Payment - Amendment', issued June 2016*  
Effective for periods commencing on or after 1 January 2018
- *IFRS 15 'Revenue from Contracts with Customers', issued May 2014*  
Effective for periods commencing on or after 1 January 2018
- *IAS 27 'Separate Financial Statements - Amendments', issued August 2014*  
Effective for periods commencing on or after 1 January 2018
- *IAS 28 'Investments in Associates and Joint Ventures - Amendments', issued December 2016*  
Effective for periods commencing on or after 1 January 2018
- *IAS 40 'Investment Property - Amendments', issued December 2016*  
Effective for periods commencing on or after 1 January 2018

Those which may be relevant to the Commission's operations are as follows:

- *IFRS 9 'Financial Instruments', Amendment', issued September 2016*  
Effective for periods commencing on or after 1 January 2018
- *IFRS 16 'Leases', issued January 2016*  
Effective for periods commencing on or after 1 January 2019
- *IFRIC 22 'Foreign Currency Transactions and Advance Consideration', issued December 2016*  
Effective for periods commencing on or after 1 January 2018

**THE CONSUMER AFFAIRS COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2017**

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**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(c) Use of estimates and judgements:**

The preparation of the financial statements in conformity with IFRS and the Acts require management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the period then ended. Actual amounts could differ from these estimates.

The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

**(i) Critical judgements in applying the Commission's accounting policies:**

Critical judgements used in applying the Commission's accounting policies that have a significant risk of material adjustment in the next financial year relate to the estimated useful lives and residual values of property and equipment and pension and other post-employment benefits.

The residual values and the useful life of each asset are renewed at each financial year-end, and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The useful life of an asset is defined in terms of the asset's expected utility to the Commission.

**(ii) Key sources of estimation uncertainty:**

*Pension and other post-employment benefits:*

The amounts recognized in the statement of financial position and statement of comprehensive income post-employment benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognized include expected long-term return on plan assets, and the discount rate used to determine the present value of estimated future cash flows required to settle the pension obligations.

**THE CONSUMER AFFAIRS COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2017**

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**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(c) Use of estimates and judgements (cont'd):**

**(ii) Key sources of estimation uncertainty (cont'd):**

*Pension and other post-employment benefits (cont'd):*

The expected return on plan assets assumed considers the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the Commission's obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Property and equipment**

All property and equipment held for administrative purposes, are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Commission and its cost can be reliably measured.

The cost of day-to-day servicing of property and equipment is recognized in the statement of comprehensive income as incurred.

Depreciation is calculated on the straight-line basis over the estimated useful lives of such assets. The rates of depreciation in use are:

Leasehold improvement	2.5%
Computers	10%
Furniture, fixtures & equipment	10%

**(b) Accounts payable**

Accounts payable is stated at amortized cost.

**(c) Cash and bank balances**

Cash and bank balances comprise cash in hand and cash with banks.

**(d) Leases**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to statement of comprehensive income on a straight-line basis over the terms of the relevant lease.

**(e) Revenue recognition**

Revenue is recognized as it accrues unless collectability is in doubt.



**THE CONSUMER AFFAIRS COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2017**

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(f) Impairment**

At each reporting date, the Commission reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Commission estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

**(g) Financial instruments**

Financial instruments include transactions that give rise to both financial assets and financial liabilities. Financial assets and liabilities are recognised on the Commission's statement of financial position when the Commission becomes a party to the contractual provisions of the instrument.

Financial liabilities issued by the Commission are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial assets include cash and bank deposits and accounts receivable except any prepayments.

Financial liabilities include accounts payable.

The fair values of the financial instruments are discussed in Note 15.

**(h) Government subvention**

Government subventions are recognised in statement of comprehensive income on a monthly basis whereby the Commission recognises as expenses the related costs for which the subventions are intended to compensate.

Subventions are received as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related cost are recognized in the statement of comprehensive income in the period in which they become receivable.

**THE CONSUMER AFFAIRS COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2017**

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(i) Employee benefits**

Employee benefits are all forms of consideration given by the Commission in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, statutory contributions, vacation leave, non-monetary benefits such as medical care; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognized in the following manner:

- Short-term employee benefits are recognized as a liability, net of payments made, and charged to expense. The expected cost of vacation leave that accumulates is recognized when the employee becomes entitled to the leave.

**(j) Retirement benefits**

The Commission operates a defined benefit pension plan, the assets of which are generally held in separate trustee-administered funds. A defined benefit plan is one that defines an amount of benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The asset or liability in respect of defined benefit plans is the difference between present value of the defined benefit obligation at the reporting date and the fair value of plan assets, adjusted for unrecognised actuarial gains and losses and past service cost.

Where a pension asset arises, the amount recognized is limited to the net total of any cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan.

The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Method. Under this method, the cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of the employees. The pension obligation is measured at the present value of the estimated future cash outflows using discount estimated rates based on market yields on government securities which have terms to maturity approximating the terms of the related liability.

A portion of actuarial gains and losses is recognized in arriving at total comprehensive income if the net cumulative unrecognized actuarial gains or losses at the end of the previous reporting period exceeded 10% of the greater of the present value of the gross defined benefit obligation and the fair value of plan assets at that date. Any excess actuarial gains or losses are recognized in arriving at other comprehensive income over the average remaining service lives of the participating employees.

**THE CONSUMER AFFAIRS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2017**

**4. INCOME**

Income represents grants from the Government of Jamaica from the annual national budget as well as periodic allocations.

**5. PROPERTY AND EQUIPMENT**

	<b>Leasehold Improvement</b>	<b>Furniture, Fixtures and Equipment</b>	<b>Computers</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At Cost/Valuation</b>				
Beginning of year	2,415,228	9,940,444	6,397,954	18,753,626
Additions	241,928	137,686	1,125,230	1,504,844
Disposals	-	-	(231,942)	(231,942)
End of year	<b>2,657,156</b>	<b>10,078,130</b>	<b>7,291,242</b>	<b>20,026,528</b>
<b>Accumulated Depreciation</b>				
Beginning of year	216,294	6,510,325	3,603,557	10,330,176
Charge for year	117,432	978,800	671,141	1,767,373
Disposals	-	-	(86,635)	(86,635)
End of year	<b>333,726</b>	<b>7,489,125</b>	<b>4,188,063</b>	<b>12,010,914</b>
<b>Net Book Value</b>				
End of year	<b>2,323,430</b>	<b>2,589,005</b>	<b>3,103,179</b>	<b>8,015,614</b>
End of prior year	2,198,934	3,430,119	2,794,397	8,423,450

**THE CONSUMER AFFAIRS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2017**

**6. RETIREMENT BENEFIT ASSETS**

The Commission operates a defined benefit pension scheme which is open to permanent employees and is managed by an independent external agency. The scheme is funded by employees' contribution at the rate of 5% of pensionable salary with the Commission contributing 0.5%. Employees may make additional voluntary contributions not exceeding a further 14.5% of pensionable salary. The Commission meets any under-funded amount between the value of the plan assets and the cost of the scheme benefits. Normal retirement pension is based on 2% of the final year pensionable salary per year of pensionable service.

The disclosures below are based on the independent actuarial valuation at March 31, 2017.

The amounts recognised in the statement of financial position as assets were determined as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Present value of the obligation	<b>(187,758,000)</b>	(173,609,000)
Fair value of plan assets	<b>551,493,000</b>	462,851,000
Fund status	<b><u>363,735,000</u></b>	<u>289,242,000</u>

The amounts recognised in arriving at (expense) / income were determined as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Current service cost	<b>(11,825,000)</b>	(9,755,000)
Interest cost	<b>(16,487,000)</b>	(15,021,000)
Interest income on scheme assets	<b>41,373,000</b>	35,998,000
Remeasurement of gain / (loss) on obligation	<b>7,660,000</b>	(4,000,000)
Remeasurement of gain on plan assets	<b>53,570,000</b>	50,317,000
Contribution by the Commission	<b>202,000</b>	205,000
	<b><u>74,493,000</u></b>	<u>57,744,000</u>

The movement in net assets in the current year were as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Net assets at start of year	<b>462,851,000</b>	381,322,000
Interest income on plan assets	<b>41,373,000</b>	35,998,000
Benefits paid	<b>(9,452,000)</b>	(7,983,000)
Remeasurement gain on assets	<b>53,570,000</b>	50,317,000
Total contributions during the year	<b>3,151,000</b>	3,197,000
	<b><u>551,493,000</u></b>	<u>462,851,000</u>

**THE CONSUMER AFFAIRS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2017**

**6. RETIREMENT BENEFIT ASSETS (CONT'D)**

**Sensitivity analysis:**

The sensitivity of the defined benefit obligation (DBO) to changes in assumption is set out below. The effects on the scheme of a change in the assumption are weighted proportionately to the total obligation to determine the impact for each assumption presented as indicated below:

	<b>Change in assumption</b>	<b>2017</b> Value of DBO (\$)	<b>2016</b> Value of DBO (\$)
Discount rate	1% increase	<b>163,287,000</b>	150,154,000
Discount rate	1% decrease	<b>219,572,000</b>	204,072,000
Salary escalation	1% increase	<b>195,016,000</b>	179,406,000
Salary escalation	1% decrease	<b>181,231,000</b>	175,255,000
Future rate of pension augmentation	1% increase	<b>211,258,000</b>	196,366,000
Future rate of pension augmentation	1% decrease	<b>168,682,000</b>	155,147,000

**Actuarial (losses) / gains on defined benefit obligation arising from:**

Changes in financial assumptions	<b>(7,525,000)</b>	(10,037,000)
Experience adjustment	<b>(135,000)</b>	6,037,000
<b>Total actuarial losses</b>	<b>(7,660,000)</b>	<b>(4,000,000)</b>

The principal actuarial assumptions used were as follows:

	<b>2017</b> %	<b>2016</b> %
Discount rate	<b>9.50</b>	9.00
Rate of escalation of pensionable earnings	<b>7.50</b>	6.50
Rate of increase in pension	<b>5.0</b>	5.00

Expenses - allowance is made for administrative expense at the rate of 7% (2016: 7%) earnings of members' pensionable earnings.

**7. RECEIVABLES AND PREPAYMENTS**

	<b>2017</b> \$	<b>2016</b> \$
Staff receivables	<b>750,444</b>	756,110
Withholding tax recoverable	-	198,780
Prepayments	<b>86,258</b>	101,315
Other receivables (i)	<b>1,983,727</b>	1,913,164
	<b>2,820,429</b>	2,969,369

(i) - This consists for overpayment for utility expenses by the Commission's parent ministry, on its behalf, from its annual subvention. This amount was offset against utility expenses in the subsequent months.

**8. CASH AND BANK BALANCES**

Cash and bank balances included in the statement of financial position and statement of cash flows comprise the following:

	<b>2017</b> \$	<b>2016</b> \$
Petty cash	<b>13,000</b>	3,000
Bank accounts	<b>3,643,613</b>	3,314,619
	<b>3,656,613</b>	3,317,619

**THE CONSUMER AFFAIRS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2017**

**9. PAYABLES AND ACCRUALS**

	2017 \$	2016 \$
Accounts payable	1,985,250	1,167,886
Statutory deductions payable	1,058,029	1,401,264
Accrued vacation leave	4,263,950	4,530,900
Other payables and accruals	395,206	424,090
	<u>7,702,435</u>	<u>7,524,140</u>

**10. ADMINISTRATIVE AND GENERAL EXPENSES**

	2017 \$	2016 \$
Salaries, wages and related costs	50,504,616	48,183,494
Retroactive salaries	365,128	2,074,789
Temporary and casual wages	4,910,595	4,007,854
Mileage allowances	4,523,925	4,423,859
Statutory and pension fund contributions	4,368,364	4,319,467
Motor vehicle allowance	17,522,583	15,146,937
Staff welfare	270,578	140,229
Travelling and subsistence	503,481	241,530
Rental:		
Equipment	11,495	36,316
Buildings	9,731,577	9,222,791
Electricity	2,351,598	2,328,591
Telephone	3,374,566	3,764,593
Water rate	277,370	241,699
Repairs and maintenance	194,830	700,508
Medical supplies	5,938	7,675
Meals and entertainment	1,332,425	857,169
Wireless, cable and postage	234,547	166,170
Directors' fees	688,200	995,000
Professional fees	325,000	475,600
Loss on disposal of fixed asset	145,308	-
Insurance	402,902	228,807
Grants and contribution	960,000	978,354
Staff training	291,112	133,315
Printing and stationery	1,035,998	849,085
Audit fees:		
Current year fees	399,000	384,550
Advertising and promotion	4,810,943	200,000
Subscription and membership fees	357,569	512,751
Exhibition, conference and seminars	1,961,488	1,384,013
General office expenses	1,005,068	1,478,250
Security	1,646,019	1,381,619
	<u>114,512,223</u>	<u>104,865,015</u>

**THE CONSUMER AFFAIRS COMMISSION**  
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**11. FINANCE AND POLICY COSTS**

	2017	2016
	\$	\$
Bank charges	84,533	98,988
Depreciation	1,767,373	1,689,722
	<b>1,851,906</b>	<b>1,788,710</b>

**12. SOURCE AND USES OF FUNDS**

The comparative details between budgeted and actual income and expenditure are as follows:

	Budget	Actual	Variance Favourable/ (Unfavourable)
	\$	\$	\$
<b>Income:</b>			
Grant - general	114,900,000	115,669,238	769,238
Other	-	286,917	286,917
	114,900,000	115,956,155	1,056,155
<b>Expenditure:</b>			
Personal emoluments	67,096,000	60,419,280	6,676,720
Travelling and subsistence	18,236,000	22,549,989	(4,313,989)
Other operating and general expenses	16,048,000	17,648,253	(1,600,253)
Rental	8,092,000	9,743,072	(1,651,072)
Public utilities	5,428,000	6,003,534	(575,534)
	114,900,000	116,364,128	(1,464,128)
<b>Operating deficit</b>	<b>-</b>	<b>(407,974)</b>	<b>(407,974)</b>
<b>Capital:</b>			
Purchase of property and equipment	2,000,000	1,504,844	495,156 *

\* - The unused capital budget was used to fund approved operating expenses as there was a shortfall in funds provided by the Commission's parent ministry for the General Grant operating budget.

**THE CONSUMER AFFAIRS COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2017**

**13. STAFF COSTS**

The number of employees at the end of the year was as follows:

	2017	2016
Permanent	<u>26</u>	<u>30 *</u>

\*- Reclassified to conform to 2017 presentation

The aggregate payroll costs for these persons were as follows:

	2017	2016
	\$	\$
Salaries and other related costs	<u>77,461,719</u>	<u>71,823,380</u>
Statutory payroll contributions	<u>4,368,364</u>	<u>4,319,467</u>
	<u>81,830,083</u>	<u>76,142,847</u>

**14. RELATED PARTIES**

The Commission's statement of comprehensive income includes the following transactions, undertaken with related parties in the ordinary course of business:

	2017	2016
	\$	\$
Transactions with Board of Directors:		
Directors' fees	<u>688,200</u>	<u>995,000</u>
Transactions with key management personnel:		
Chief Executive Officer	<u>5,678,531</u>	<u>4,736,520</u>
Finance and Administration Manager	<u>3,245,442</u>	<u>3,063,808</u>
	<u>9,612,173</u>	<u>8,795,328</u>

**15. FINANCIAL INSTRUMENTS****(a) Fair value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognized stock exchange) exists, is the best evidence of the fair value of a financial instrument. Market prices are not available for some of the financial assets and liabilities of the Commission. Fair values in the financial statements have therefore been presented using various estimation techniques based on market conditions existing at reporting date.

Generally, considerable judgement is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Commission would realise in a current market exchange.

The amounts included in the financial statements for cash and bank deposits, receivable and payables, reflect the approximate fair values because of short-term maturity of these instruments.



**THE CONSUMER AFFAIRS COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2017**

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**15. FINANCIAL INSTRUMENTS (CONT'D)**

**(b) Financial risk management**

The Commission has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Cash flow risk

The Commission's directors, together with senior management has overall responsibility for the establishment and oversight of the Commission's risk management framework.

The Commission's risk management policies are established to identify and analyse the risks faced by the commission in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Commission's activities.

**(i) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission's principal financial assets are cash and bank deposits; and receivables and prepayments.

*Cash and bank balances*

The credit risk on cash and bank deposits is limited as they are held with financial institutions with high credit rating.

At reporting date, there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

	2017	2016
	\$	\$
Cash and bank balances	3,656,613	3,317,619

**(ii) Liquidity risk**

Liquidity risk is the risk that the Commission will not meet its financial obligations as they fall due. The Commission's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Commission.

**THE CONSUMER AFFAIRS COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2017**

**15. FINANCIAL INSTRUMENTS (CONT'D)**

**(b) Financial risk management (cont'd):**

**(ii) Liquidity risk (cont'd)**

Management aims at maintaining sufficient cash and the availability of funding through an amount of committed facilities. The management maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

	Carrying amount \$	Contractual cash flow \$	Less than 1 year \$
March 31, 2017:			
Accounts payable	<u>7,702,435</u>	<u>7,702,435</u>	<u>7,702,435</u>
March 31, 2016:			
Accounts payable	<u>7,524,140</u>	<u>7,524,140</u>	<u>7,524,140</u>

**(iii) Market risk**

Market risk is the risk that changes in market prices, such as interest rates will affect the Commission's income or the value of its holding of financial instruments. The objective of market is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Interest rate risk:*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Commission materially contracts financial liabilities at fixed interest rates for the duration of the term. When utilised, bank overdrafts are subject to fixed interest rates which may be varied by appropriate notice by the lender. At March 31, 2016 and 2015, there were no financial liabilities subject to variable interest rate risk.

Interest-bearing financial assets comprises of bank deposits, which have been contracted at fixed interest rates for the duration of their terms.

*Fair value sensitivity analysis for fixed rate instruments*

The Commission does not hold any fixed rate financial assets that are subject to material changes in fair value through profit or loss. Therefore, a change in interest rates at the reporting dates would not affect profit or reserves.

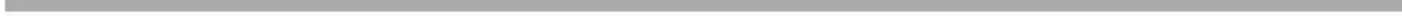
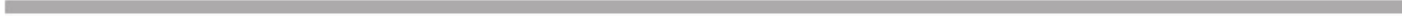
# Notes



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