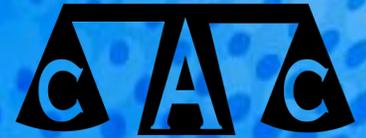




CONSUMER AFFAIRS COMMISSION

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

"Protecting your rights, securing our future"



Annual
Report

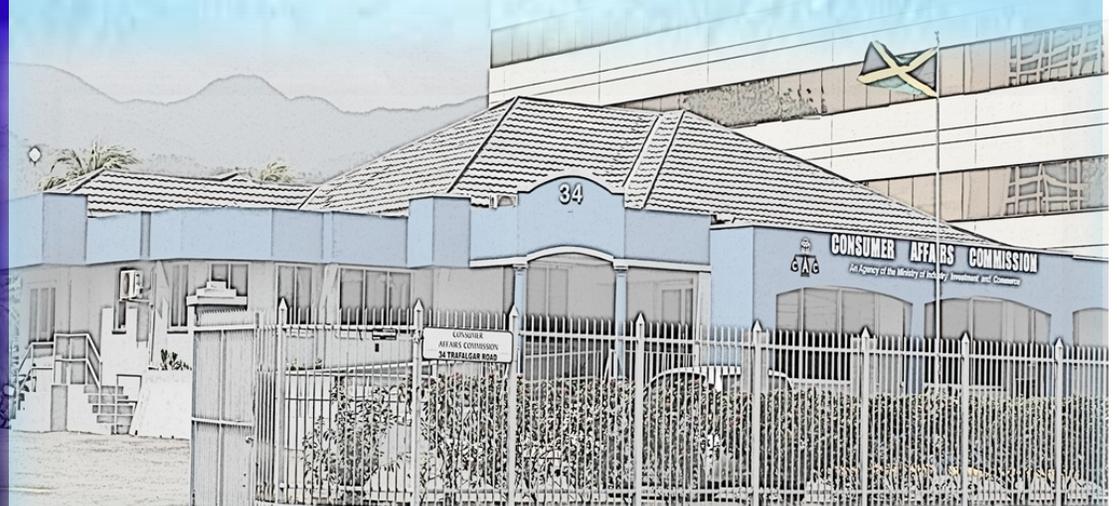
2015/
2016

Mission

To make Jamaica a better place by enabling 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:

PROMOTE 	<p>Promote and protect Consumers' socio-economic interest to facilitate sustainable consumption.</p>
PROTECT 	<p>Ensure Consumers' access to adequate information to enable informed choices according to individual wishes and needs.</p>
EDUCATE 	<p>Provide consumer education.</p>
ADVOCATE 	<p>Ensure effective and timely consumer redress.</p>
SUPPORT 	<p>Provide support for the formation of consumer groups and foster the opportunity for such organisations to present views in decision-making processes, which affect Consumers.</p>

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 on which the Consumer Education Programme of the Commission is based:



The Right to Choose

The Right to be Informed

The Right to be Heard

The Right to Redress

The Right to the Satisfaction of Basic Needs

The Right to a Healthy Environment

The Right to Consumer Education

The Right to Safety

Featured Contents



World Consumer Rights Day (WCRD) was celebrated on Tuesday March 15, 2016. The global theme was "Antibiotics off the menu". However, in Jamaica, the opportunity was used to reinforce the basic rights and responsibilities of consumers under the theme "Empower yourself, know your rights".



The Consumer Affairs Commission assisted the Commonwealth of the Bahamas with the establishment of its own Consumer Protection Commission.

Broadcasting Commission issued directive to Cable Operators

BROADCASTING COMMISSION
PEOPLE ▶ TRANSITIONING ▶ DIGITAL

Reports of contaminated "bad" gas complaints were brought to the attention of the Commission in November 2015.



The Consumer Affairs Commission was awarded the Gender Equality Certification Seal by the Bureau of Women's Affairs (BWA) effective March 2016.

CAC partners with UTECH in its Healthy Eating campaign



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Ms. Racquel Chambers (left) with Ms. Amanda Long, Consumers International (CI) Director General on day 3 of CI's World Congress 2015 held in Brazil. The 20th Consumers International (CI) World Congress took place from November 18-21, 2015 under the theme, '**Unlocking Consumer Power: A new vision for the global marketplace**'. Amanda Long's opening speech called on the CI membership to work together to be more impactful in our fast changing world.

Performance Summary



Complaints Resolved

1,161



Refunds and
Compensation

J\$27.1 Million



Cases Handled

1,438



Resolution Rate

81%



Website Visits

55,351



New Media Exposures

20,192



Social Media

16,721,336



Traditional Media
Exposures

926



Requests for
Advice

876



Participated in

424

Activities



Research Projects
conducted

5



Price Surveys
Conducted

27

Glossary of Terms

Acronyms	Definitions
BOJ	Bank of Jamaica
CAC/Commission	Consumer Affairs 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
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
JCC	Jamaica Chamber of Commerce
JCDC	Jamaica Cultural Development Commission
JGRA	Jamaica Gasoline Retailers Association

Glossary of Terms

Acronyms	Definitions
JIS	Jamaica Information Service
JMA	Jamaica Manufacturers Association
JPSCo	Jamaica Public Service Company Ltd
MICAF	Ministry of Industry, Commerce, Agriculture and Fisheries
MIIC	Ministry of Industry, Investment and Commerce
MOFP	Ministry of Finance and Planning
NAHFSC	National Agricultural Health and Food Safety Committee
NCL	National Consumers League
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

Glossary of Terms

Acronyms	Definitions
WCRD	World Consumer Rights Day

Transmittal Letter

February 8, 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, we transmit herewith the Commission's report for the year ended March 31, 2016 and a copy of the Commission's Audited Accounts as at March 31, 2016, duly certified by the Auditors.

We are,

Yours respectfully,

The Board of Directors

The Board of Directors



**Front Row (left-right): Ms. Berl Francis; Ms. Lorna E. Green (Chairman); Ms. Kirby Clarke, OD;
Mr. Derrick Webb**

**Back Row (left-right): Mr. Maurice Weir; Mrs. Norma Clarke; Ms. Michelle Parkins and Mr.
Denton Ellis**

**Absent from photograph are: Ms. Erica Wynter, Mr. Winston Jackson, Mrs. Fay Sylvester and
Mr. Christopher Constantine**

Board Committees

Finance and Human Resource

- Mr. Maurice Weir - Chair (Commissioner)
- Ms. Michelle Parkins - Commissioner
- Mr. Denton Ellis – Commissioner
- Ms. Kirby Clarke – Commissioner

Procurement, Corporate Governance and Legal

- Ms. Berl Francis - Chair (Commissioner)
- Mr. Derrick Webb - Commissioner
- Ms. Erica Wynter – Commissioner
- Ms. Michelle Parkins – Commissioner

Public Relations and

- Mr. Denton Ellis - Chair (Commissioner)
- Mr. Winston Jackson - Commissioner
- Mrs. Norma Clarke – Commissioner
- Ms. Erica Wynter – Commissioner

Audit

- Ms. Kirby Clarke - Chair (Commissioner)
- Mr. Derrick Webb - Commissioner
- Mr. Winston Jackson – Commissioner
- Mr. Maurice Weir – Commissioner

The Board of Directors Report

The Board of Directors Report

The Jamaican marketplace has altered significantly due to the many changes that have occurred globally. Current signposts indicate that these dynamic shifts will continue to take place, and as such, the Jamaican economy will continue to be affected.

The reality of the situation has to be taken in the context that Jamaica's economy is market driven with the Government playing the role of facilitator rather than an active player in business and commerce. Further, prices for goods and services are set by sellers and trade barriers that were in place have been substantially dismantled. Resulting from this, consumers have a larger pool of goods from which to choose. However, with the increase in the number of goods come new brands and oftentimes unfamiliar goods; as well as new ways of doing business, especially as it relates to electronic commerce.

It is in this new paradigm that the Commission continued to execute its core mandate of empowering and protecting consumers. The Corporate Plan for Financial Year 2015 – 2018, identified five (5) strategic themes and outcomes which were developed in support of the Organisation's mandate. They are based on related priority national outcomes outlined in Vision 2030 National Development Plan, and a review of the current economic environment.

These key priority themes are to:

- Improve public awareness and service delivery;
- Improve the enabling environment;
- Enhance strategic human resource management;
- Strengthen operations and systems support; and,
- Enhance resource stewardship and accountability.

In keeping with these targets, the Commission's operation during the period is commendable as the targets were achieved despite the severe budgetary constraints within which the agency operated. The success was due mainly to the collaborative strategy that was employed and the continued goodwill that the CAC maintains.

Consumer Protection Tribunal

The Commission attained a memorable milestone during the 2015/16 Financial Year. It was the completion of the first full hearing of a case to be placed before the Consumer Protection Tribunal (CPT) for adjudication, reflecting the 2012 amendments made to the Consumer Protection Act 2005. This has opened the door for many more consumers who are dissatisfied with the outcome of their transactions in the marketplace, to approach the Commission and utilise its services.

Policy

On the matter of policy, the Commission's commitment to empowering and protecting consumers was tremendously intensified as the consumers' perspective, both sought and unsought, was placed in all policy documents that came across the CAC's desk. This was of particular importance in the sectors of cybercrime, electronic commerce, finance, data privacy, number portability, numbering area code relief planning as well as to the numerous other working committees on which the Commission represents consumers.

Strategic Transformation Plan

During the period under review, the Commission began a strategic transformation review process aimed at creating a better marketplace where both consumers and providers know their rights and responsibilities to facilitate a better marketplace. A draft plan was created, but requires additional input from relevant Ministries, Agencies and Departments (MDAs), before it can become operational.

Future

For the 2016/17 Financial Year, the Commission will continue to inform and educate consumers about their rights and responsibilities. Key to achieving this target however, is the importance of consumers and providers knowing that consumer rights extend to all goods and services provided in the marketplace. This will be accomplished through the following:

- **Simplification of the Consumer Protection Act** — the Commission has already drafted a simplified version of the Consumer Protection Act which it has committed to completing during the upcoming period. Through the simplification of the Act, the foundation will be set for consumers to understand the provisions in layman terms and be better able to implement its tenets.
- **Data protection and privacy** — issues relating to electronic commerce will be addressed with the aim of educating consumers about some pitfalls that may occur and how to prevent them from happening. Integral to this undertaking will be the need for advocacy, especially as it relates to current legislation that do not reflect the realities of cyberspace.

- **Partnerships** — collaborating with the public and private sector remains one of the core ways in which the Commission fulfills its mandate. It is in this vein that the relationship already initiated with the Private Sector Organisation of Jamaica, Jamaica Manufacturers Association and Jamaica Chamber of Commerce will be documented via Memoranda of Understanding.

We are,

Yours respectfully,

The Board of Directors

The Chief Executive Officer's Report



The Chief Executive Officer's Report

As we look back on the 2015/16 Financial Year, we take great pride in the fact that the Consumer Affairs Commission continued to be successful in carrying out its mandate, that is empowering consumers to make informed decisions in the marketplace. This is the purpose that drives the CAC. It sparks creativity, gives energy, and motivates us to deliver for our consumers. Although conditions were challenging during the year, the Commission made significant progress towards our mission of fostering ethical behaviour between consumers and providers.

To this end, the following report chronicles the Agency's success in addressing consumer concerns, advice provided as well as advocacy made on behalf of the public. The report will also highlight new partnerships and developments as well as the expectations for the future.

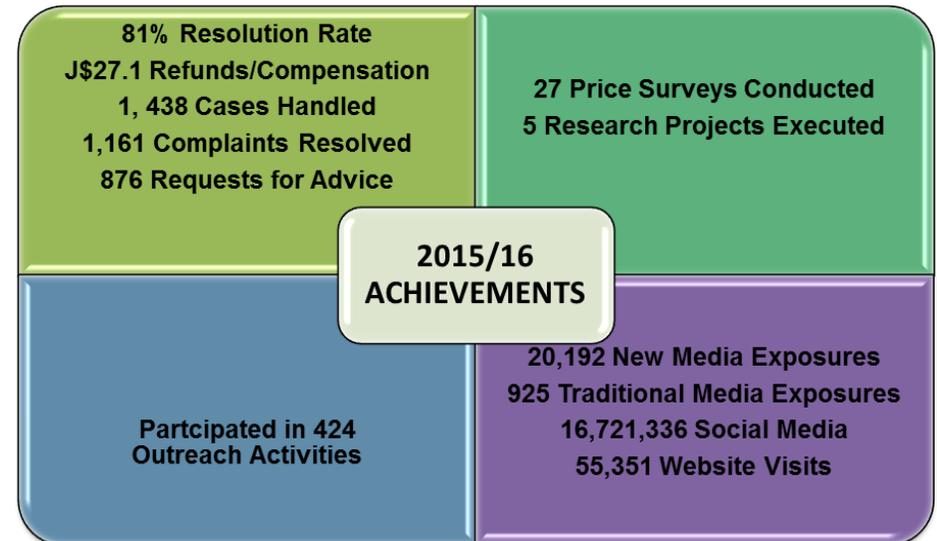


**Mrs. Dolsie Allen,
Chief Executive Officer**

Achievements

During the 2015/16 Financial Year, the Commission secured **\$27.1** Million in refunds and compensation on behalf of aggrieved consumers. This stemmed from the handling of **1,438** cases of which **1,161** were resolved, reflecting an **81%** resolution rate. The consumer education programme elicited direct interaction with **126,903** persons as a result of participation in **424** outreach activities, thus surpassing the projected reach by **26.9%** or **26,903**. Meanwhile, by leveraging of its communication and information machinery, consumers were informed through **926 traditional media exposures, 11,650 new media/SMS communication and 8,542 email marketing**. The CAC also conducted 28 planned and 4 unplanned surveys, 27 of which were price related and 5 research projects.

Figure 1 highlights the achievements of the 2015/16



Legislative Agenda

This year, the Commission made a special effort to focus on giving consumers a voice as it related to existing and new policies which extended to the National Financial Inclusion Strategy and the Data Protection Bill. The Financial Inclusion Strategy is a global project (spearheaded in Jamaica by the Bank of Jamaica) and one of the initiatives participated in by the CAC. The strategy aims to grant low-income Jamaicans increased access to financial services and will establish a clear avenue, via legislative and organisational structures, to allow consumers who have complaints against financial institutions, to claim redress.

In recognition of the strong growth and ever changing landscape of the digital age and more pointedly, electronic commerce, the Commission also added its voice to the Data Protection Bill.

And still on technology, great progress was made to help more people through improved technology. In particular, the Commission's website was redesigned for easier navigation and web chat service was also introduced. The Commission has strengthened its influence, speaking more clearly and effectively on behalf of clients to make things more transparent in the marketplace.

Contaminated "Bad" Gas

Reports of contaminated "bad" gas complaints were brought to the attention of the Commission in November 2015. The complaints prompted the 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 Petroleum Trade Reform Committee was constituted and charged with examining the current processes governing the petrol trade, identifying any loopholes and making recommendations. The Committee was chaired by Engineer and Business Executive Noel Da Costa with membership comprising Howard Hamilton, Businessman; Metry Seaga -President, Jamaica Manufacturers Association (JMA); Dolsie Allen – CEO, Consumer Affairs Commission (CAC); Leonard Green – President, Jamaica Gasoline Retailers Association (JGRA) and Kent LaCrois President, New Car Dealers Association of Jamaica.

Figure 2 showcases the advertisement that was published in the Gleaner, Star and Jamaica Observer in January 2016 advising consumers on "how to file a bad gas complaint"



CONSUMER AFFAIRS COMMISSION
An Agency of the Ministry of Industry, Investment and Commerce
Protecting Your Rights, Securing Our Future

"Bad Gas": How to file a complaint

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 CAC is reminding affected consumers who have purchased petrol within **the last sixty (60) days**, to provide the following:

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.

While investigations are ongoing, the Commission is urging all affected consumers to register their complaints as soon as possible, accompanied with the relevant documentation.

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

Annual School Textbook Survey

The 2015 School Textbook Survey conducted annually by the Commission revealed that Jamaicans paid an average increase of 6% for textbooks during the academic year. The information was based on a survey of 130 text books (13 infant, 36 primary and 81 secondary), in 47 book outlets across the island. However, within the Greater Kingston Metropolitan Area (KMA) the average percentage increase was 5% which was 8% less than last year. With regards to the average price increase within Other Urban Centres the average increase was 5% which reflected a 7% decrease over the 2014 prices.

World Consumer Rights Day 2016

CAC
CONSUMER AFFAIRS COMMISSION

Today is being celebrated internationally as World Consumer Rights Day. In Jamaica, we are using this opportunity to reinforce the rights and responsibilities of consumers, under the theme, **“Empower yourself, know your rights”**. The global theme is “Antibiotics off the menu”.

“Jamaica’s capacity for growth needs both competitive supply and strong demand. Consumers must therefore be placed centrestage of Jamaican policies equal with businesses. We need empowered and confident consumers to fully engage in the marketplace and drive the Jamaican economy.”

Honourable Karl Samuda,
Minister of Industry, Commerce,
Agriculture and Fisheries

Happy World Consumer Rights Day Jamaica!

The Consumer Affairs Commission
34 Trafalgar Road, Kingston 10, Jamaica
Tel: 1 876-906-5425 Fax: 1-876-906-7525 www.cac.gov.jm
www.facebook.com/cac.gov.jm
“Protecting Your Rights, Securing Our Future”

Consumer Rights

Since 1985, under the Charter of Rights of the Consumer and the United Nations Guidelines for Consumer Protection to which Jamaica is a signatory, there are eight consumer rights.

These are the right to:

1. Choose
2. Be informed
3. Be heard
4. Redress (fair refund, exchange or compensation)
5. The satisfaction of basic needs
6. A healthy environment
7. Consumer education
8. Safety

Consumer Responsibilities

Some of the consumer responsibilities are the need to:

1. Be aware
2. Gather all the information and facts
3. Think independently
4. Speak out
5. Complain
6. Be an ethical consumer
7. Respect the environment (support businesses and products that are environmentally friendly/sustainable)

WORLD CONSUMER RIGHTS DAY
consumer rights

The CAC joined the global community in celebrating World Consumer Rights Day (WCRD) on Tuesday March 15, 2016. Since March 15, 1983, World Consumer Rights Day has been celebrated annually. It provides an opportunity for each citizen to help to promote the basic rights of all consumers, and to demand that those rights are respected and protected. In addition, the occasion is used to mobilise consumers to take action against market abuses and social injustices. The global theme was *“Antibiotics off the menu”*, however, this theme could not be fully embraced as the Jamaican statistics were not available for dissemination to the population. The decision was therefore taken to obtain the required information during the 2016/17 Financial Year and disseminate to consumers. As such, in Jamaica, the opportunity was used to reinforce the basic rights and responsibilities of consumers under the theme **“Empower yourself, know your rights”**. The CAC therefore urged all consumers to be aware of their rights and responsibilities under the Consumer Protection Act 2005 (Amended 2012).

Further, consumers were encouraged to be responsible when conducting transactions in the marketplace, in order to reduce the incidence of abuse of their rights

Figure 3 above is the WCRD 2016 Message from the Honourable Karl Samuda, Minister of Industry, Commerce, Agriculture and Fisheries in observation of the Day.

Broadcasting Commission's directive to Cable Operators

The Broadcasting Commission of Jamaica (BCJ) in April 2016 issued a directive to local cable operators to cease transmission of 19 unlicensed channels in their packages by May 31, 2016. The BCJ stated that this action had become necessary as the distribution of unlicensed channels by local cable companies has been elevated to a contentious international trade issue. Further, cable television operators in Jamaica are required to comply with local and international copyright laws and regulations, but have in fact, been operating in breach of these requirements for many years, particularly in relation to the channels and programmes they provide to subscribers.

In May 2015, the BCJ gave a three month extension was given to cable operators by the BCJ. This meant that the cable operators had to comply with the original directive by August 31, 2015.

Throughout this period, the Commission received numerous complaints by affected consumers who expressed their dissatisfaction with paying for a service and not receiving same. The CAC sought clarity from the BCJ, as well as examined the Consumer Protection Act (CPA) with a view to seeking redress for affected consumers. This advocacy will continue.

Partnerships

In February 2016, the Consumer Affairs Commission assisted the Commonwealth of the Bahamas with the establishment of its own Consumer Protection Commission. The Bahamian Government reached out to Jamaica's Consumer Affairs Commission for assistance following a review of the regional institutions offering protection to its citizens.

The result was a two day fact-finding visit to Jamaica to learn about the CAC's legislative, organisational structure and operations. The Bahamian Government sought to establish its own Consumer Protection Commission as mandated by the legislation passed by the Bahamian legislature in 2006.



Pictured from L-R: Stephen Wedderburn, Chief Technical Officer, Ministry of Industry, Investment and Commerce; Dolsie Allen, Chief Executive Officer, Consumer Affairs Commission; Senator Jerome Gomez, Chairman, Consumer Protection Commission, Bahamas; Michelle Parkins, Director of Commerce, Ministry of Industry, Investment and Commerce and Philip Beneby Deputy Chairman, Consumer Protection Commission, Bahamas.

CAC partners with UTECH in its Healthy Eating campaign



University of Technology, Jamaica
Excellence Through Knowledge



The Commission continued to educate consumers about the World Consumer Rights Day 2015 theme which promulgated healthy diets. This occurred through a partnership established with the University of Technology, Jamaica (UTech) in July 2015. The aim of which was to further empower consumers to make healthy food choices as a result of a national Healthy Eating in Jamaica campaign launched by (UTech).

According to the research findings of the University's Study on the 'Cost of Healthy Eating in Jamaica' led by Professor Fitzroy Henry of the Public Health Nutrition College of Health Sciences, the data indicated an increasing pattern for obesity in the last decade; and the direct relation to leading causes of death including heart disease, stroke, cancer, diabetes and hypertension. As such, the Utech researchers sought to therefore answer the pertinent questions -- if healthy diets are so important, do they really cost more, and if they do, can the poor afford to eat healthier?

Information derived from the research findings was used by the Commission to enhance its critical basket of goods feature located on its website. Consumers were therefore empowered to make healthier choices as each food item listed on the site has a traffic light system applied to it, whereby foods that contain large amounts of salt are coded red, those that have a little more than average yellow and those that are deemed normal are coded green.

CAC awarded Gender Equality Certification Seal



The Commission was awarded the Gender Equality Certification Seal by the Bureau of Women's Affairs (BWA) effective March 2016. This was in keeping with the Commission's completion of an Action Plan and staff sensitisation to facilitate the implementation of the National Policy for Gender Equality (NPGE).

The NPGE is aimed at gender mainstreaming in national development, thereby enabling men and women to contribute equally to the country's growth, while having equitable access to the protection and privileges of Jamaican citizenship. As it relates to the gender certification process, it is designed to ensure that MDAs which fulfil the required criteria are eligible to use the Gender Equality Certification Stamp.

Future

For the 2016/17 Financial Year, the Commission will continue its focus on empowering consumers, while encouraging ethical behaviour between consumers and providers in the marketplace. In particular, the Commission will focus on achieving the following:

- Development of a Consumer Protection Policy.
- Completion of a simplified version of the Consumer Protection Act via a booklet.
- Partnering with other Ministries, Departments and Agencies (MDAs) and private sector entities to ensure that the voice of the consumer is heard in as many sectors as possible, but also importantly, in policy decisions.
- Migration from the old Case Management System (CMS) system to Version 2 that will include user acceptance testing and training.
- Implementation of the CAC Open Data portal that will facilitate access to the Commission's wealth of information.

The strength of the Consumer Affairs Commission resides with its employees and we thank the staff for their passion and hard work during the year. Having built a foundation for the future, the Commission will continue to drive operational performance. We are confident that the next phase of our strategy will enable us to make further progress towards our vision, while protecting your rights and securing our future. This appreciation goes also to the Board of Commissioners, the Commission's portfolio Ministers, the Permanent Secretary and the staff of the Ministry of Industry, Commerce, Agriculture and Fisheries and the media for your continued guidance and support.



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

Consumer Education



Consumer Education

Consumer Education and education in consumer issues significantly impact the behaviour of consumers. It is in recognition of this that the Consumer Affairs Commission as part of its core activities, develops and executes an annual consumer education programme aimed at making consumers aware of their rights and responsibilities. The main outcome of this programme is the empowerment of consumers to make informed decisions that will facilitate transparent and satisfactory transactions in the marketplace.

The CAC recognises that if the Jamaican consumer of the 21st Century is to function effectively, they must be:

- aware of their rights and responsibilities
- knowledgeable about the products and services available
- able to make informed decisions which reflect his/her values, goals and priorities; and,
- able to actively participate as a consumer/citizen and influence the shape of the marketplace

For the 2015/16 Financial Year, the Commission interacted with **126,903** persons as a result of participating in **424** activities, thus surpassing the projected reach by **26.9%** or **26,903**. An analysis of the audience breakdown revealed that the Commission interfaced with **66,877** or **52.7%** adults and **60,026** or **47.3%** students, while the gender composition was **77,491** or **61%** females and **49,412** or **39%** males.

The three parishes with the largest number of persons impacted by the Commission's outreach programme over the 2015/16 Financial Year were, Kingston and St Andrew with 27,790 or 21.9%, St. Thomas which totaled 20,071 or 15.8% followed by St Ann with 17,532 or 13.8%.

Figure 4 highlights the breakdown of the total number of activities carried out by the Consumer Affairs Commission during the 2015/16 Financial Year



Figure 5 below highlights the parishes with the largest number of persons directly impacted at events in which the Commission participated

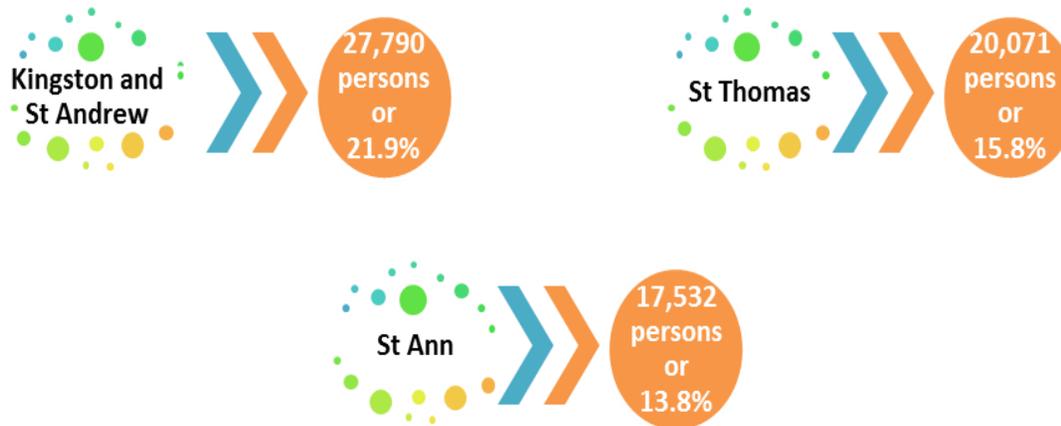
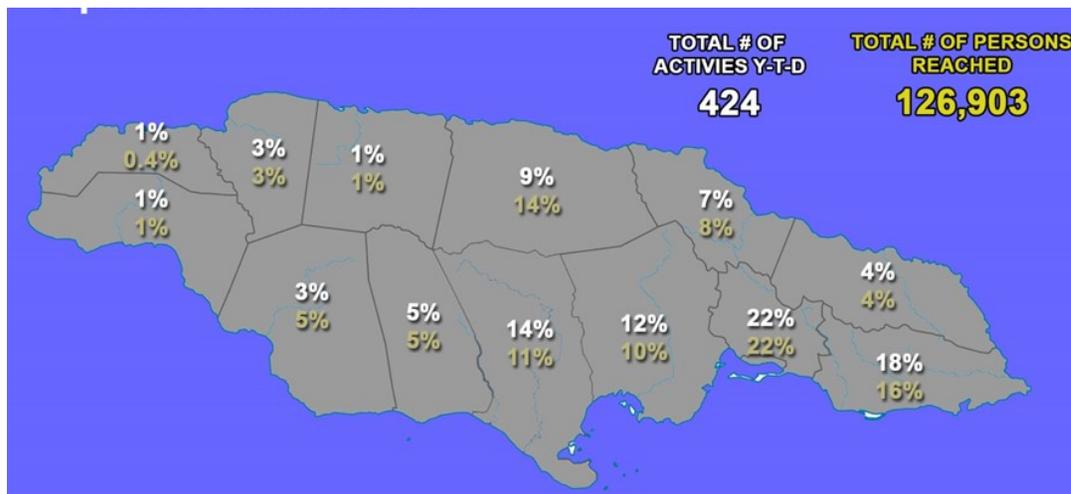


Figure 6 illustrates the total number of activities and persons directly impacted between April 1, 2015 and March 31, 2016



World Consumer Rights Day 2016 (WCRD 2016)

On World Consumer Rights Day (WCRD) 2016, the CAC's Consumer Education programme was marked by presentations in schools and other institutions in the Corporate Area, Manchester, St. Catherine, St. Mary, Westmoreland, St. Elizabeth and St. Thomas. A message from the Commission was read at assemblies in schools and churches and, additionally, displays were mounted in libraries and schools in the parishes of St. Thomas, Manchester and St. Elizabeth.

A total of **645** interactions were made; a reduction by **62** or **8.8%**, especially with students, when compared to the 707 interactions held during the 2014/2015 Financial Year. The reduction was attributed in part to disruptions resulting from events leading up to the General Elections when the Commission would have put in place its arrangements with the various schools to continue engaging students.



Ralston Patterson, CAC Outreach Officer, engages a consumer who was learning about standing up for her consumer rights!

Exhibitions



Students from Port Morant, Yallahs, Robert Lightbourne, Seaforth and Morant Bay High Schools in St Thomas, attending the WCRD Exhibition at the St Thomas Parish Library on WCRD 2016.

- 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 Exposition and RJR Communications Group Cross Country Invasion;
- Desk Days in branches of Courts and Singer Jamaica Limited outlets, City of Kingston (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 (JBDC) Global Entrepreneurship Week Open House and Business Incubator and Mobile Clinics.

Presentations

- Schools' Staff Development Sessions, PTA Meetings and Parents' Days, Human Employment and Resource Training Agency (*HEART Trust/NTA*), Tertiary institutions and the National Youth Service (NYS);
- Summer Camps organised by churches, Service Clubs, Senior Citizens Associations and other community groups;
- Staff members in a number of Government Agencies and Departments as well as business places; and,
- Schools of students scheduled to take the CSEC Examinations and during Career, Health and Book fairs;
Clientele of hospitals and clinics in a number of parishes.

Exhibitions and Presentations:

- A number of Health & Wellness fairs organised by schools and community groups and the Jamaica Cultural Development Commission (JCDC) Culinary Arts regional finals.
- Jamaica Agricultural Society (JAS) Association of Branch Societies Annual General Meeting (AGM) and the National Council for Senior Citizens Club Culture days.
- World Consumer Rights Day displays at Parish Libraries islandwide.

Communication and Information



Communication and Information

Communication and Information

The Consumer Affairs Commission recognises that at the heart of each successful transaction in the marketplace is a consumer who is educated and informed. As such, the Commission utilises all methods of communication at its disposal to impart its messages to consumers and providers to facilitate equity in the marketplace. During the 2015/16 Financial Year, the CAC addressed a number of issues spanning food and product safety recalls, the Consumer Protection Act as it relates to consumer rights and responsibilities regarding goods and services purchased in the marketplace, as well as advocacy.

The main media forms used were traditional, social and new media. It should be noted that the execution of the Commission's communication and information portfolio was highly constrained due to insufficient budgetary allocations. Despite this challenge however, the CAC was still able to engage the media which resulted in invaluable media exposures for the Commission, and by extension, consumers.

Advertising expenditure

The Commission's spend on advertising totalled Eight Hundred and Twenty One Thousand Four Hundred Sixteen Dollars and Five Cents (\$821,416.05). A breakdown of the payments for each type of advertisement is found as follows:

Table 1 illustrating a breakdown of the amount of funds spent in each category of advertisement during the Financial Year 2015/16

Media	Actual Expenditure
Yellow Pages (Print)	\$ 55,550.00
Radio Advertising	\$527,100.05
Newspaper Advertising	\$214,898.00
JBDC Clinic Advertising (print)	\$ 23,868.00
TOTAL	\$821,416.05

Below is the cost saving realised for the period, April 1, 2015 – March 31, 2016. Based on the relationship with the media, the Commission attracted free exposures valued over Seventeen Million Dollars (**\$17M**). These were actual savings for segments that usually attract revenue for the media houses, but which were negotiated at gratis, i.e., no monetary cost to the Commission.

Cost savings on negotiated opportunities and exposures were estimated at the average market value of the period stated (FY 2015/16):

Table 2 provides information on the non-cost media opportunities and the estimated value at the market rate for the Financial Year 2015/16

TYPE OF MEDIA	NUMBER OF NEGOTIATED EXPOSURES	ESTIMATED COST of NEGOTIATED (per exposure)	TOTAL ESTIMATED COST ('000)	ACTUAL SPEND	TOTAL COST OF EXPOSURES
PRINT (newspaper)	90	\$50K (1/4 page average)	\$450,000.00	\$214,898.00	\$664,898.00
PRINT (Yellow Pages)	1	0	0	\$55,550.00	\$55,550.00
PRINT (JBDC Business Clinic)	1	0	0	\$23,868.00	\$23,868.00
RADIO	309	\$35K (30 seconds)	\$10,815,000	\$527,100.05	\$11,342,100.05
TELEVISION	34	\$35K x 5 minutes or (\$175K per exposure)	\$5,950,000.00	\$0	\$5,950,000.00
TOTAL	434	(Negotiated \$50K savings per occasion)	\$17,215,000.00	\$821,416.05	\$17,980,866.05

The Commission received a total of **434 free exposures**, the value of which amounted to Seventeen Million Two Hundred and Fifteen Thousand Dollars (**\$17,215,000.00**). The actual spend in the print and broadcast media amounted to Eight Hundred and Twenty-One Thousand Four Hundred Sixteen Dollars and Five Cents (\$821,416.05) for a total of **359 contracted** opportunities, which paled in comparison to the value of the free exposure.

Therefore, media exposure for which the CAC was not required to outlay any funds accounted for 95.7% of the total cost of the exposures.

The total number of media exposures recorded by the Commission totalled **16,742,460** media exposures. These are categorised as follows: **Traditional Media 926, New Media/SMS 11,650 Email Marketing 8,542 and Social Media 16,721,336.**

Table 3 illustrates the total number of media exposures obtained by the Consumer Affairs Commission during the 2015/16 Financial Year

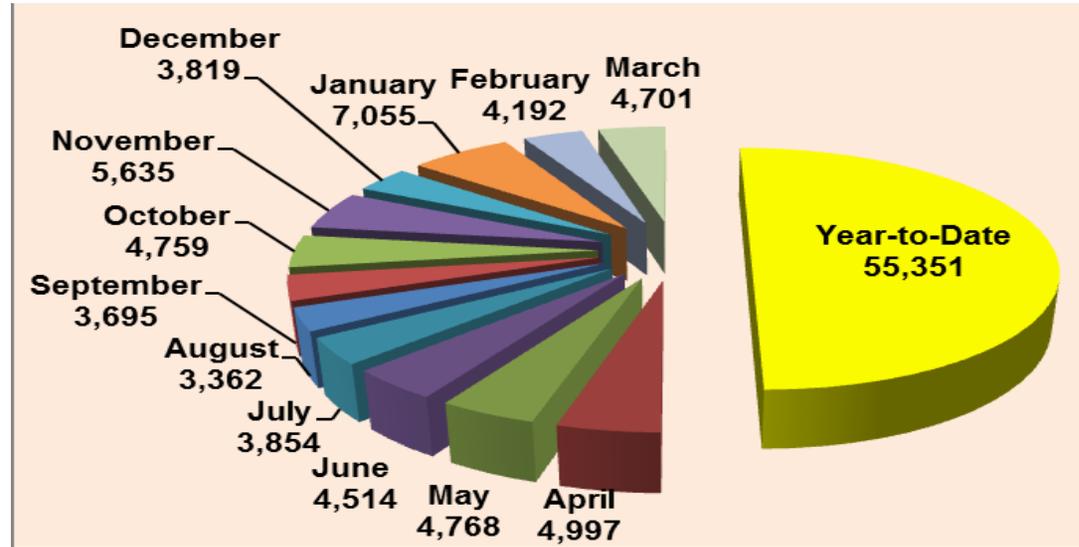
Month	Press Releases 1.	Media Interviews	Print Articles	Radio Prog	Radio Prog	TV Prog	*Online / Social Media	Print Spots	Print Spots	Radio Spots	Radio Spots	TV Spots	New Media email marketing	New Media SMS Alert	Total Exposures
	Issued	(Radio, TV, print)	(Free)	(Free)	(Paid)	(Free)	(Free)	Paid	(Free)	Paid	(Free)	Paid			
April	1	5	10	2	0	1	1,393,472	0	0	0	48	0	168	663	1,394,370
May	3	6	6	39	2	0	1,393,435	0	0	50	0	0	1,132	442	1,395,115
June	3	2	6	7	0	4	1,393,415	0	0	33	0	0	377	221	1,394,068
July	1	4	5	9	0	4	1,393,430	0	0	5	4	0	385	1,326	1,395,173
August	1	4	8	21	0	0	1,393,442	0	0	5	0	0	64	0	1,393,545
September	2	0	9	15	0	0	1,393,428	1	0	0	0	0	427	665	1,394,547
October	2	1	2	4	0	0	1,393,413	0	0	53	0	0	242	2,000	1,395,717
November	3	3	4	6	0	0	1,393,402	0	0	53	0	0	105	0	1,393,576
December	3	17	21	81	0	5	1,393,487	0	1	53	0	0	702	954	1,395,324
January	2	8	9	36	0	8	1,393,474	0	1	33	0	0	2,698	4,214	1,400,485
February	0	2	3	24	0	1	1,393,414	0	0	33	0	0	0	0	1,393,477
March	4	4	7	65	0	1	1,393,524	2	0	33	0	0	2,242	1,171	1,397,063
Total	25	56	90	309	2	34	16,721,336	6	1	351	52	0	8,542	11,656	16,742,460

Among the main issues addressed by the Commission via the media, during the period under review were contaminated “bad gas”, Broadcasting Commission of Jamaica’s directive to Cable Operators and food and product recall notices.

Website

The Commission's website received a total **33,570** visitors, **26,201** of whom were new resulting in them accessing **55,351** pages.

Figure 7 shows the total number of pages downloaded from the Consumer Affairs Commission's website during the 2015/2016 Financial Year



Complaints Resolution Services



Complaints Resolution Services

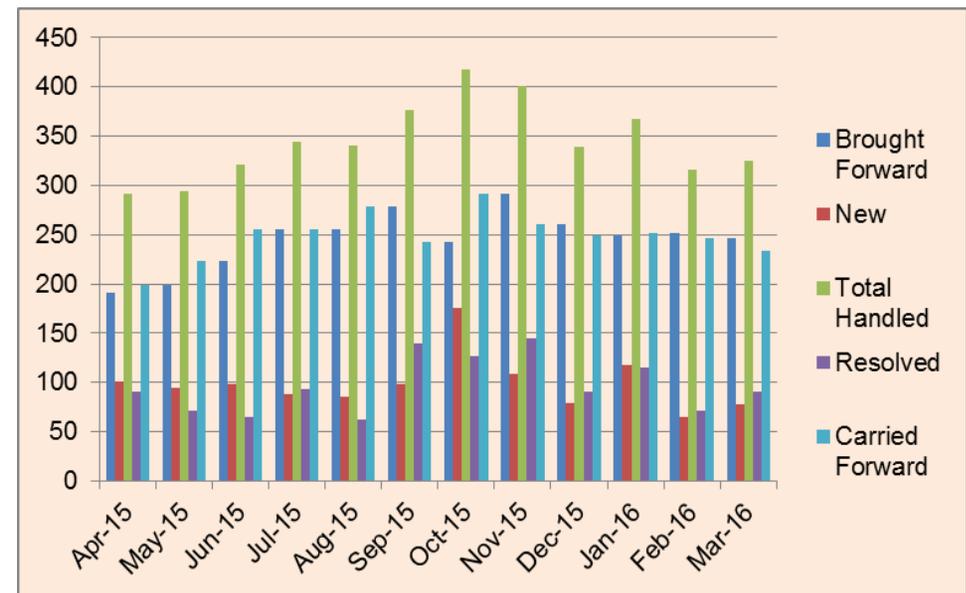
The Consumer Affairs Commission works on behalf of all consumers to facilitate ethical transactions between consumers and providers in the marketplace. This is done via the Consumer Protection Act and in partnership with various Government Ministries, Agencies and Departments (MDAs) as well as private sector entities. The main aim of the Commission's complaint service is the early resolution of concerns while keeping complainants informed about the progress of the complaint throughout the process.

During the 2015/16 Financial Year, the Commission secured **\$27.1** Million in refunds and compensation on behalf of aggrieved consumers who transacted business with providers in the marketplace. This emanated from dealing with **1,438** complaint cases submitted to the Commission during the period under review. The Commission's effort resulted in **1,161** cases being resolved, representing an **81%** resolution rate.

Table 4 shows the case dispositions by month for the period April 1, 2015 to March 31, 2016

Month	Brought Forward	New	Total Handled	Resolved	Carried Forward
Apr-15	191	101	292	91	199
May-15	199	95	294	71	223
Jun-15	223	98	321	65	256
Jul-15	256	88	344	93	255
Aug-15	255	86	341	62	279
Sep-15	279	98	377	139	242
Oct-15	242	176	418	127	292
Nov-15	292	109	401	145	260
Dec-15	260	79	339	91	249
Jan-16	249	118	367	115	251
Feb-16	251	65	316	71	247
Mar-16	247	78	325	91	234
Total		1191		1161	

Figure 8 shows the case dispositions by month for the period April 1, 2015 to March 31, 2016



Refunds and compensation

During the 2015/16 Financial Year, of all complaints filed the **Electrical Equipment and Appliances** category dominated with **30.31%**; followed by Utilities with **14.36%**; and Other Services accounted for **11.50%**. This was a similar result to what has been evidenced over the past few years.

However, from a monetary perspective, the top three categories that contributed the most in refunds and compensation were Motor Vehicles and Parts with **\$18,120,110.00**; Other Services which totalled **\$2,356,377.06** and Utilities in the amount of **\$1,912,447.97**.

There were **876** requests for advice and information recorded, representing a marginal increase of **3.03%** over the previous year.

Figure 9 highlighting the monetary refunds and compensation obtained on behalf of aggrieved consumers during the 2015/16 Financial Year

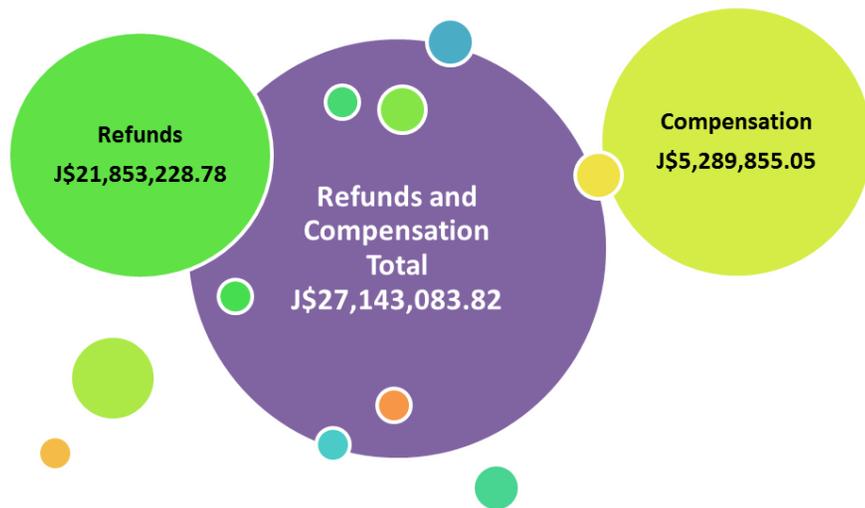


Figure 10 showing the top three complaints categories for consumers during the 2015/16 Financial Year

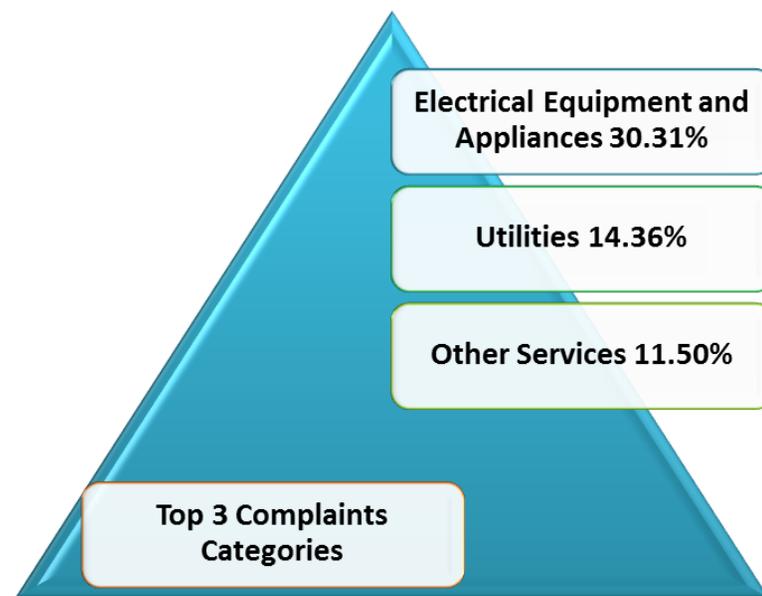
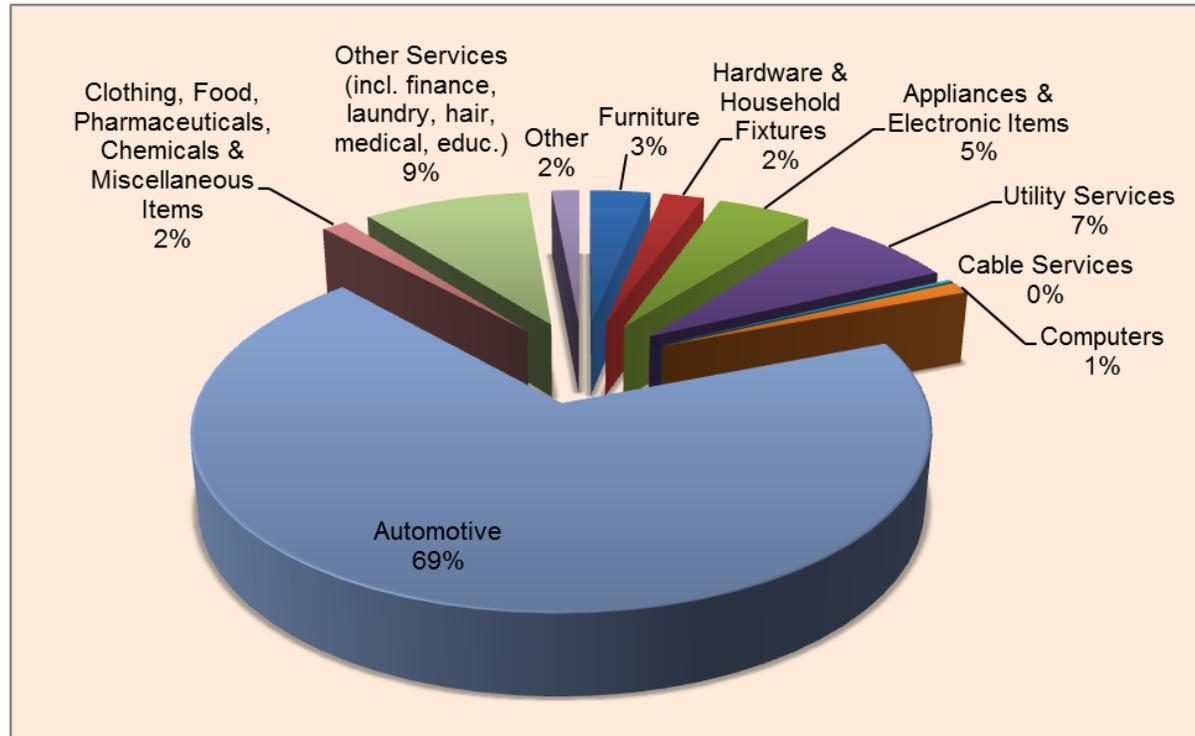


Table 5 highlights the total refund and compensation obtained on behalf of aggrieved consumers during the 2015/16 Financial Year

Complaint Categories	Refund	Compensation	Total YTD	Percentage
	\$	\$	\$	%
Furniture	18,000.00	0.00	867,114.39	3.19%
Hardware & Household Fixtures	52,872.50	0.00	640,681.50	2.36%
Appliances & Electronic Items	10,000.00	8,000.00	1,345,629.12	4.96%
Utility Services	0.00	0.00	1,912,447.97	7.05%
Cable Services	0.00	0.00	64,141.77	0.24%
Computers	0.00	0.00	291,794.42	1.08%
Automotive	10,000.00	0.00	18,130,110.00	66.79%
Clothing, Food, Pharmaceuticals, Chemicals & Miscellaneous Items	9,800.00	0.00	368,169.75	1.36%
Other Services (incl. finance, laundry, hair, medical, educ.)	292,432.50	484,000.00	3,132,809.56	11.54%
Other	0.00	0.00	390,185.34	1.44%
TOTAL	393,105.00	492,000.00	27,143,083.82	100%
		885,105.00		

Figure 9 shows the main categories and the corresponding percentage amount of refunds/compensation obtained during the 2015/16 Financial Year



Contaminated “Bad” Gas Complaints

Complaints pertaining to contaminated or “bad” gas surfaced in November 2015 when consumers began making reports to the Commission about petrol bought at service stations causing their vehicles to shut down. This continued into the last quarter of the 2015/16 Financial Year and was treated separately from the complaints information presented previously. As at March 31, 2016 the Commission recorded approximately **406** “bad gas” complaints and was awaiting the findings of the Petroleum Reform Committee before proceeding further.

Market Research

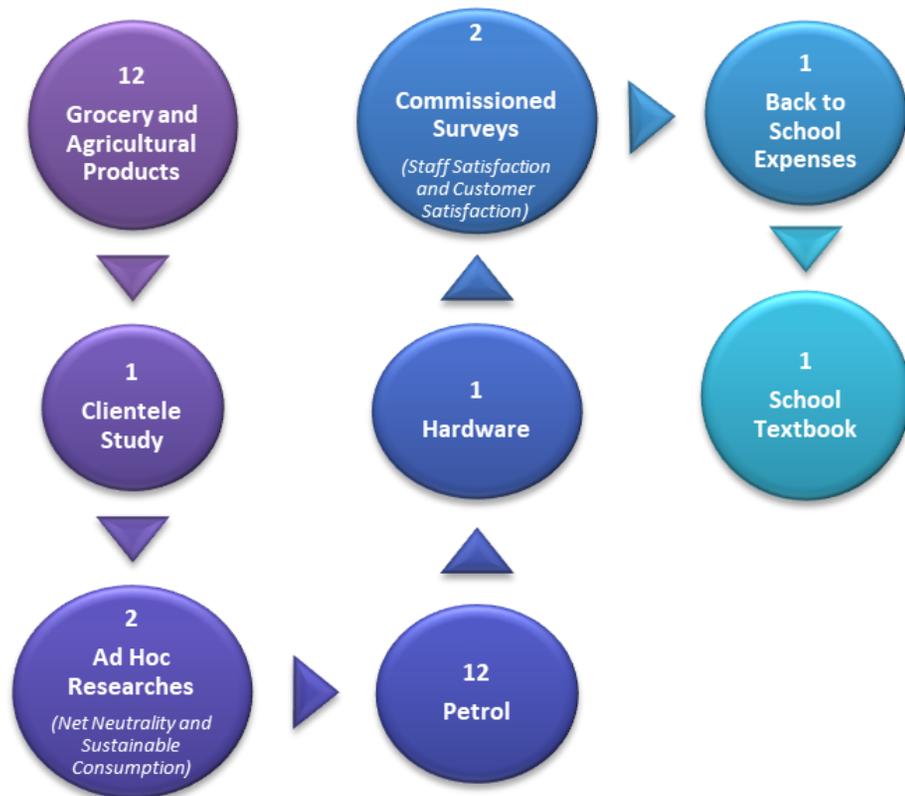


Market Research

Market Research

Market Research plays a crucial role in enabling the Consumer Affairs Commission to empower consumers when conducting business in the marketplace. Further, effective market surveillance is important as it helps protect consumers from dangerous foods and products, but also ensures a level playing field for reputable businesses. For the Financial Year, the CAC conducted 28 planned surveys and 4 unplanned surveys, 27 of which were price related and 5 research projects.

Figure 10 illustrates the total number of surveys conducted during the 2015/16 Financial Year



Grocery Survey

The CAC conducted **12** grocery surveys during the 2015/16 Financial Year. Over the period, Anchor Powdered Whole Milk and Dried Salted Fish were increased by **16%** and **11%**, respectively, while Lasco Powdered Whole Milk decreased by **11%**.

Significant price increases of **16%** and **11%** were observed for Anchor Powdered Whole Milk and Dried Salted Fish. An **11%** price decline was, however, observed for Lasco Powdered Whole Milk, while Bulk Rice and Lasco Skimmed Milk Powder experienced decreases of **7%** each.

It was observed that **75%** of **114** grocery products and **60%** of agricultural items were readily available in over 50% of supermarkets and outlets surveyed.

Average Price Movements

Basket of Critical Items

The Commission's basket of critical food items showed that some products experienced significant price changes while other prices

were stable. For the Financial Year, there were significant price increases of 16% and 11% observed for Anchor Powdered Whole Milk and Dried Salted Fish. An 11% price decline was observed for Lasco Powdered Whole Milk while Bulk Rice and Lasco Skimmed Milk Powder price declines of 7% each. **Tables 6 and 7** below showcase the items that experienced notable price changes in both supermarkets and shops.

Table 6 shows significant changes in supermarket prices for specific items in the CAC's basket of critical grocery items during the 2015/16 Financial Year

Product	Quantity	Monthly Price Change (%)	Fiscal Year Change (%)
CB Whole Chicken	1 kg	2	1
Grace Corned Beef	340 g	0	8
Anchor Powdered Whole Milk	80 g	0	16
Dried Salted Fish	1 kg	-1	11
Bulk Rice	1 kg	-1	-7
Lasco Powdered Whole Milk	80 g	-2	-11
Lasco Skimmed Milk Powder	80 g	-3	-7

Table 7 highlights the changes in shop prices for specific items in the CAC's basket of critical grocery items between April 1, 2015 and March 31, 2016

Product	Quantity	Fiscal Y-T-D Price Change (%)
Best Dressed Chicken	1 kg	4
Bulk Counter Flour	1 kg	2
Brunswick Sardines	106 g	5
Lasco Skimmed Milk Powder	80 g	8
Lasco Corned Beef	340 g	11
Nestle Lactogen Infant Formula	400 g	16
Dried Salted Fish	1 kg	12
Lasco Step 1 Infant Formula	400 g	11
Bulk Cornmeal	1 kg	-11
Grace Tomato Ketchup	385 g	20

Shops

Over the period under review, the greatest price increase observed was 20% for Grace Tomato Ketchup. Nestle Lactogen Infant Formula had a price increase of 16% while Dried Salted Fish had a 12% price increase. Lasco Corned Beef and Lasco Step 1 Infant Formula both had a price increase of 11% while Bulk Cornmeal had a price decline of 11%. The changes are shown in **Table 7** above.

Local Agricultural Items

The price movements for a select set of local agricultural produce in supermarkets over the period April 2015 to March 2016 are shown in **Table 8**. Observations revealed that Cabbage had the greatest price increases of 71% followed by Carrot with a price increase of 41%. Yellow Yam had a 38% price increase. Irish Potato and Tomato had price declines of 2% and 1% respectively.

Table 8 displays the monthly price movements of local agricultural produce during the 2015/16 Financial Year

Produce	Quantity	Monthly Change (%)	Fiscal YTD Change (%)
Onion	1 kg	9	21
Green Banana	1 kg	9	20
Ripe Plantain	1 kg	8	8
Irish Potato	1 kg	-4	-2
Cabbage	1 kg	-12	71
Yellow Yam	1 kg	-13	38
Tomato	1 kg	-13	-1
Carrot	1 kg	-29	41

The Petroleum Market

Jamaican consumers paid an average of **18%** less for fuel when compared to the point-to-point figures for March 2015. This was due to low crude oil prices, as a result of shale oil production in the United States of America and the restart of activity of some producing countries, as well as the reluctance of OPEC to stem production. On the demand side, manufacturing remained low in major manufacturing countries like China, and globally, the economy experienced a slowdown. These factors served to reduce the price of crude oil and petroleum products by extension.

International Benchmarks

By the end of the 2015/2016 Financial Year, US Gulf Cost Regular gasoline declined US\$0.51/gal (30%), while US Gulf Coast ULSD prices declined US\$0.76/gal (43%).

Observed Petrol Prices

The average pump prices observed for all products remained lower than prices observed April 2015 (FYTD):

- The average E10-87 pump price was 17% (J\$24.42/litre) lower than observed in April 2015, compared to the average E10-90 pump price which was 14% (J\$18.75/litre) lower.
- The average Auto-diesel pump price was 26% (J\$35.50/litre) less than observed in April 2015.
- The average ULSD pump price was 15% (J\$19.60/litre) lower than observed in April 2015.

Information Technology



Information Technology

The speed with which innovations in technology move from inception to adoption by consumers continues apace. Today's consumers are more often than not seeking out the latest technological upgrades as opposed to businesses, which was once what obtained. However, the Consumer Affairs Commission is aware of the need to ensure that its technological infrastructure is current, especially since consumers have numerous means of communicating and some of the very complaints it receives requires technological expertise in providing resolution. It is in this vein that the Commission continued to maintain its information technology infrastructure while implementing new Information and Communication technologies during the 2015/16 Financial Year.

Among the main successes and achievements of the Agency were the launch of the new website and the upgrade of the Case Management System. In addition, the CAC experienced a 99.6% up time for all systems and all branch locations during the year.

Case Management System Upgrade Project

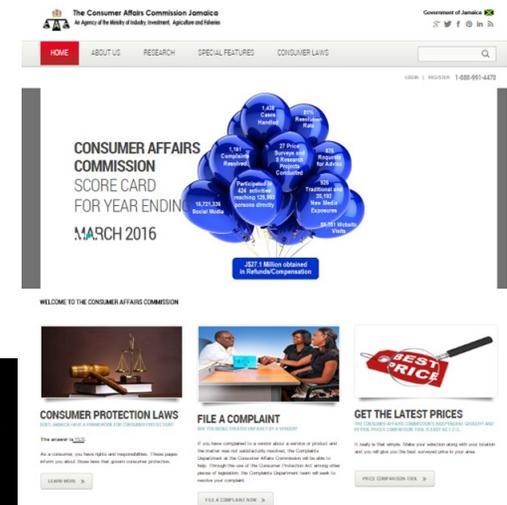
The Commission's Case Management System (CMS) is utilised to manage all complaints received by the agency. Created and implemented in 2006, the CMS was no longer able to cope with the number of complaints that the Commission handles on an annual basis. The CAC therefore engaged the system vendor to implement an upgraded version of the system. The project commenced in late 2015 and is scheduled for completion in the second quarter of 2016/17 Financial Year. It is envisioned that the upgraded system will improve the efficiency of the Complaints Unit to better handle consumer cases.

Website Redesign and Upgrade

The Commission's redesigned corporate website was launched in January 2016 and has received positive feedback from website visitors and other stakeholders. The project was managed and executed solely through the internal resources of the Commission.

It boasts a number of exciting new features and enhancements of previous features. One of the more important new features is the membership registration where a consumer can register to be a part of the Commission's informed consumer network. Members will receive periodic alerts and notifications related to consumer matters like product recalls and food safety alerts.

**A snapshot of the redesigned
Consumer Affairs Commission
website**



Open Data Project



Andrew Evelyn, Information Technology Manager, CAC, talking about the partnership between Fuel Finder and CAC at 3rd International Open Data Conference 2015

The CAC continued to contribute significantly to the Government of Jamaica's (GOJ) Open Data Initiative that was launched in 2014. During the 2015/16 Financial Year, the Commission provided data and human resources at the International Open Data conference which took place in Ottawa Canada in May 2016. During this conference the Commission through a presentation, documented its experience in providing data to consumers.

The GOJ Open Data portal is expected to be the central repository for all data sets produced by Government Ministries, Departments and Agencies. When launched, the CAC will migrate its entire open data initiative to the GOJ Open Data platform and become a part of the overall Government Open Data infrastructure.

Open data is data that can be freely used, re-used and redistributed by anyone - subject only, at most, to the requirement to attribute and share alike. The Commission will therefore make consumer prices data available to all citizens in ways that will be easy to use,

understand and manipulate thus allowing them to derive actionable information leading to better choices. In addition, software application developers will have access to the prices data allowing them to create innovative mobile applications and websites that will feed valuable information about prices to the consumer.

Legal Intervention



Legal Intervention

During the 2015/16 Financial Year the Consumer Protection Tribunal completed the first full hearing of a case placed before it for adjudication. The hearings allowed the Tribunal to put into practice the amendments of the 2005 Consumer Protection Act legislated via the 2012 Consumer Protection (Amendment) Act.

Protecting consumers in the digital age

The Commission reviewed and provided comments on the Data Protection Bill. The comments were made with a view to protecting Jamaican consumers in the digital age. Technology and the “digital ecosystem” are rapidly changing the way consumers engage with businesses. This means that there is an increase in goods and services being promoted and sold online. In addition, the sharing of personal information online is exponential and it is difficult to regulate the storage of consumer information by businesses for privacy reasons. Data protection legislation in the digital age must therefore be pre-emptive in protecting consumer data. The critical need for this type of legislation is essential especially where growth in personal data collection, through the use of technology often occurs without adequate concern for consumer privacy. In the current landscape the collection of consumer data occurs frequently, consumers are often unaware of the activity and perceive these activities to be beyond their control. The Commission therefore recognises the importance of this legislation as a tool to further protect consumer rights and empower consumers as they transact business online.

Outreach activities

The CAC utilises presentations as part of its core consumer education outreach. As it relates to the Consumer Protection Act, it is crucial that consumers are familiar with the Act and know how it works when conducting business in the marketplace. Therefore, outreach via presentations were conducted, *inter alia*, to students of the National Heart Academy, members of the Jamaica Constabulary Force and civilians as a part of sensitising Jamaicans about their rights and responsibilities under the law. Additionally, during the period under review the Commission engaged in a project to publish a simplified version of the Consumer Protection Act to facilitate ease of reading for all consumers interested in learning about the function of the CAC and the duties of vendors under the law.

Corporate Governance

In addition to the provision of corporate secretarial support to the Commission's Board, the CAC also provided administrative support to the Telecommunications and Electricity Appeals Tribunals which are hosted by the Commission.

Finance and Administration



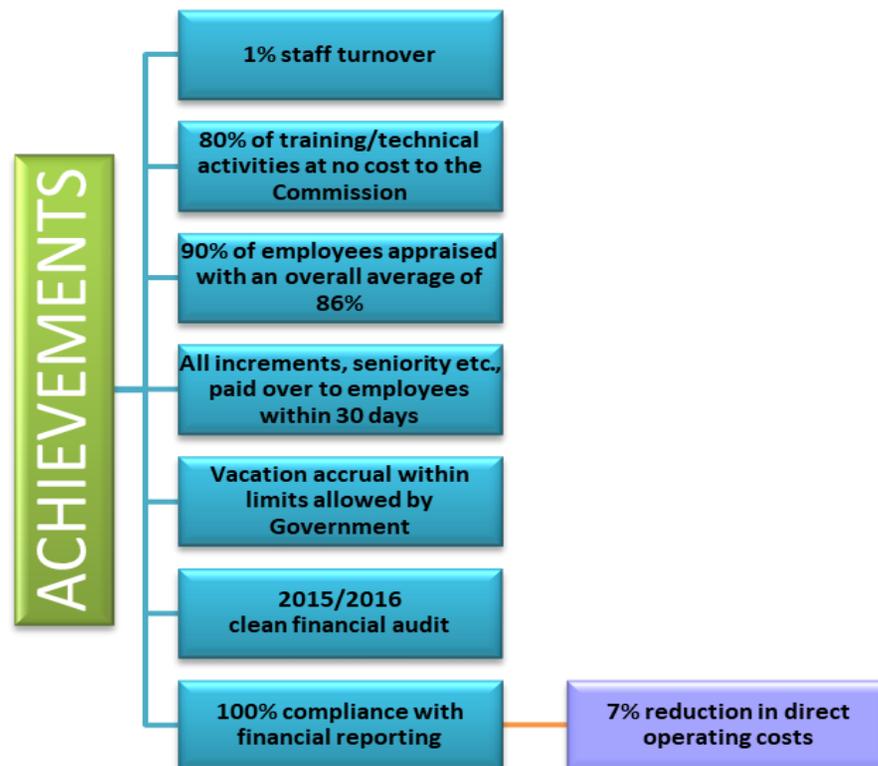
Finance and Administration

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.

Figure 11 showcasing the Commission's finance and administration's achievements during the 2015/16 Financial Year



Human Resources

Staffing

The Commission ended the financial year with 39 posts comprising 28 occupied positions, eight clear vacancies and three positions with persons either on contract or temporarily appointed.

At the end of the review period, gender composition was 10 male, 21 female or 32% male, 68% female.

Training and Development

As at March 2016, twenty-one (21) employees participated and completed 26 different activities, of which 21 were complimentary. The activities included workshops, seminars and forums.

The activities were classed in two categories: training (or technical) and developmental. There were 18 training activities which saw Officers learning skills complimentary to their jobs. Eight activities were developmental in nature and exposed officers to impending legislation, management principles and techniques, industry analysis and the general business environment.

Generally, employees were also exposed to a presentation on Developing Excellence in Customer Service as well as presentations on IT Security and the CARICOM Rapid Exchange (CARREX).

Performance Review

In keeping with the 2013 implementation of the Performance Management Appraisal System (PMAS), employees were appraised for the 2014/2015 financial year in the early part of 2015/2016. The overall PMAS score for 27 employees was 86%. This compared to the 75% considered acceptable under the PMAS system. Females scored an average of 89% while males scored 77%. All increments, seniority and other payments due were made to staff upon presentation of the satisfactory PMAS score of minimum 75%.

Accrued Vacation

As at March 31, 2016, Accrued Vacation was an average of 23 days due to each eligible employee. This compared to the allowable average of 42 days per employee.

Meetings

Seven (7) general staff meetings were held during the Financial Year and seventeen (17) senior staff meetings.

Social Development/ Interaction

HR Visit to Departments: To encourage a more direct exchange of ideas and to stimulate discussion, HR took the initiative to implement quarterly visits to departments. For the Financial Year under review, 3 meetings were held.

Employees were involved in activities to enhance social interaction and to keep staff morale high. Activities included recognition of staff birthdays, themed competitions and 9 presentations to staff in areas such as benefits, financial and retirement planning, among others.

Facilities

The Commission renewed its lease for premises at 34 Trafalgar Road, Kingston 10, for a further three years. The Commission successfully negotiated a reduction in the annual rate of increase for rental of the Head Office property from 5% to 3% for the 2016/17 Financial Year.

The Commission maintained its offices in Montego Bay and Mandeville and a desk at the RADA Office in St. Thomas.

Approval was granted for the Office of the Public Defender to occupy a desk in the CAC's Montego Bay Office. The occupation was for a period of one year, with an option to renew.

Finance and Accounting

Financial Audit

Approval was granted for the Auditing Firm of CrightonMullings & Associates to conduct the Commission's financial review for a further two auditing years: 2015/2016 and 2016/2017.

The 2015/2016 Audit is attached and includes the highlights below:

Funds

Receipts: For the 2015/2016 Financial Year, total receipt was \$105.6M including subvention from the Parent Ministry of \$105M. Subvention received was 97% of the budget or a shortfall of approximately \$3.4M.

Expenditure: For the period under review, expenditure amounted to \$106.6M, including accounts payable of \$1.2M. Total cash and bank balance at the beginning of the financial year was \$2M.

Cost Reduction

The Commission benefited from the reduction in fuel costs which resulted in a 25% reduction in the electricity charges. Efforts were made to reduce the cost of operating supplies through product substitution and order scheduling. This resulted in a 7% reduction in direct operating costs, not including salary expenses and despite the increases applied by providers of goods and services.

Directors Compensation: April 2015 - March 2016

Name and 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 L. Green	192,000.00				192,000.00
11 Other Members:					
K. Clarke	96,500.00				96,500.00
F. Sylvester	11,000.00				11,000.00
D. Ellis	121,500.00				121,500.00
E. Wynter	89,000.00				89,000.00
M. Parkins	85,000.00				85,000.00
N. Clarke	56,000.00				56,000.00
W. Jackson	78,000.00				78,000.00
D. Webb	44,500.00				44,500.00
M. Weir	132,500.00				132,500.00
C. Constantine	45,000.00				45,000.00
B. Francis	44,000.00				44,000.00
Total	995,000 p.a., Board Fee				995,000.00 p.a., Board Fee

Notes

1. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.

Senior Executive Compensation: April 2015 - March 2016

Name and Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
D. Allen Chief Executive Officer	Apr'15- Mar'16	3,483,580.00		1,118,016.00	18,183.24	130,469.07		4,750,248.31
C. Morris Finance & Administration Manager	Apr'15- Mar'16	2,333,854.00		589,533.00	0.00	23,485.33		2,946,872.33
C. Martin-Tracey Director of Field Operation	Apr'15- Mar'16	2,387,396.71		631,687.52	8,292.45	155,318.24		3,182,694.92
S. Russell Legal Officer	Apr'15- Mar'16	2,968,820.00		589,533.00	0.00	393,052.75		3,951,405.75

Notes

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

Audited Financial Statements

THE CONSUMER AFFAIRS
COMMISSION
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

THE CONSUMER AFFAIRS COMMISSION
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

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Rohan Crichton, CPA, CA, MAcc,
 FRCPA, FRCIS, FRCMA,
 Leary C. Mullings, CPA, CA, MAcc,
 FRCPA, FRCIS, FRCMA

Chartered Accountants
 Certified Public Accountants

Page 1

INDEPENDENT AUDITOR'S REPORT

To the commissioners of
THE CONSUMER AFFAIRS COMMISSION

Report on the Financial Statements

We have audited the accompanying financial statements of The Consumer Affairs Commission (the "Commission"), which comprise the statement of financial position as at March 31, 2016, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan, and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and is appropriate to provide a basis for our audit opinion.

Cont. /2

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Independent Auditor's Report

To the commissioners of
THE CONSUMER AFFAIRS COMMISSION

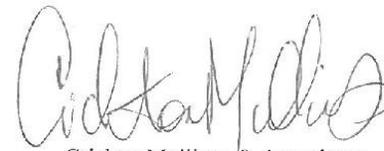
Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Commission as at March 31, 2016, and of its financial performance and its 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").

Report on other Legal and Regulatory Requirements

As required by the Acts, we have obtained all the other 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 kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Acts, in the manner so required.



Crichton Mullings & Associates
Chartered Accountants

Kingston Jamaica
October 28, 2016

**THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016**

	Note	2016 \$	2015 \$
ASSETS			
Non-current Assets			
Property and equipment	5	8,423,450	9,833,264
Retirement benefit assets	6	289,242,000	231,498,000
		<u>297,665,450</u>	<u>241,331,264</u>
Current Assets			
Receivables and prepayments	7	2,969,369	2,877,834
Cash and bank balances	8	3,317,619	2,111,967
		<u>6,286,988</u>	<u>4,989,801</u>
TOTAL ASSETS		<u>303,952,438</u>	<u>246,321,065</u>
RESERVES AND LIABILITIES			
RESERVES			
Retirement benefit reserve	6	289,242,000	231,498,000
Accumulated surplus		7,186,298	7,940,210
		<u>296,428,298</u>	<u>239,438,210</u>
Current liabilities			
Payables and accruals	9	7,524,140	6,882,855
		<u>7,524,140</u>	<u>6,882,855</u>
TOTAL RESERVES AND LIABILITIES		<u>303,952,438</u>	<u>246,321,065</u>

APPROVED, on behalf of the Board on October 28, 2016



Chairman



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, 2016**

	Note	2016 \$	2015 \$
Income			
Grants		105,338,589	100,658,820
Administrative and general expenses	10	<u>104,865,015</u>	<u>99,814,297</u>
Operating surplus		473,574	844,523
Other income		<u>308,502</u>	<u>731,858</u>
		782,076	1,576,381
Finance and policy costs	11	<u>1,788,710</u>	<u>1,740,845</u>
Net deficit		(1,006,634)	(164,464)
Other comprehensive income:			
Remeasurement of actuarial gain		46,317,000	6,645,000
Actuarial gain on defined benefit plan		<u>11,427,000</u>	<u>10,236,000</u>
Net surplus for the year, being total comprehensive income		<u><u>56,737,366</u></u>	<u><u>16,716,536</u></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, 2016**

	Retirement Benefit Reserve \$	Accumulated Surplus \$	Total \$
Balance at March 31, 2014	214,617,000	3,716,960	218,333,960
Net surplus, being total comprehensive income for the year	-	16,716,536	16,716,536
Adjustment	-	4,387,714	4,387,714
Remeasurement of actuarial gain	6,645,000	(6,645,000)	-
Actuarial gain on defined benefit plan	<u>10,236,000</u>	<u>(10,236,000)</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	<u>289,242,000</u>	<u>7,186,298</u>	<u>296,428,298</u>

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2016**

	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net surplus for the year	56,737,366	16,716,536
Adjustments for items not affecting cash resources:		
Depreciation	1,689,722	1,640,908
Adjustment	252,722	4,351,778
Retirement benefit assets	<u>(57,744,000)</u>	<u>(16,881,000)</u>
	935,810	5,828,222
Increase in operating assets:		
Receivables and prepayments	(91,535)	(2,210,763)
(Increase) / decrease in operating liabilities:		
Payables and accruals	<u>641,285</u>	<u>(2,459,927)</u>
Net cash provided by operating activities	<u>1,485,560</u>	<u>1,157,532</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>(279,908)</u>	<u>(500,210)</u>
Net cash used in investing activities	<u>(279,908)</u>	<u>(500,210)</u>
NET INCREASE IN CASH AND BANK BALANCES	1,205,652	657,322
CASH AND BANK BALANCES - Beginning of the year	<u>2,111,967</u>	<u>1,454,645</u>
CASH AND BANK BALANCES - End of the year	<u>3,317,619</u>	<u>2,111,967</u>
REPRESENTED BY:		
Cash and bank balances	<u>3,317,619</u>	<u>2,111,967</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, 2016**

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:

- *IAS 27 'Separate Financial Statements- Amendments', issued August 2014*
Effective for periods commencing on or after 1 January 2016
- *IFRS 10 'Consolidated Financial Statements - Amendments', issued September 2014*
Effective for periods commencing on or after 1 January 2016
- *IFRS 12 'Disclosures of interest in other Entities', issued December 2014*
Effective for periods commencing on or after 1 January 2016
- *IFRS 14 'Regulatory Deferral Accounts', issued January 2014*
Effective for periods commencing on or after 1 January 2016
- *IFRS 15 'Revenue from Contracts with Customers', issued May 2014*
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', issued November 2013*
Effective for periods commencing on or after 1 January 2018
- *IAS 16 'Property, Plant and Equipment- Amendments', issued May 2014*
Effective for periods commencing on or after 1 January 2016
- *IAS 1 'Presentation of Financial Statements- Amendments', issued December 2014*
Effective for periods commencing on or after 1 January 2016

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

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, 2016**

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, 2016

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 recognized 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 recognized 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 recognized 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.

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

(i) 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 unrecognized 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, 2016

4. INCOME

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

5. PROPERTY AND EQUIPMENT

	<u>Leasehold</u> <u>Improvement</u> <u>\$</u>	<u>Furniture,</u> <u>Fixtures and</u> <u>Equipment</u> <u>\$</u>	<u>Computers</u> <u>\$</u>	<u>Total</u> <u>\$</u>
At Cost/Valuation				
Beginning of year	2,415,228	13,365,862	8,249,939	24,031,029
Additions	-	-	279,908	279,908
Disposals	-	(3,425,418)	(2,131,893)	(5,557,311)
End of year	<u>2,415,228</u>	<u>9,940,444</u>	<u>6,397,954</u>	<u>18,753,626</u>
Accumulated				
Depreciation				
Beginning of year	158,913	8,923,699	5,115,153	14,197,765
Charge for year	57,381	1,012,044	620,297	1,689,722
Disposals	-	(3,425,418)	(2,131,893)	(5,557,311)
End of year	<u>216,294</u>	<u>6,510,325</u>	<u>3,603,557</u>	<u>10,330,176</u>
Net Book Value				
End of year	<u>2,198,934</u>	<u>3,430,119</u>	<u>2,794,397</u>	<u>8,423,450</u>
End of prior year	<u>2,256,315</u>	<u>4,442,163</u>	<u>3,134,786</u>	<u>9,833,264</u>

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

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, 2016.

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

	2016	2015
	\$	\$
Present value of the obligation	(173,609,000)	(149,824,000)
Fair value of plan assets	462,851,000	381,322,000
Fund status	<u>289,242,000</u>	<u>231,498,000</u>

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

	2016	2015
	\$	\$
Current service cost	(9,755,000)	(8,476,000)
Interest cost	(15,021,000)	(12,849,000)
Interest income on scheme assets	35,998,000	32,354,000
Remeasurement of gain / (loss) on obligation	(4,000,000)	(3,294,000)
Remeasurement of gain / (loss) on plan assets	50,317,000	9,939,000
Past service cost	-	(976,000)
Contribution by the Commission	205,000	183,000
	<u>57,744,000</u>	<u>16,881,000</u>

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

	2016	2015
	\$	\$
Net assets at start of year	381,322,000	342,075,000
Interest income on plan assets	35,998,000	32,354,000
Transfer value received	-	247,000
Benefits paid	(7,983,000)	(6,086,000)
Remeasurement gain on assets	50,317,000	9,939,000
Total contributions during the year	3,197,000	2,793,000
	<u>462,851,000</u>	<u>381,322,000</u>

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

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:

	Change in assumption	2016 Value of DBO (\$)	2015 Value of DBO (\$)
Discount rate	1% increase	150,154,000	131,158,000
Discount rate	1% decrease	204,072,000	173,931,000
Salary escalation	1% increase	179,406,000	154,713,000
Salary escalation	1% decrease	175,255,000	145,483,000
Future rate of pension augmentation	1% increase	196,366,000	167,946,000
Future rate of pension augmentation	1% decrease	155,147,000	135,068,000
Actuarial gains / (losses) on defined benefit obligation arising from:			
Changes in demographic assumptions		-	(7,438,000)
Changes in financial assumptions		(10,037,000)	(2,229,000)
Experience adjustment		6,037,000	(6,373,000)
Total actuarial losses		(4,000,000)	(3,294,000)

The principal actuarial assumptions used were as follows:

	2016 %	2015 %
Discount rate	9.00	9.5
Rate of escalation of pensionable earnings	6.50	7.0
Rate of increase in pension	5	5

Expenses - allowance is made for administrative expense at the rate of 7% (2015: 7%) earnings of members' pensionable earnings.

7. RECEIVABLES AND PREPAYMENTS

	2016 \$	2015 \$
Staff receivables	756,110	606,114
Withholding tax recoverable	198,780	198,780
Prepayments	101,315	101,315
Other receivables (i)	1,913,164	1,971,625
	2,969,369	2,877,834

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

	2016 \$	2015 \$
Petty cash	3,000	3,000
Bank accounts	3,314,619	2,108,967
	3,317,619	2,111,967

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

9. PAYABLES AND ACCRUALS

	2016 \$	2015 \$
Accounts payable	1,167,886	1,388,036
Statutory deductions payable	1,401,263	1,210,046
Accrued vacation leave	4,530,900	3,857,838
Other payables and accruals	424,090	426,935
	<u>7,524,140</u>	<u>6,882,855</u>

10. ADMINISTRATIVE AND GENERAL EXPENSES

	2016 \$	2015 \$
Salaries, wages and related costs	48,183,494	43,753,572 *
Retroactive salaries	2,074,789	1,223,097
Temporary and casual wages	4,007,854	3,489,930
Mileage allowances	4,423,859	4,878,870 *
Statutory and pension fund contributions	4,319,467	4,177,886
Education tax penalty for prior years	-	242,936
Motor vehicle allowance	15,146,937	12,584,365 *
Staff welfare	140,229	356,725 *
Travelling and subsistence	241,530	682,732 *
Rental:		
Equipment	36,316	45,135
Buildings	9,222,791	7,679,130
Electricity	2,328,591	2,892,148
Telephone	3,764,593	3,810,279
Water rate	241,699	215,951
Repairs and maintenance	700,508	1,137,846
Medical supplies	7,675	25,849
Meals and entertainment	857,169	831,235
Wireless, cable and postage	166,170	217,437
Directors' fees	995,000	883,500
Professional fees	475,600	909,495
Insurance	228,807	365,189
Grants and contribution	978,354	1,031,500
Staff training	133,315	111,774
Printing and stationery	849,085	1,523,708
Audit fees:		
Current year fees	384,550	370,000
Advertising and promotion	200,000	801,680
Subscription and membership fees	512,751	901,590
Exhibition, conference and seminars	1,384,013	644,981
General office expenses	1,478,250	2,516,063
Security	1,381,619	1,509,694
	<u>104,865,015</u>	<u>99,814,297</u>

*- Reclassified to conform to 2016 presentation

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

11. FINANCE AND POLICY COSTS

	2016	2015
	\$	\$
Bank charges	98,988	99,937
Depreciation	1,689,722	1,640,908
	<u>1,788,710</u>	<u>1,740,845</u>

12. SOURCE AND USES OF FUNDS

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

	Budget	Actual	Variance Favourable/ (Unfavourable)
	\$	\$	\$
Income:			
Grant - general	107,134,000	105,338,589	(1,795,411)
Other	-	308,502	308,502
	<u>107,134,000</u>	<u>105,647,091</u>	<u>(1,486,909)</u>
Expenditure:			
Personal emoluments	62,756,000	58,383,672	4,372,328
Travelling and subsistence	18,204,000	13,212,975	4,991,025
Other operating and general expenses	11,609,000	19,463,088	(7,854,088)
Rental	9,004,000	9,259,107	(255,107)
Public utilities	5,561,000	6,334,883	(773,883)
	<u>107,134,000</u>	<u>106,653,725</u>	<u>480,275</u>
Operating deficit	<u>-</u>	<u>(1,006,634)</u>	<u>(1,006,634)</u>
Capital:			
Purchase of property and equipment	2,000,000	279,908	1,720,092 *

*- The unused capital budget was used to fund approved operating expenses as there was a shortfall in the 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, 2016**

13. STAFF COSTS

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

	2016	2015
Permanent	31	32

The aggregate payroll costs for these persons were as follows:

	2016	2015
	\$	\$
Salaries and other related costs	71,823,380	64,770,596
Statutory payroll contributions	4,319,467	4,177,886
	76,142,847	68,948,482

14. RELATED PARTIES

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

	2016	2015
	\$	\$
Transactions with Board of Directors:		
Directors' fees	995,000	883,500
Transactions with key management personnel:		
Chief Executive Officer	4,736,520	4,458,146
Finance and Administration Manager	3,063,808	966,970
	8,795,328	6,308,616

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 realize 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.

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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.

	2016	2015
	\$	\$
Cash and bank balances	3,317,619	2,111,967

(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.

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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, 2016: Accounts payable	7,524,140	7,524,140	7,524,140
March 31, 2015: Accounts payable	6,882,855	6,882,855	6,882,855

(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 control market risk exposures within acceptable parameters, while optimizing 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 utilized, 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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