



An Agency of the Ministry of Industry,
Investment and Commerce

Consumer Affairs Commission

"Protecting your rights, securing our future"



Annual Report 2012-2013

Protecting your rights, securing our future: CAC at a Glance

Our Mission

To foster ethical relations between providers and consumers of goods and services in the Jamaican marketplace through effective advocacy, research, public education and complaint resolution, utilising the available technology, legal framework and professional staff within the context of a competitive environment.

Our Vision

The work of the Consumer Affairs Commission (CAC) is driven by its commitment to meeting its long-term objective, namely:

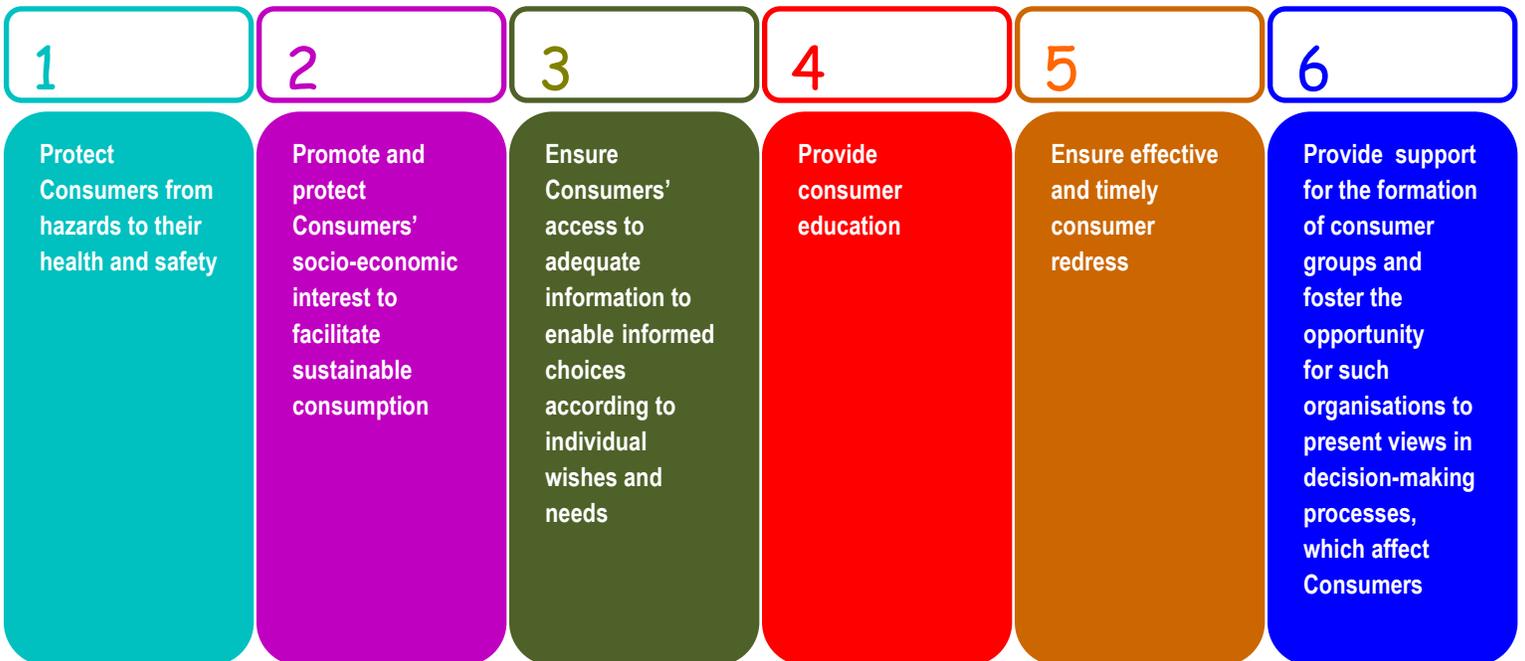
To be recognised as the premier Consumer Protection Agency in Jamaica and the leading consumer advocate for change in the Caribbean.

Protecting your rights, securing our future: CAC at a Glance

The Consumer Affairs Commission is a government agency established to inform, educate and empower consumers to protect themselves in the marketplace.

Our purpose is to implement the provisions of the Trade Act of 1955 and the Consumer Protection Act 2005 (Amended 2012) with regard to consumer rights.

Our role and function are driven by consumers' rights and strategic objectives and are as follows:



The Charter of Rights of the Consumer

The Consumer Education Programme of the Commission, is based upon the Charter of Rights of the Consumer and the United Nations Guidelines for Consumer Protection to which Jamaica became a signatory in 1985. The programme is predicated upon the following eight (8) basic Consumer Rights:



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List of Acronyms

BOJ	Bank of Jamaica
CAC/Commission	Consumer Affairs Commission
CI	Consumer International
CPA	Consumer Protection Act
CPC	Consumer Protection in the Caribbean
CPT	Consumer Protection Tribunal
CSHN	Consumer Safety and Health Network
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
JCDC	Jamaica Cultural Development Commission
JGRA	Jamaica Gasoline Retailers Association
JIS	Jamaica Information Service
JPSCo	Jamaica Public Service Company Ltd
NAHFSC	National Agricultural Health and Food Safety Committee
NCL	National Consumer League
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
PTA	Parent Teachers Association
WCRD	World Consumer Rights Day

Transmittal Letter

March 26, 2014

Honourable Anthony Hylton
Minister of Industry, Investment and Commerce
Ministry of Industry, Investment and Commerce
4 St. Lucia Avenue
Kingston 5

Dear Minister:

In accordance with Section 15 of the Consumer Protection Act, I transmit herewith the Commission's report for the year ended March 31, 2013 and a copy of the Commission's Audited Accounts as at March 31, 2013, duly certified by the Auditors.

I am,

Yours respectfully,



Lorna Green, (Ms)
Chairman

Board of Commissioners



Front Row (left-right): Mrs Fay Sylvester—CD, Ms Berl Francis, Ms Lorna 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 Dr Leith Dunn, Miss Nicole Pierce and Ms Shirley Pryce

Board of Commissioners



Ms Lorna Green,
Chairman



Mr Maurice Weir,
Commissioner



Ms Berl Francis,
Commissioner



Miss Nicole Pierce,
Commissioner



Mrs Norma Clarke,
Commissioner



Dr Leith Dunn,
Commissioner



Mr Denton Ellis,
Commissioner



Mrs Fay Sylvester, CD
Commissioner



Mr Derrick Webb,
Commissioner



Ms Michelle Parkins,
Commissioner



Ms Kirby Clarke, OD
Commissioner



Ms Shirley Pryce,
Commissioner

Board Committees

Audit Committee

- * Ms Kirby Clarke, OD - Chair (CAC Board Commissioner)
- * Miss Nicole Pierce - (CAC Board Commissioner)
- * Mr Maurice Weir - (CAC Board Commissioner)
- * Mrs Norma Clarke - (CAC Board Commissioner)

Finance Committee

- * Mr Derrick Webb - Chair (CAC Board Commissioner)
- * Mrs Fay Sylvester, CD - (CAC Board Commissioner)
- * Ms Michelle Parkins - (Ministry of Industry, Investment and Commerce)

Public Education & Awareness Committee

- * Ms Berl Francis - Chair (CAC Board Commissioner)
- * Mr Denton Ellis - (CAC Board Commissioner)
- * Mrs Fay Sylvester, CD - (CAC Board Commissioner)
- * Miss Nicole Pierce - (CAC Board Commissioner)
- * Mrs Norma Clarke - (CAC Board Commissioner)
- * Ms Shirley Pryce - (CAC Board Commissioner)

Human Resource Committee

- * Dr Leith Dunn - Chair (CAC Board Commissioner)
- * Ms Michelle Parkins - (Ministry of Industry, Investment and Commerce)
- * Mr Maurice Weir - (CAC Board Commissioner)
- * Mr Denton Ellis - (CAC Board Commissioner)
- * Ms Kirby Clarke, OD - (CAC Board Commissioner)
- * Ms Shirley Pryce - (CAC Board Commissioner)

Chairman's Message

The period under review which covers April 2012 — March 2013, was marked by major changes which included the appointment of a new Consumer Affairs Commission (CAC) Board, development of a new Strategic Plan; the introduction of an International Monetary Fund (IMF) Structural Adjustment Programme which resulted in significant cuts to the CAC's budget; broadening of the scope of the Commission's programme to include a focus on consumer rights in the banking sector; new legislation which established a tribunal to better protect consumer rights and the relocation of the CAC Headquarters.

Amidst all the changes and economic constraints, the Commission in its bid to better serve consumers also adjusted its strategies to adapt to the existing landscape. In this regard, the Commission's 2012-2013 Financial Year was driven by three strategies:

- **Increased use of technology**
- **Doing more with less**
- **The new look CAC**

The catalyst for the selection and focus of these particular areas is the fact that in today's society, technology is constantly improving. This has caused the consumer to be constantly bombarded with information from numerous sources, making it more challenging than ever to be an informed consumer. As a result, when making important choices the consumer is faced with a myriad of complicated options, whether it's the purchase of financial products, insurance, educational opportunities or other products and services. During the last year, the Commission introduced new processes and an enhanced information technology system, and these changes have created a very dynamic feel to the organisation. This has resulted in the implementation of a Mobile Data Collection system for gathering of survey data in the field to enable consumers to receive the results of surveys conducted by the CAC in a more timely manner as this process used to be seven (7) days and was shortened to three (3) days.

On the matter of "**doing more with less**", the Commission had been constrained by the austerity measures that the country had to adopt during the 2012-2013 Financial Year. However, this did not constrain the delivery of the Agencies' core work as the team's feet remained on the pedal, and consumers across all spectrums were served resulting in a 90 per cent complaints resolution rate.

Given the paradigm shift in the approach to achieving the Commission's goals, preparatory work commenced to relocate the CAC's headquarters to a more central location in a bid to:

- Improve visibility so consumers could readily feel the organisation's presence



Lorna Green (Ms), Chairman

- Facilitate greater accessibility for consumers
- Reduce rental and associated costs

Voluntary Banking Code of Conduct

During the 2012-2013 Financial Year, the Commission continued to seek sign-off on the voluntary Banking Code of Conduct with the Jamaica Bankers Association (JBA). While this did not materialise, the Commission remains very concerned about the impact of the banking industry's policies and practices on consumers, especially in an environment where the socio-economic conditions are unfavourable. The Commission remains resolute however, in ensuring that there is agreement with the JBA to implement the voluntary Banking Code of Conduct so that consumers can be informed and therefore empowered to make better choices when conducting business with banking institutions. In the 2012-2013 Financial Year, Jamaica was ranked 90 out of 185 countries on the Ease of Doing Business Index compiled by the World Bank. If this situation is to change and Jamaica is to achieve Vision 2030 (Jamaica's National Development Plan), the banking industry must play its part by ensuring that its practices become standardised so that accountability and transparency can reign.

The Consumer Protection Act 2012

The period under review also saw the enactment of the 2012 amendments to the Consumer Protection Act (2005). This was of particular importance to the Commission and, by extension, the consumers as it provided the Commission with more options to pursue marketplace breaches, and simultaneously give regard and credence to the rights of providers of goods and services within Jamaica. Among the amendments to the CPA 2005 was the establishment of the Consumer Protection Tribunal (CPT). Through the CPT, the Commission would be better able to settle consumer-related disputes, when mediation procedures fail. Unfortunately, there have been many instances where legitimate disputes were not pursued due to institutional bureaucracies and delays. The Tribunal's establishment is expected to lead to the quicker resolution and disposal of matters – especially long-standing ones - and a reduction of costs to the parties involved.

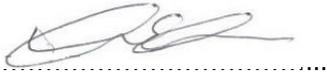
The Future

In the upcoming 2013-2014 Financial Year, the Commission will continue to harness opportunities to advocate on behalf of consumers, especially given the nature of the decline in the global economic climate. Among the targets to be achieved are:

- Increased dialogue with the Jamaica Bankers Association for sign-off on the voluntary Banking Code of Conduct
- Increased use of technology
- Engagement with civil society; and,
- Increased accessibility and visibility

The Commission is an important part of the consumer landscape and the Board is very conscious that the services of the organisation are needed now more than ever. The powers of the Commission have been strengthened through the amended CPA 2012. It is against this background that we reaffirm our commitment to the nation's consumers to protect and advocate on their behalf within the marketplace. People have always been at the heart of the Commission's achievements and the 2012-2013 Financial Year was no different.

I commend the staff for their continued delivery in a climate of uncertainty. To the Board of Commissioners, your oversight and guidance throughout the year was invaluable. And finally, thanks to our portfolio Ministers, the Permanent Secretary and staff at the Ministry of Industry, Investment and Commerce for their continued support.



Lorna Green (Ms)
Chairman

Chief Executive Officer's Report

The 2012-2013 Financial Year has been an eventful one for the Consumer Affairs Commission as the organisation continued to contribute significantly to the consumer protection and education landscape on the local, regional and international scene. In this regard, the importance of executing its mandate could not be over-emphasised as consumers continued to reel from the global recession that began in 2008. Given the challenging socio-economic atmosphere that existed, the Commission's work in empowering consumers to be more aware of their rights and responsibilities when spending their hard earned monies, was critical to their sustainability. In this regard, the Commission focused on achieving the following:

- The passage of the amendments to the Consumer Protection Act (2005) to enable the establishment of a Consumer Protection Tribunal, a quasi-judicial body to hear consumer-related matters.
- The introduction of the use of smart phones for the collection of research data;
- The Commission's leveraging of strategic partnerships and international cooperation in improving technical capabilities;
- The completion of implementation readiness activities related to the Performance Management and Appraisal System (PMAS) which was introduced across the Public Sector in 2006 out of a need to transform the public service;
- The implementation of ISO 9001:2008 Quality Management System; and,
- Gender mainstreaming initiatives under the National Policy for Gender Equality.



Dolsie Allen (Mrs), Chief Executive Officer

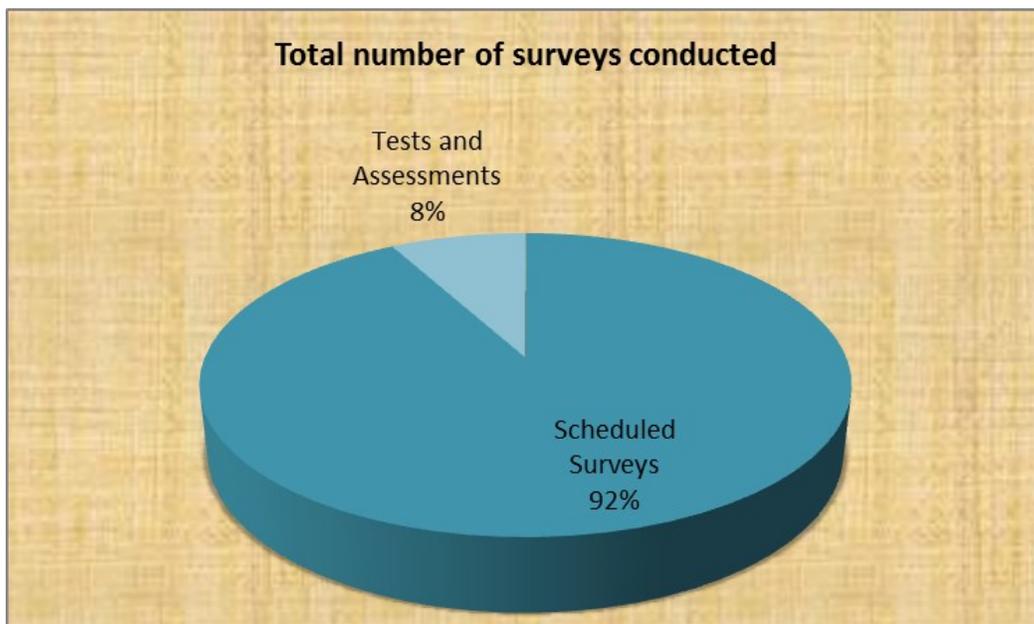
At the close of the 2012-2013 Financial Year, **1,782** consumer incidents and complaints were investigated, of which **1,607** were resolved. This represents a resolution rate of **90** per cent. In resolving these complaints, a total of **\$14.12 m** was secured as compensation/refund on behalf of aggrieved consumers.

Chart 1 provides the total number of consumer complaints received and resolved by the Consumer Affairs Commission during the 2012-2013 Financial Year



While the CAC is proud of this achievement, it could not have been accomplished without the partnership with other regulators and industry practitioners. In so doing, the CAC was able to ensure that its effort in addressing the various reported consumer issues, was within the ambit of the Consumer Protection Act. Further, through the handling of said reports, much effort was made to share the Commission's knowledge and expertise to achieve behavioural change and encourage both vendors and consumers to be aware of their rights and responsibilities when conducting business.

Chart 2 provides the total number of surveys in percentage conducted by the Consumer Affairs Commission during the 2012-2013 Financial Year



Consumer Protection in the Caribbean Project (CPC)

An important part of the Commission's activity in the last Year has been the continued implementation of the Consumer International/Inter-American Development Bank (CI/IDB) three-year Consumer Protection in the Caribbean (CPC) project. The CPC was a tripartite effort, comprising Jamaica, Barbados and Trinidad and Tobago, geared towards the adoption and implementation of a Code of Conduct for the banking sector in all three participating countries.

Whilst this may be regarded as ongoing 'business as usual' for the CAC, the implementation of the voluntary Banking Code of Conduct is a considerable level of innovation which was geared towards standardising banking practices and policies while demystifying some aspects of the banking industry for the consumer. In this regard, the public education campaign which began during the 2011-2012 period continued, as the importance of heightening the awareness of consumers to the project's aims and objectives was instrumental in attaining the project's required outcomes.

It is to this end that dialogue, meetings and negotiations commenced with the Jamaica Bankers' Association (JBA) with a view to signing-off on a voluntary Banking Code of Conduct which was drafted with the input of the National Consumer League (NCL). While consensus was achieved in some areas, the voluntary Banking Code of Conduct was not finalised at the close of the 2012-2013 Financial Year. However, the Commission is committed to ensuring that consumers are made aware of the implications of banking policies and practices and will continue to pursue the implementation of the proposed voluntary Banking Code.

Looking Forward

The Commission expects to be faced with continued challenges in the 2013-2014 Financial Year, however, it has set the following targets to be accomplished:

- Continued lobbying for the implementation of the Voluntary Banking Code of Conduct
- Facilitation of the operation of the Consumer Protection Tribunal
- Deepening the partnership with the Business community via the staging of Consumer Sensitisation Workshops
- Implementing of PMAS within the organisation
- Enforcement of the CPA in instances where the consumer regulation has been breached; and,
- Greater collaboration with co-regulators and stakeholders locally, regionally and internationally.

We believe passionately in the work of the Commission and its achievements on behalf of consumers. It is a testimony that the CAC can and does make a difference. A dispute over \$1000 may not seem like a lot to a vendor, but it makes a huge difference for the person struggling to make ends meet and therefore becomes important for the CAC to assist in ensuring situations like these are resolved. For consumers who are unaware of their rights and responsibilities, regardless of their social class and earning power, one basic tenet that is upheld at all times at the Commission is the need for easy access to an independent arbiter as a means of resolution. This not only gives a measure of protection, but it also gives consumers confidence to engage with the market which in turn brings benefits to Jamaica's economy.

It is in this vein that we thank the team for its perseverance and commitment to the consumers during the last Financial Year. We also use this opportunity to recognise our stakeholders and co-regulators who made invaluable contributions to the ongoing improvement in Jamaica's consumer landscape. In particular, mention must be made of the Commission's portfolio Ministers, the Permanent Secretary and staff of the Ministry of Industry, Investment and Commerce, the Board of Commissioners, other Agencies, Ministries and the Media Fraternity that played an essential part in enabling the Commission to attain its goals.



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Dolsie Allen (Mrs)
Chief Executive Officer



Consumer Education

74,657

Persons directly impacted

314

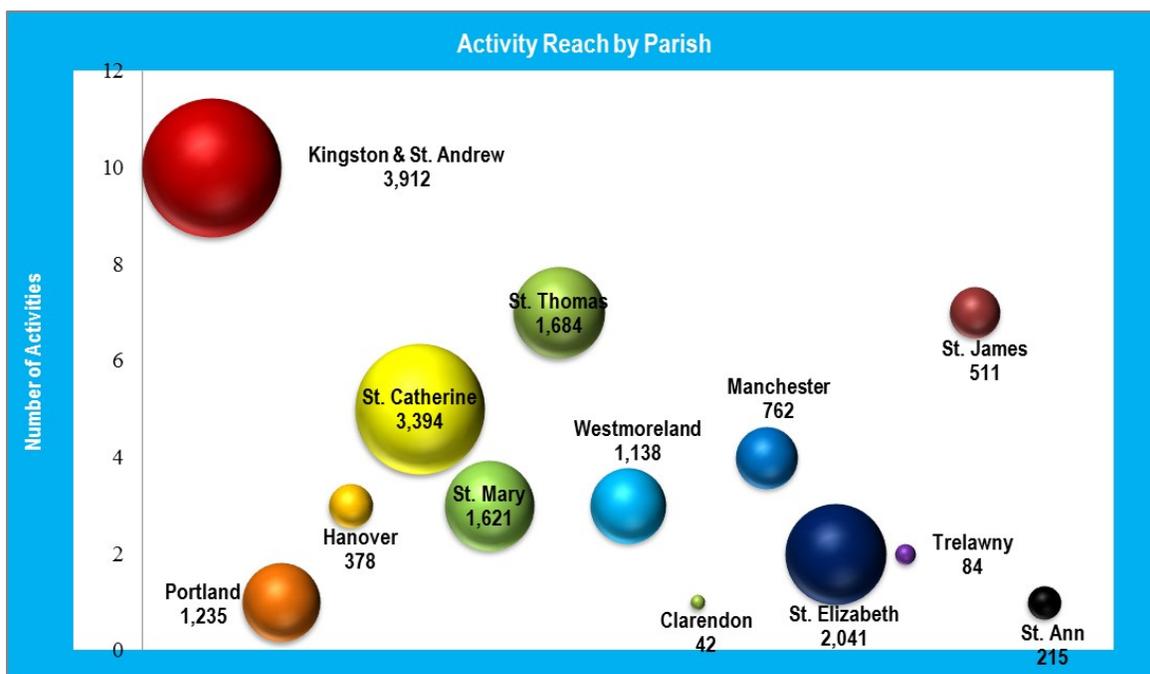
Activities staged or participated

Consumer Education

The Consumer Affairs Commission is cognizant that consumers need to be fully informed of their rights and the laws that protect them in the marketplace, thus enabling them to act responsibly when engaging in any business transactions. In addition, they must be empowered enough to utilise the information acquired to take action in the event any business transaction in which they are involved goes bad. It is for this reason that the Commission's Consumer Education Programme plays a significant role in the strategy of enabling consumers to use information acquired to make confident and informed decisions, thus the value of the face-to-face intervention cannot be overstated.

During the 2012-2013 Financial Year, the CAC impacted **720** schools which were in attendance at many of the activities in which the CAC participated. Five hundred and seventy eight (**578**) or **80.3%** of the schools were in attendance at exhibitions, followed by **94** or **13.1%** resulting from presentations to students at schools while the remaining **48** or **6.6%** resulted from presentations to groups of Consumers and the category "Other" in which the Minister's Message for World Consumer Rights Day, was read in schools. There was an increase of **207** or **40.4%** in the level of interactions with schools, when compared to the **513** schools which were impacted last Financial Year. This could be attributed in part to the higher number of 4-H Clubs Parish Achievement Days which took place in April 2012.

Chart 3 showcases the Consumer Affairs Commission's Reach by Parish during the 2012-2013 Financial Year



The Commission's flagship event of the Year – the observance of World Consumer Rights Day March 15, 2013 - was celebrated under the theme “**The New CAC Realising the Full Power of the Consumer**”. The day's activity was marked by the CAC's hosting of a Press Conference at the office of the Ministry of Industry, Investment & Commerce and participating in a seminar hosted by the National Consumer League. The message from the Honourable Anthony Hylton, Minister of Industry, Investment and Commerce was read at the assembly in some schools and during the morning service at a number of churches. In addition, displays were mounted at a number of school campuses and several libraries and hospitals across the island.

The CAC's engagements relating to the commemoration of World Consumer Rights Day spanned all fourteen (14) parishes as set out in Chart 3. The parishes with the largest audiences were Kingston and St. Andrew with **3,912** or **23%**, followed by St Catherine with **3,394** or **19.9%**, and St. Elizabeth with **2,041** or **12%**. Together these parishes accounted for **54.9%** of the total consumers impacted during the month. Coinciding with the celebration activities was a special partnership with the Jamaica National Building Society at four (4) regional meetings convened to discuss the impact of the National Debt Exchange with its members. The sessions impacted **925** persons directly and, in addition, the company's newsletter, outlining the issues discussed, and including the input of the CAC, was sent electronically to over **100,000** members worldwide.

Chart 4 highlights the types of activity and their reach undertaken by the Consumer Affairs Commission during the 2012-2013 Financial Year

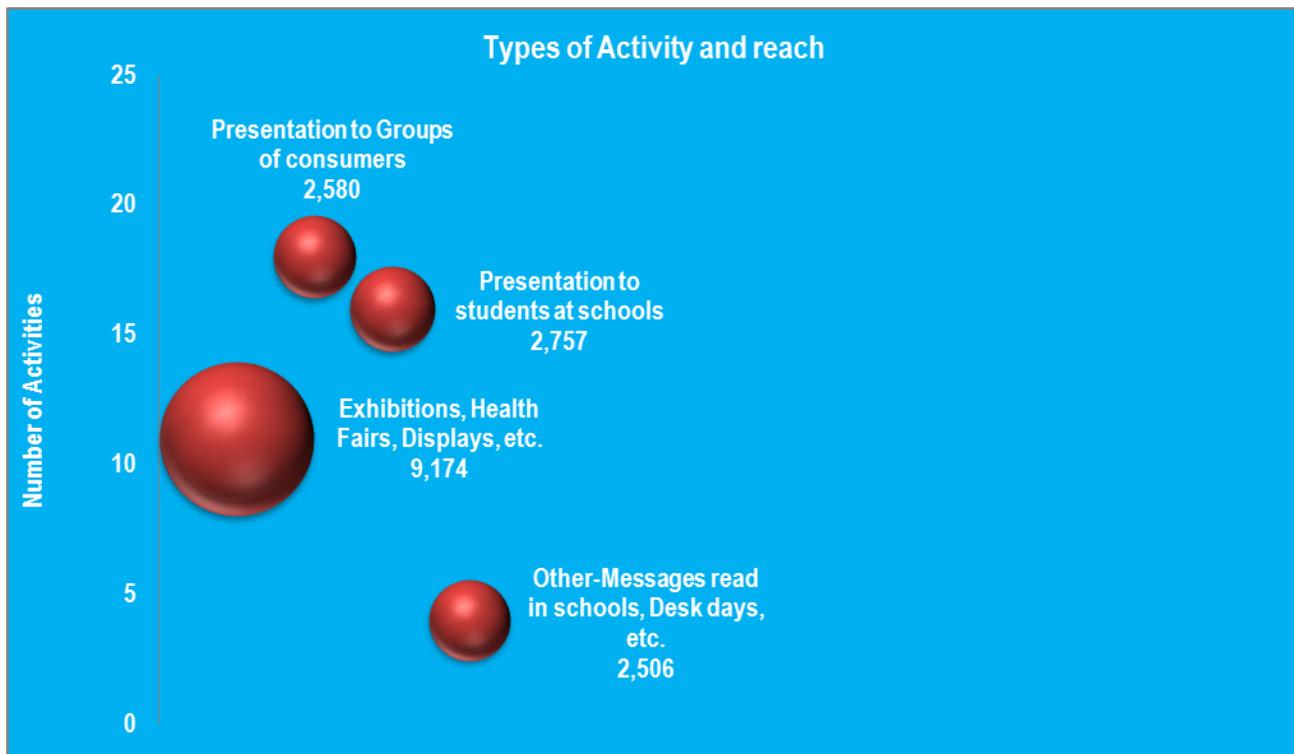
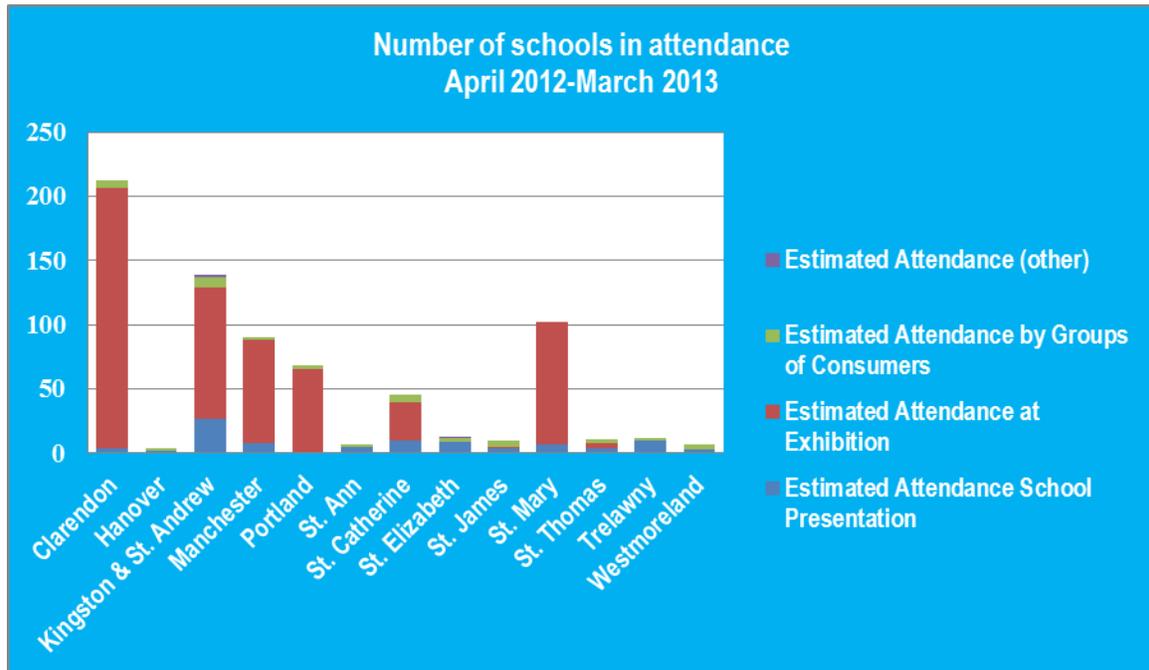


Table 1 shows the number of schools impacted by the Consumer Affairs Commission during the 2012-2013 Financial Year



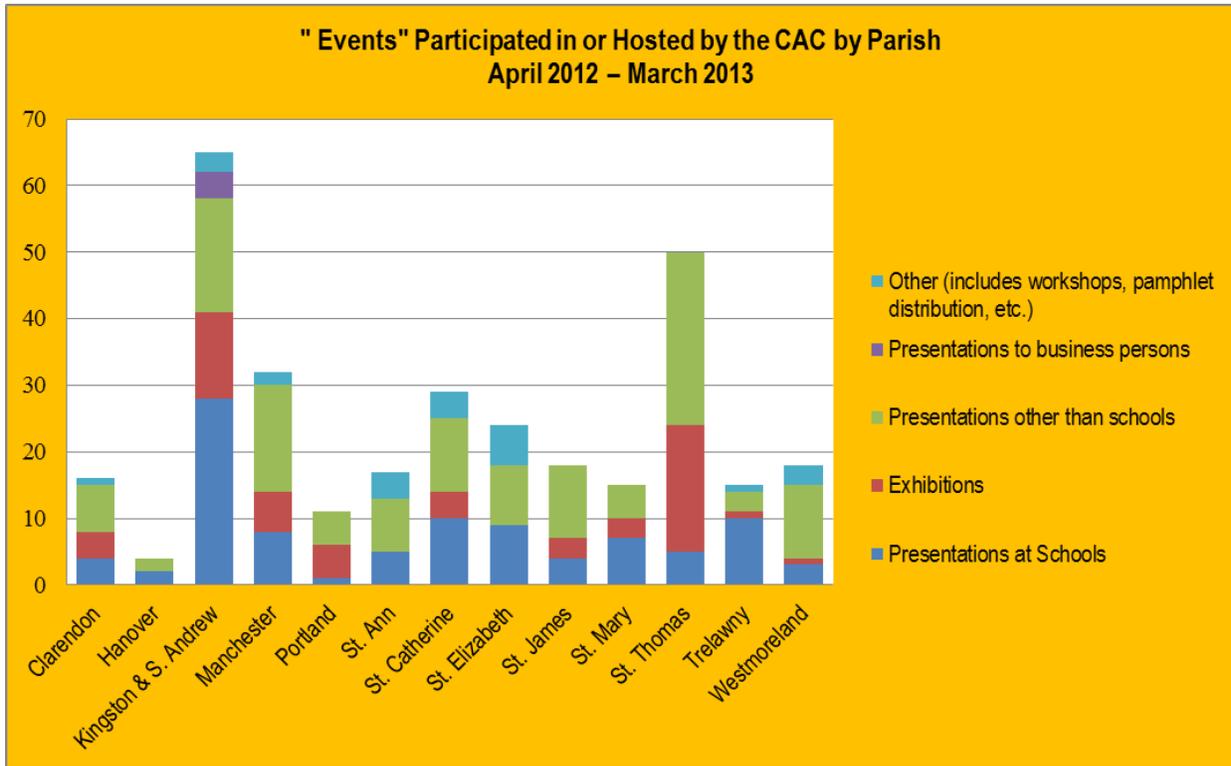
Overall the CAC engaged in **11** more outreach activities than the preceding year's **303**, however, the overall target was missed by **12.2%**. This could be attributed to World Consumer Rights Day being staged at the same time that Boys and Girls Athletics Championship was held. Hence, a number of schools did not have assembly, which is a prime activity during which the portfolio Minister's Message would have been read. A number of schools also had mock examinations, which eliminated the possibility of assembly as the halls were used to accommodate the students involved.

Highlights of the activities during the Financial Year also included:

- Presentations at the orientation exercises in a number of high schools and at a Primary and Junior High School;
- Exhibitions and presentations at the Caribbean Roots & Tuber Festival, the JAS Association of Branch Societies Annual General Meetings, the National Council for Senior Citizens Club Culture Day, a number of Health & Wellness Fairs and the Jamaica Cultural Development Commission (JCDC) Culinary Arts Regional Finals;
- Presentations at schools, Parent Teachers Associations (PTA) Meetings, Tertiary Institutions, Human Employment and Resource Training Trust/National Training Agency (HEART Trust/NTA) and the National Youth Service (NYS);
- Desk Days in branches of Courts Jamaica Limited and Singer Jamaica Limited outlets and some supermarkets during the Christmas Season;
- Exhibitions 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 at the Citizens, Security and Justice Programme Peace Mobile & Information Villages;
- Presentations to staff in a number of business places and Government Agencies; and,
- Display at the Annual Denbigh Agricultural, Industrial and Food Show.

- Presentations at Summer Camps organised by churches, meetings of Service Clubs, Citizens Associations and other Community Groups;
- Exhibitions at schools during Career Days, Health and Book Fairs;

Table 2 shows that the Consumer Affairs Commission directly impacted 74,657 persons through 314 activities during the 2012-2013 Financial Year.





Communication and Information

661

Media Exposures

69,034

Website visits

Communication and Information

At the close of the Financial Year 2012/13, the Communications Unit recorded a total of **661** media exposures which reflected a **2.5** per cent increase over the **645** media exposures achieved during the 2011/12 Financial Year (*See Table 4*). The increase in media exposures, despite the decrease in monetary spend, can be attributed to the partnerships that have been developed with key media houses. Through these partnerships, the Commission benefited from free advertisements and interview opportunities. These partnerships were also a cost containment strategy, given the austerity of the country's economic situation.

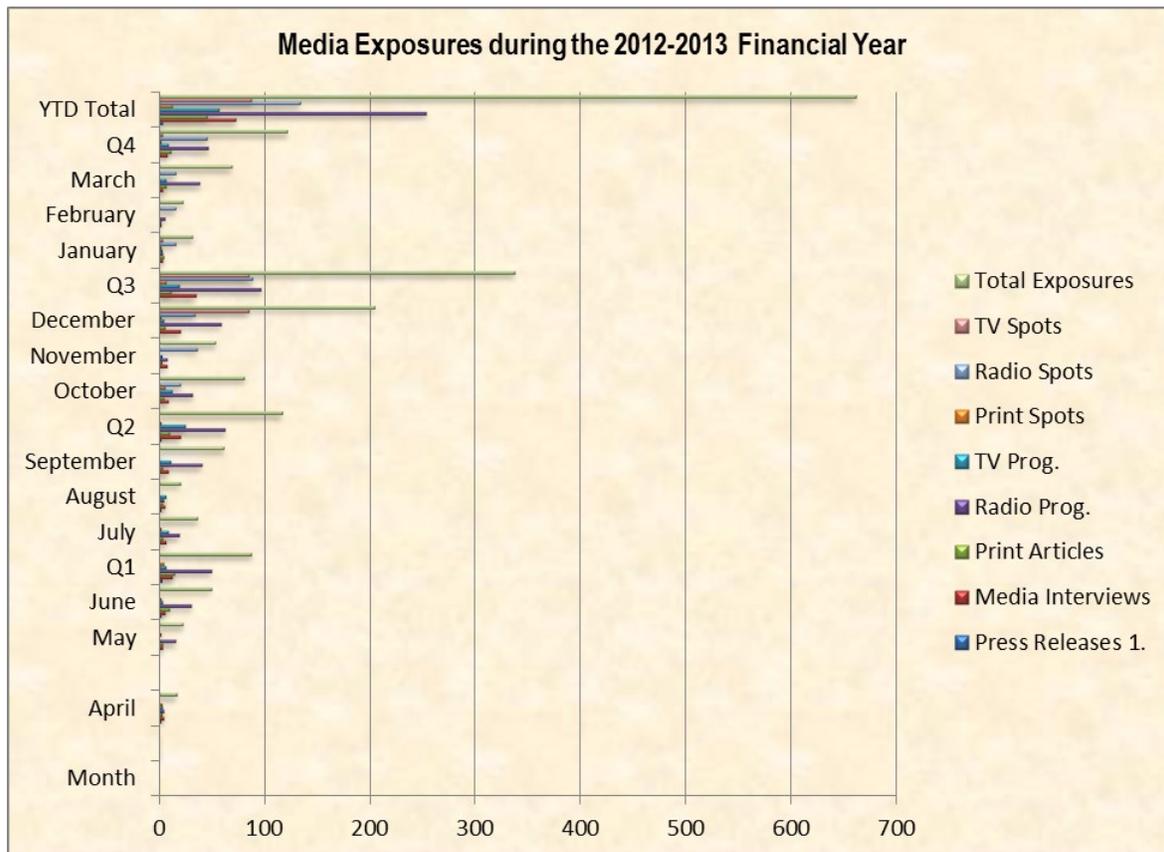
More specifically, during the 2012/2013 Financial Year the Commission spent a total of **\$1,214,885.94** on advertising. Conversely, the Commission received a total of **354** free exposures which had a conservative estimated value of **\$16,985,000.00**. This afforded the Commission an actual cost savings of **\$15,770,114.06**. (*See Table 3*)

Table 3 provides information on the free media exposures, opportunities and estimated costs obtained for the Financial Year 2012/13

TYPE OF MEDIA	NUMBER OF FREE EXPOSURES	ESTIMATED AVERAGE COST (per exposure)	TOTAL ESTIMATED AVERAGE COST	ACTUAL SPEND	ACTUAL COST SAVINGS
PRINT	45	\$50K (1/4 page)	\$2,250,000	\$1,034,339.94	\$1,215,660.06
RADIO	253	\$35K (30 seconds)	\$8,855,000	\$100,000	\$8,755,000
TELEVISION	56	\$35K x 3 minutes	\$5,880,000	-	5,880,000
TOTAL	354	-	\$16,985,000	\$1,214,885.94	\$15,770,114.06

During the Financial Year, there were two major issues which impacted the lives of every consumer across the nation and, as a result, informed the approach and implementation of the communication strategy. They were the publication of a Banking Code of Conduct under the CI/IDB Consumer Protection Regional Project; and the issue of high fees being charged by the commercial banks as being too onerous (*See pages 40-41*).

Table 4 provides information on media exposures for the Financial Year 2012/13



¹Total exposures column includes press releases, radio, television and JIS GoJ radio slots

Banking Code of Conduct Public Education Campaign

The draft voluntary Banking Code of Conduct Public Education Campaign was launched at the *Jamaica Observer's* Monday Exchange under the theme "**Protect Your Money**". The story generated a series of interviews on radio and elicited a response from the Jamaica Bankers Association which was published in the *Business Observer*. Subsequently, an editorial forum hosted by the *JIS* and thereafter *Television Jamaica* brought the Commission and the issue of fair financial services to the news desks of several other media houses. The thirty four (34) news placements by the *JIS* in times allotted for Government broadcasts and their featured segments like "**Roundabout JA**" expanded the reach of the campaign messages. The full *TVJ Forum* was later aired on *JNN* cable network, an affiliate of the *RJR Group*. The central underlying message was that the endorsement of a Banking Code of Conduct was the basic principle of good corporate citizenship, and is the right of every Jamaican to expect the 11-point commitment contained in the Code, to be adhered to by any bank which operates in Jamaica.

The third Quarter saw the Banking Code advertising campaign with the most media exposures of the 2012-2013 Financial Year. The main media houses from which these exposures were derived were *Power 106 FM*, *RJR 94 FM* and *Nationwide radio*. The paid advertisement aspect of the Public Education Campaign began in the third Quarter on *POWER 106 FM* during the

programmes of *Independent Talk*, (early prime) “*Both Sides of the Story*” (afternoon) and *Dear Pastor* (night). *Mello FM* radio host, **Barry Gordon** created a discussion around the Commission’s 30-second advertisement on the Banking Code to speak on the importance of budgeting and shopping with a list.

In the last Quarter of the Financial Year, the Commission commenced dialogue with the JBA and negotiations started. However, in an effort to make other critical sectors of the nation aware of the draft voluntary Banking Code of Conduct, the Commission engaged civil society via a forum entitled the “*Civil Society Banking Code Sensitisation*” workshop.

World Consumer Rights Day

World Consumer Rights Day 2013 (WCRD) was the final major activity staged at the close of the 2012-2013 Financial Year by the Communication Unit. Each year, the Commission observes WCRD along with the rest of the world. The 2012-2013 staging was observed under the theme “*The new CAC - Realising the Full Power of the Consumer*” via a press conference held at the portfolio Ministry’s head office. At the press conference the strategic direction of the CAC was unveiled by the Portfolio Ministers as well as the Chairman.

Media Highlights

Throughout the Financial Year, there were a number of activities which were undertaken by the Commission and the Communications Unit played an integral role, among them:

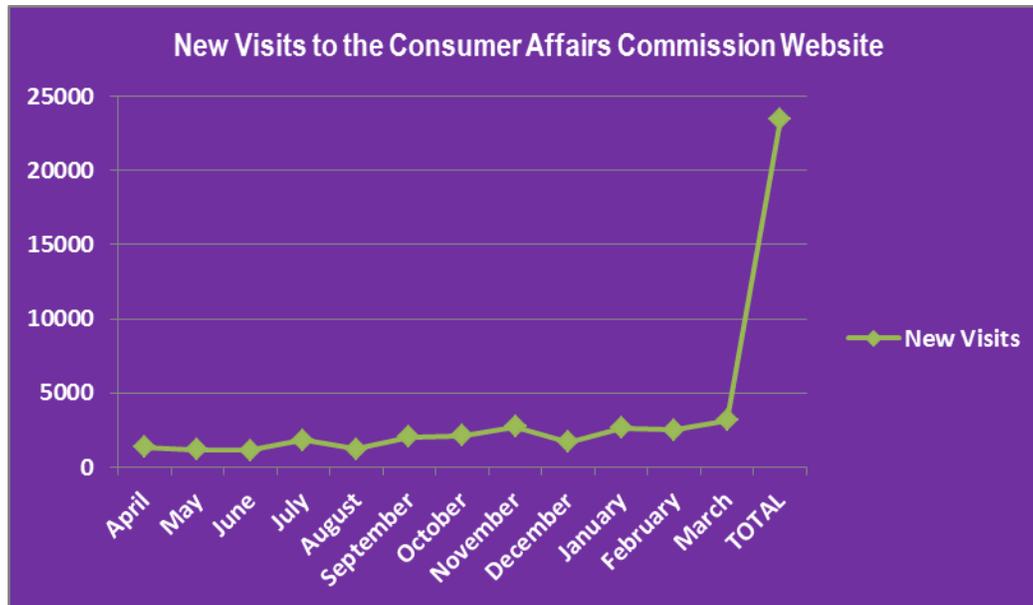
- The development of a **CAC/Jamaica Information Service (JIS)** feature interview which was placed on all radio stations in time allotted for Government broadcasts. The Field Operations Unit also engaged in an expo which resulted in an interview during an outside broadcast at the annual Agrofest on the grounds of Jamaica College.
- The new tax measure announced by the GOJ stating that the CAC would be “naming and shaming” vendors caught in excessive pricing practices catapulted the Commission into leading news stories. As a result, the Commission was placed in prime time on both television and radio stations as well as print and online media.
- The Government’s intention to give wider powers to the Commission via amendments to the Consumer Protection Act 2005 was highlighted in Parliament by the Portfolio Minister, the Honourable Anthony Hylton. The announcement was carried across all radio and television stations via the **JIS** in “times allotted for Government broadcasts”. In addition, a promise by the Honourable Minister Anthony Hylton to issue a statement about the CAC’s findings on excessive pricing was also a major story across all radio stations.
- The **JIS** featured the CAC in a rebroadcast of a five-minute segment of its television programme, **Jamaica Magazine** which highlighted two matters: “*Budgeting during a Recession*” and “*The Value of Receipts*”.

- The release of the results of the 2012 Textbook Survey also impacted the media landscape, as invitations to discuss its findings were accepted by CVM Television news programme **Live@7** as well as on **Newstalk 93FM, Nationwide Radio** and **KLAS Sports Radio**.
- **Love Television** also featured the CAC in discussions on the general Rights and Responsibilities of the consumer. Two additional programmes were aired, namely “back-to-school issues” and “the draft voluntary Banking Code of Conduct”.
- The amendments to the Consumer Protection Act (CPA 2005) which was debated in the Lower House of Parliament introduced provisions for the establishment of a quasi-judicial tribunal with powers to exact punitive fines. This was carried on all radio stations via the **Jamaica Information Service’s** 16 slots available for Government broadcasts. Subsequently, the Commission’s Legal Officer was invited to be a guest on the Nationwide Radio programme called “**At Your Service**”, to edify consumers about the proposed changes to the law.
- The Jamaica Gasoline Retailers Association (JGRA) announced that its members would no longer accept credit cards as of November 1, 2012, which was less than a month from the date of the announcement. The Commission was invited as a guest of **CVM TV’s** news programme “**Live@7**” to posit the consumers’ rights and responsibilities on the issue. The CAC appealed to the JGRA to have the period extended and/or to institute an alternative mode of payment for consumers who may have found this change inconvenient or burdensome. The JGRA responded and announced that its members would postpone the proposal to curtail processing, pending discussions with commercial banks. However, the group also announced its intention to commence charging for pressurized air. The CAC, while accepting that there should be a cost, once again appealed to the JGRA for an extension or to institute an alternative mode of payment for consumers who may have found this change inconvenient or burdensome.
- The Commission was also the repeat guest of the radio programme “**AutoWorld**” on **Power 106 FM** and discussed issues such as auto purchase, financing, warranties and the rights of the consumer in service and repairs disputes.

Website

In regard to the Commission’s website, the total view for the Financial Year was **69,034** by **30,366** visitors of which **23,497** were new visitors. (See Chart 4)

Chart 4 below reflects the trend of new visitors to the Consumer Affairs Commission website during the 2012-2013 Financial Year



Meetings, Committees, Workshops and Conferences

The Communication Unit continued to represent the Commission on the following working committees:

- The National Agricultural Health and Food Safety Committee (NAHFSC) which was established as an institutional framework for the development of a national food safety system and council. The Committee was charged with the responsibility to develop a food safety policy for Jamaica and to establish the institutional framework for a national food safety system and council. The NAHFSC reviewed the comments from a number of Ministries without participation in the general presentation of the Food Safety Implementation Plan. Members submitted to the secretariat the final amendments to the role of individual organisations represented on the Committee, among other inclusions, which resulted in a finalised and submitted Food Safety Recall Protocol.
- The National Codex Alimentarius Committee, prepared for the staging of the International Codex Alimentarius Commission conference held between October 15-19, 2012 at the Hilton Rose Hall Hotel in Montego Bay, Jamaica. Both the USA and Jamaica co-hosted the occasion.
- Codex Standards for Quick Frozen Fruits and Vegetables to meet deadlines for plenary sessions of the International Codex Alimentarius Commission
- Remaining Canned Fruits and Vegetables (preparation for a country position was developed and submitted to the International Codex Alimentarius Commission for final approval).

Local, Regional and International Partnerships

Organisation of American States Training

Hosted by the Organisation of American States (OAS) and Pan American Health Organisation (PAHO), the Consumer Safety and Health Network (CSHN) held an online training opportunity with five (5) days on-site in Washington D.C. and was part of a continuous effort to develop a hemispheric product safety network for the Americas. The course commenced on April 10, 2012. The participants from North and South America and the Caribbean travelled to Washington, D.C. for a one-week site visit to consumer testing laboratories and to develop a roadmap for the establishment of a Product Safety Alert system. CAC's Communications Specialist participated.



The group of participants (including Ms Dorothy Campbell, Communications Specialist at the Consumer Affairs Commission — back row second from left) from North & South America and the Caribbean who participated in the Consumer Safety and Health Network course hosted by the Organisation of American States and Pan American Health Organisation to develop a hemispheric product safety network for the Americas.



Complaints Resolution

1,607

Complaints resolved

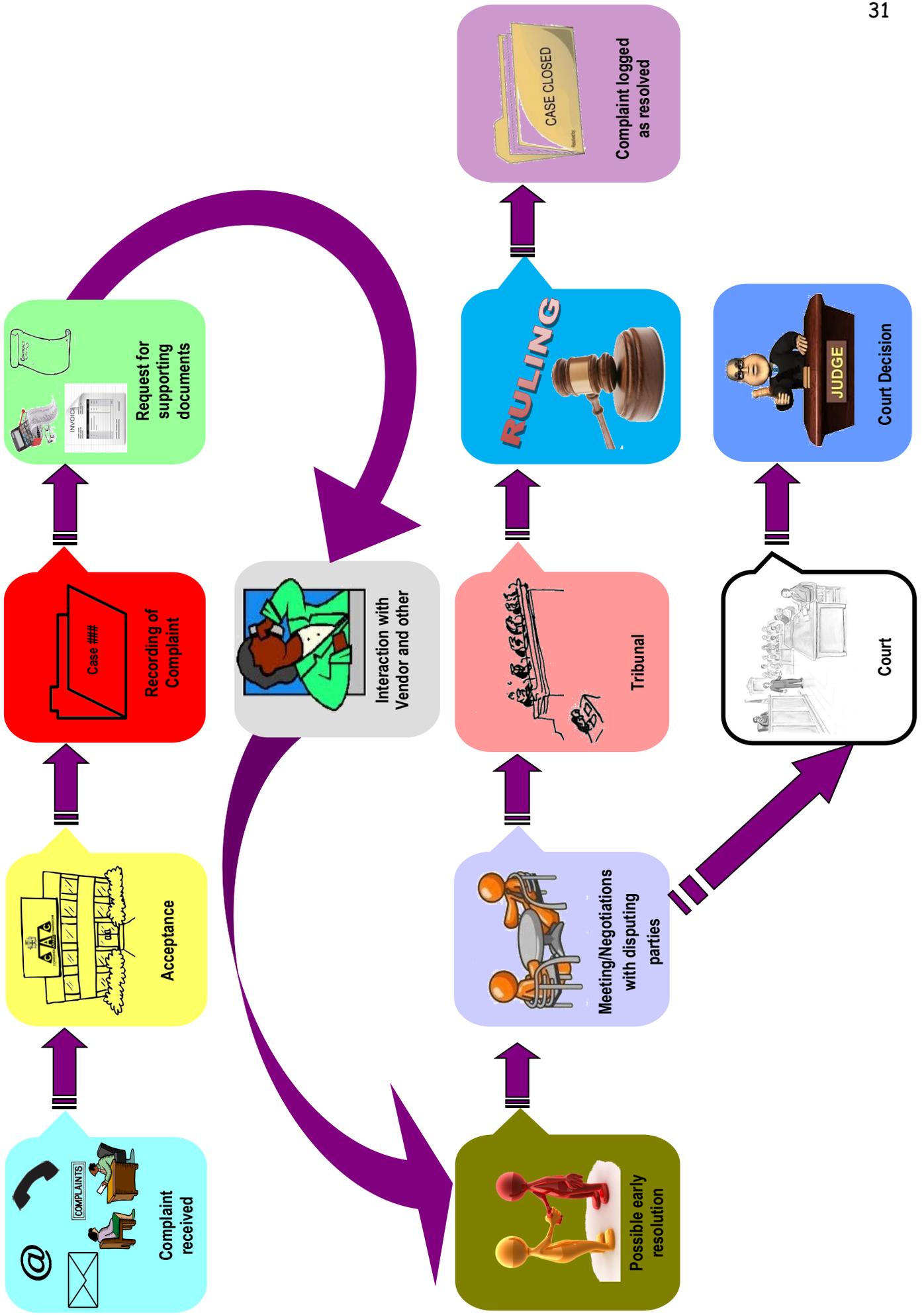
90.1%

Resolution rate

\$14.12M

Compensation and Refund

COMPLAINTS Process Diagram



TESTIMONIALS

January 31, 2012

The Manager
Consumer Affairs Commission
Montego Bay Branch
30 Market Street, Montego Bay

Dear Sir/Madam,

On behalf of the entire fraternity and the PTA at SHAR-MAR Preparatory School, we would like to express our utmost gratitude of having Mrs Suzette Grigg Cummings visit us on January 26.

She gave a timely and informative presentation to approximately 55 parents who were grateful and participated fully in the discourse.

We got so much information in so little time. I am sure that many lives were changed after that.

Thanks again and we look forward to yet another such.

Yours truly,
Principal
SHAR-MAR Preparatory School

Dear Consumer Affairs Commission:

It is with great appreciation that I make this submission for your assistance in facilitating the redress received from *Company X which apparently would not have been resolved without your active intervention.

Your efforts were direct, relentless and thorough, and your diligence resulted in the much needed restitution.

Reparation was achieved by way of a refund cheque that was issued and promptly received. There was also a cessation to the alleged interest charges and an apology given on behalf of one of their representatives.

Much commendation should be given to yourself for taking a personal interest after an initial assessment and evaluation. This letter of gratitude should also be extended to the other staff member(s) of your entity.

I shall continue to make recommendation and referrals to those seeking redress with a reassurance that such entities as this does work especially when staffed with competent members such as yourself.

Thanks again and all the best for your future endeavors.

Yours truly,
Satisfied Client

* Company name withheld

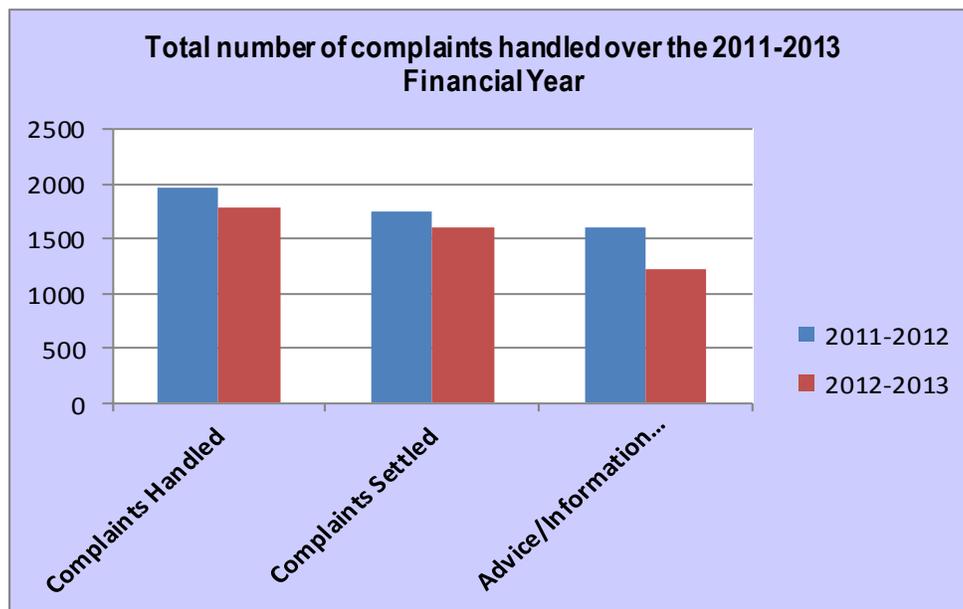
Complaints Resolution Services

One of the key functions of the Consumer Affairs Commission is to facilitate the resolution of complaints which occur after consumers and vendors engage in the marketplace. The resolution process is guided by the employment of the consumer law, namely, the Consumer Protection Act and basic principles of contract law. In so doing, the Commission provides an avenue to assist consumers in knowing what their rights are and how they can be utilised; as well as what are their responsibilities. In addition, vendors get the opportunity to improve their own complaints handling systems, as well as their standard contract terms and conditions.

At the close of the 2012-2013 Financial Year, the Commission's Complaints Department resolved **1607** of the total **1782** cases handled. This represents a **90.1%** resolution rate.

While this represents a decrease of **9.1%** when compared with the 2011-2012 Financial Year when the Commission recorded **1960** complaints, the value of compensation obtained on behalf of consumers in the current Year increased by **8.9%**.

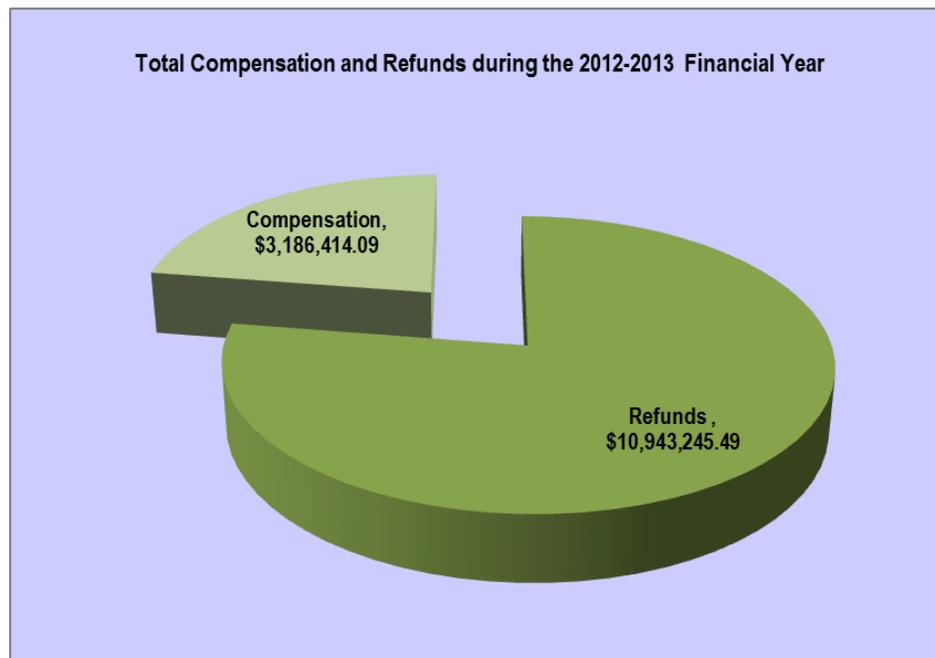
Table 5 highlights the number of complaints received by the Consumer Affairs Commission over the 2011-2013 Financial Years.



Refunds/Compensation

The Commission's negotiation skills, guided by the tenets of the CPA, elicited **\$14,129,659.58** in refunds and compensation on behalf of aggrieved consumers. This represents an increase of **\$1,155,717.52** over the 2011-2012 Financial Year when the Commission secured **\$12,973,942.06**.

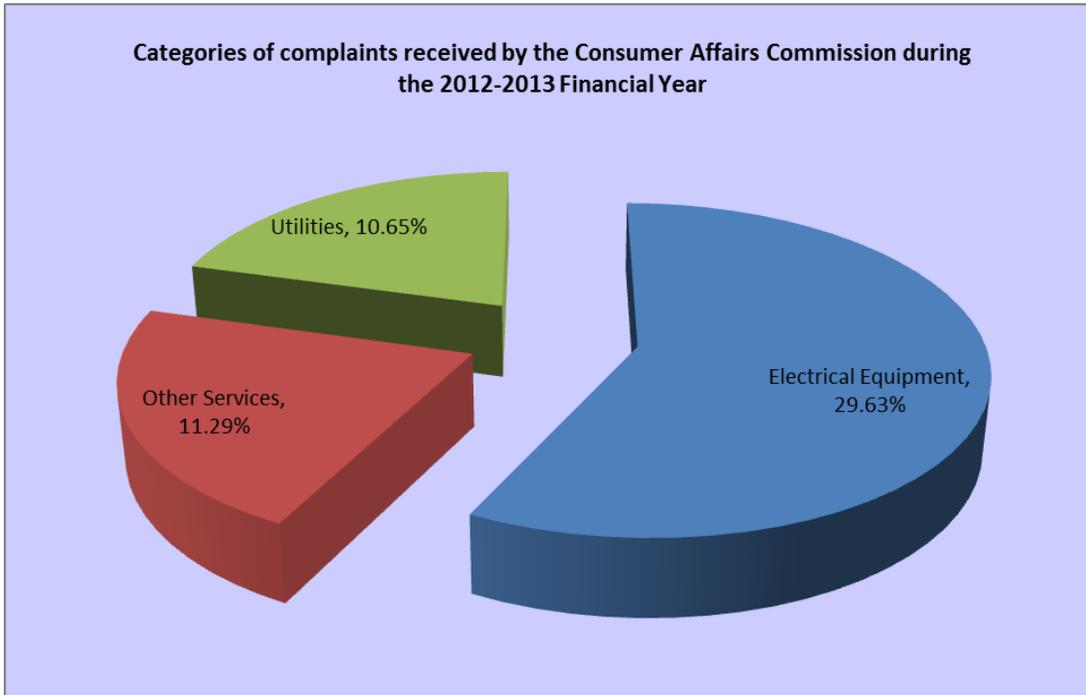
Chart 5 shows the breakdown of the refund and compensation amounts obtained by the Consumer Affairs Commission during the 2012-2013 Financial Year.



Complaints/Advice

While the Commission is actively engaged in addressing complaints made by consumers, the Agency also provides advice and information to consumers prior to them making a purchase. At the close of the 2012-2013 Financial Year, the Commission provided advice and information to **1,227** persons, as opposed to **1,605** in the 2011-2012 Financial Year, a decrease of **23.55%**. The main areas in which complaints were made were electrical equipment, followed by "other services" and then utilities. Chart 6 shows the breakdown in percentage of the main categories of complaints.

Chart 6 highlights the main categories of complaints received by the Consumer Affairs Commission during the 2012-2013 Financial Year.



Market Research

During the 2012 /2013 Fiscal Year, the Research Unit successfully undertook forty six (46) scheduled surveys which were as follows:

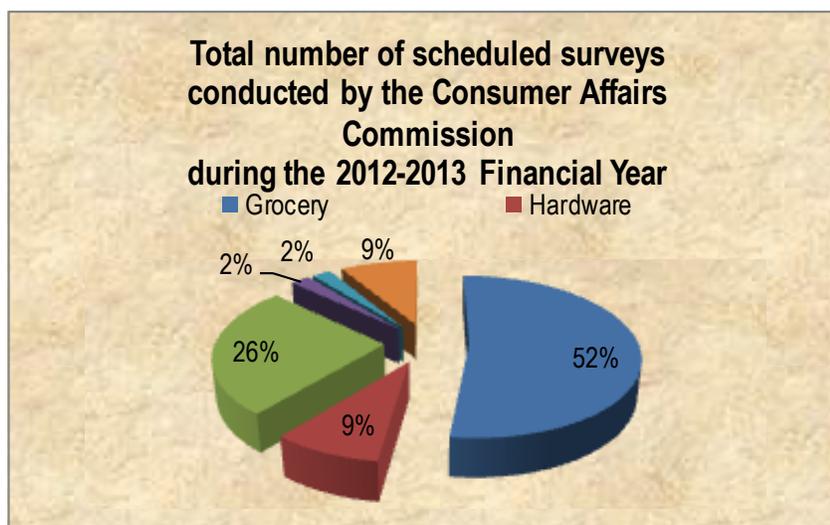
- 24 Grocery
- 4 Hardware
- 12 Petrol
- 1 School Textbook (*The Annual School Textbook Survey was conducted in August 2012.*)
- 1 Employee Satisfaction
- 4 Ad-Hoc

The Commission also conducted four (4) unscheduled survey activities which comprised the test purchase of grocery items; investigated reported increased “patty prices”; reported cases of “price gouging” on black scandal bags, and conducted a web-site poll on model year discrepancy in respect of pre-owned motor cars.

Publications

A total of four (4) Consumer Alert Publications outlining the prices of selected grocery items across the island were developed in the 2012/2013 FY. Due to budgetary constraints, this was less than the number published during the 2011/2012 Financial Year. However, all survey results were made available to consumers via the Commission’s website and also upon request from interested parties.

Chart 7 highlights via percentage the number of surveys conducted and publications created during the 2012-2013 Financial Year



Consumer Product Surveys

Table 6 showing percentage change in the Consumer Affairs Commission's Basket of Critical Food Items 2012- 2013 Financial Year

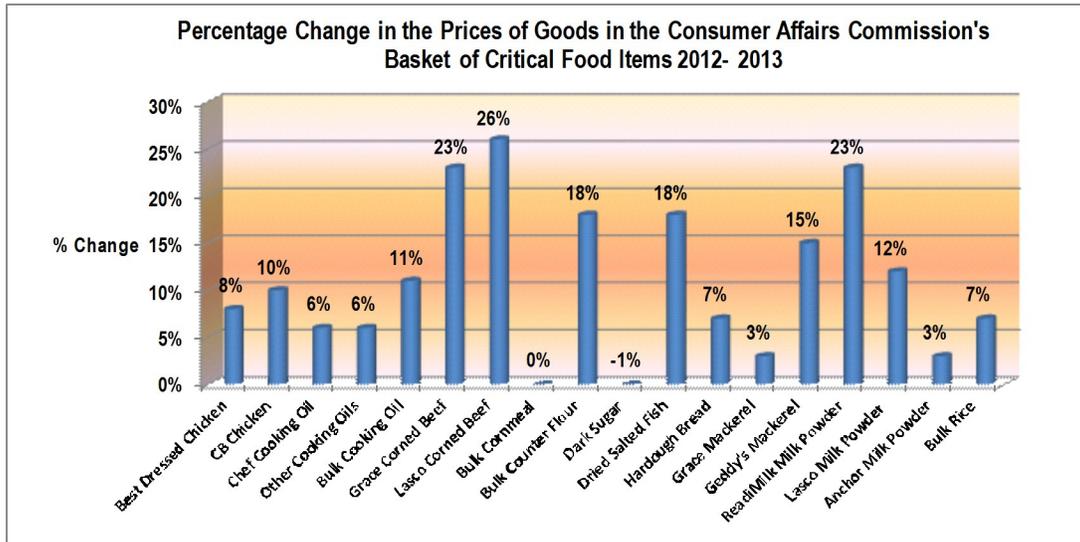


Table 7 showing percentage change in the Prices of Hardware Items Surveyed by the Consumer Affairs Commission's 2012- 2013 Financial Year

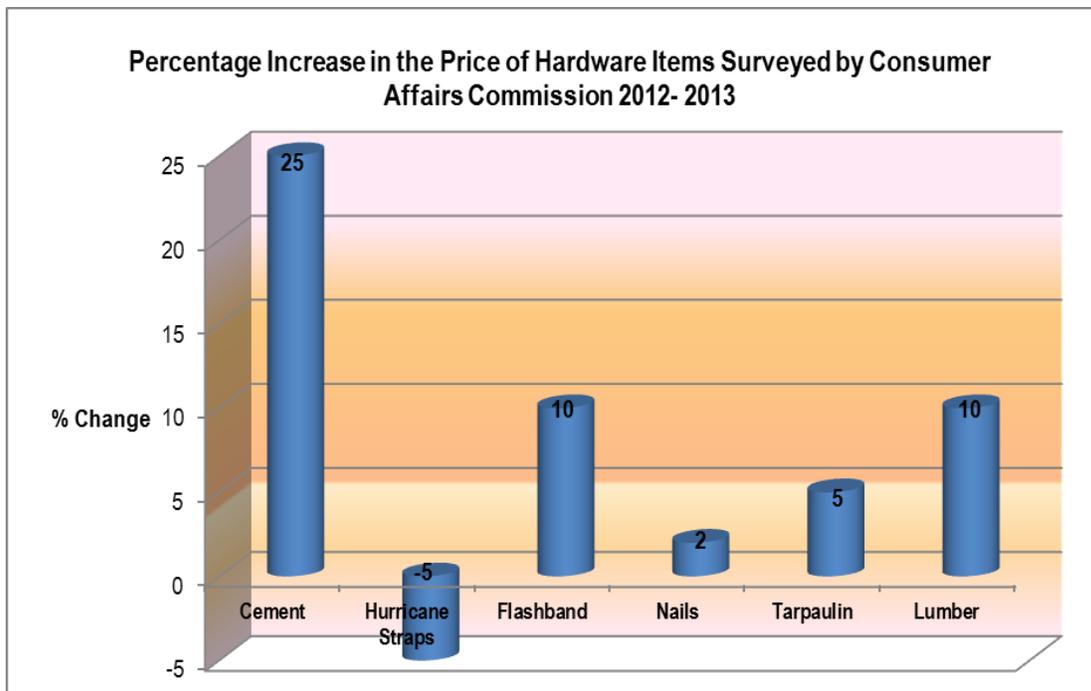


Chart 8 showing the Average Pump Prices during the 2012 - 2013 Financial Year

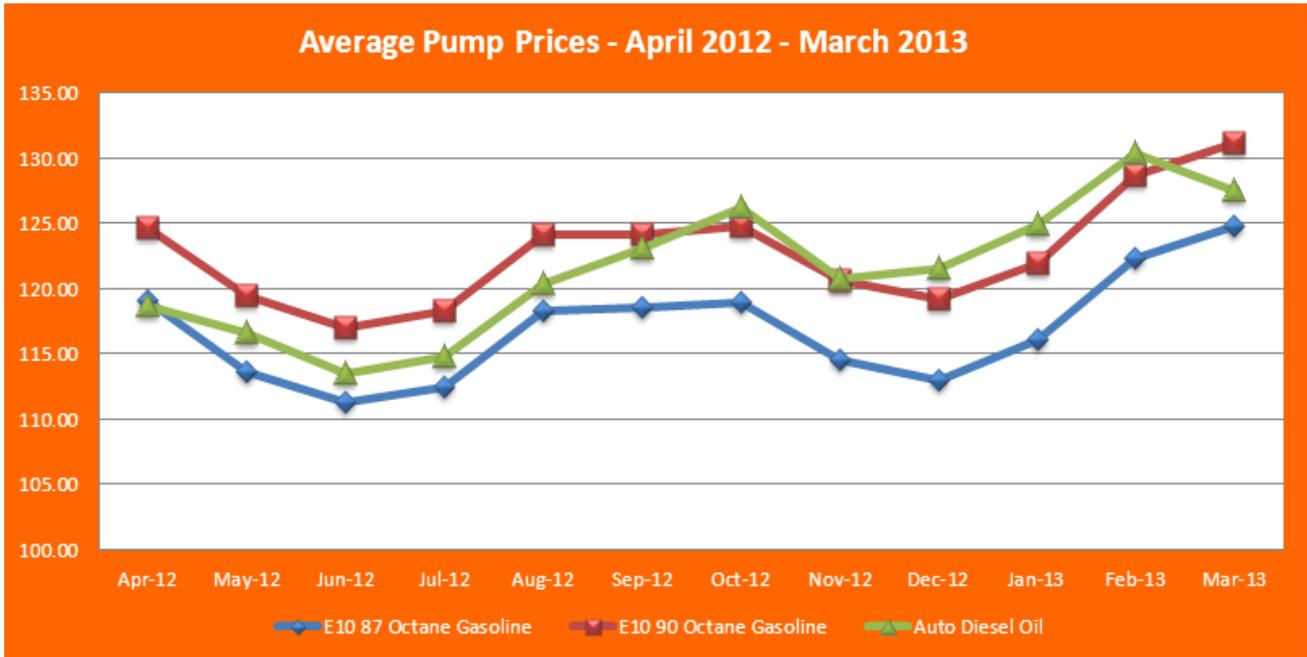


Table 8 showing the Average Pump Price Movement over the 2011 - 2013 Financial Year

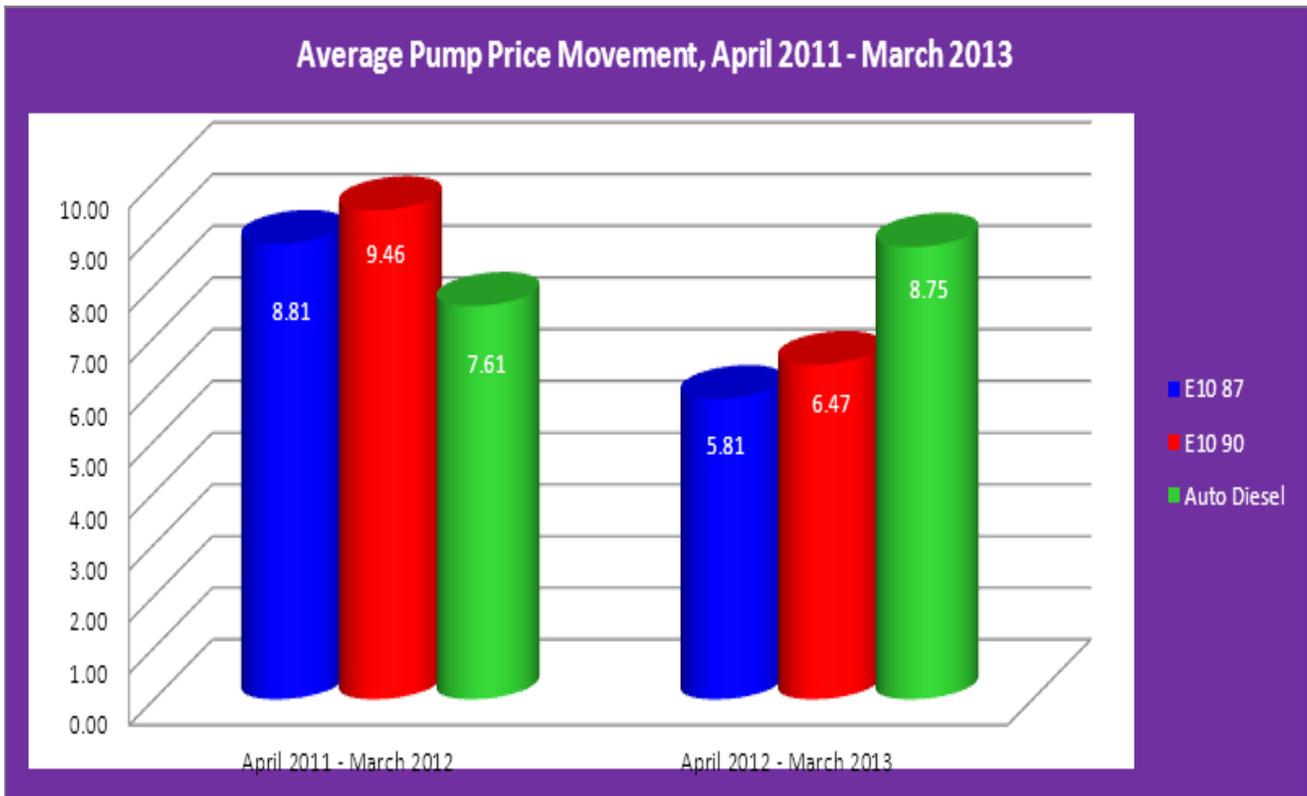
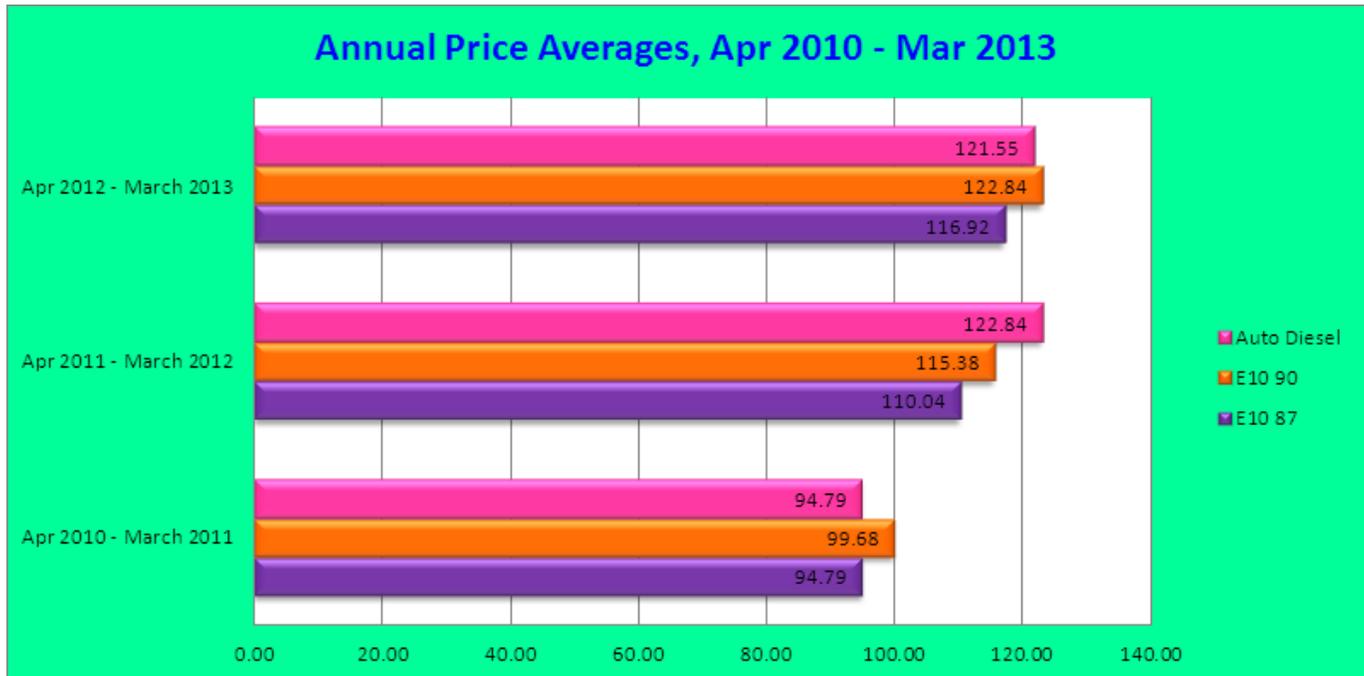


Table 9 showing the Annual Price Averages for Gasoline over the 2010 - 2013 Financial Year



Further to the Consumer Affairs Commission's ongoing surveillance of the **credit and banking sector**, in FY 2011/2012, the Unit conducted a comparative analysis of the fees charged by the seven (7) commercial banks in 2012/2013 FY with those in 2010/2011 FY. The surveillance revealed that some fees had been revised. **See Table 10** on page 41 highlighting the change in banking fees between June 2011 and April 2012.

Other Studies

Customer Satisfaction Studies

The 2012/2013 Financial Year was a historic one for the Commission, as for the first time it earned income from conducting a customer satisfaction study for an agency. While this may seem like a departure from its core functions, it was in keeping with the Commission's redefined strategic goals.

Other random price surveys which form part of the Commission's mandate were conducted by the Unit and included those related to assessing the price changes of **cement** in July 2012 and of **agricultural items** during the post Hurricane Sandy period in October 2012.

Mobile Data Collection Tool

In November 2012, the Commission commenced transforming its collection of market surveillance data from a manual one to an electronic format. Through the use of smartphones and the utilisation of the "Survey to Go" research application, the Commission's turnaround time for data information has been decreased from seven (7) days to three (3) days.

Table 10 showing the percentage change in Bank Fees over June 2011 and April 2012 years

TYPE OF SERVICES	BANK OF NOVA SCOTIA (BNS) JAMAICALTD			FIRST CARIBBEAN INTERNATIONAL BANK (FCIB)			FIRST GLOBAL BANK LIMITED (FGB)			NATIONAL COMMERCIAL BANK JAMAICA LTD. (NCB)			RBC Royal Bank (Jamaica) Ltd.		
	Jun-11	Apr-12	% CHNG	Jun-11	Apr-12	% CHNG	Jun-11	Apr-12	% CHNG	Jun-11	Apr-12	% CHNG	Jun-11	Apr-12	% CHNG
PERSONAL SERVICES	RATES/ FEES	RATES/ FEES	% CHNG	RATES/ FEES	RATES/ FEES	% CHNG	RATES/ FEES	RATES/ FEES	% CHNG	RATES/ FEES	RATES/ FEES	% CHNG	RATES/ FEES	RATES/ FEES	% CHNG
Over Limit Fee:															
WITHOUT	\$1,250.00	\$1,250.00	0%	\$1,875.97	\$1,875.97	0%	\$3,000.00	J\$ 2,500.00	-17%	N/A	N/A		\$1,200.00	\$1,200.00	0%
Stop Payment/ Cancellation Order:															
LOCAL CURRENCY	\$455.00	\$455.00	0%	\$400.00	\$400.00	0%	\$600.00	\$650.00	8%	\$450.00	\$450.00	0%	\$305.00	\$305.00	0%
FOREIGN CURRENCY ACCOUNT US\$	15.00	\$15.00	0%	50.43 + fgn bank charge	50.43 + foreign bank chg	0%	5.00	\$ 15.00	200%	40.00	40.00	0%	\$38.00	38.00	0%
LOAN SERVICES															
Personal Loans (Interest Rates) (Minimum)	13.25%	13.25%	0%	14.99%	14.99%	0%	17.20%	base +/- 5.5		16.25%	13.50%	-17%	16.95%	16.95%	0%
Commercial Loans	15.75%	15.75%	0%	16.85%	19.85%	18%	18.75%	base +/- 5.5		17.75%	17.75%	0%	16.95%	16.95%	0%
E-FINANCIAL SERVICES															
Credit Cards -															
LOCAL	40%	40%	0%	39%	47%	21%	39.00%	39.00%	0%	49.00%	49.00%	0%	39.00%	39.00%	0%
Automated Banking Machines:															
Using Bank's ABM															
WITHDRAWAL	\$33.00	\$33.00	0%	\$20.00	\$20.00	0%	\$20.00	J\$ 25.00	25%	\$30.00	\$30.00	0%	\$15.00	\$15.00	0%
Using Multilink Withdrawal															
-DECLINED	\$27.60	\$30.00	9%	\$21.19	\$23.30	10%	\$30.00	J\$35.00	17%	\$26.72	\$26.72	0%	\$20.20	\$30.00	49%
Point-of-Sale															
PURCHASE (BANKS)	\$14.85	\$14.85	0%	\$12.10	\$14.22	18%	\$12.00	J\$15.00	25%	\$12.10	\$12.10	0%	\$10.10	\$10.10	0%
DECLINED (BANKS)	\$12.10	\$18.20	50%	\$12.10	\$10.26	-15%	\$30.00	\$30.00	0%	\$10.08	\$10.08	0%	\$9.10	\$9.10	0%
DECLINED	\$18.20	\$18.20	0%	\$12.10	\$10.26	-15%	\$30.00	\$30.00	0%	\$12.10	\$12.10	0%			

NOTES:

- ◆ RATES/FEES IN JMD (unless otherwise specified).
- ◆ N/A - Service is not provided.
- ◆ Percentage change are calculated using the June 2011 and April 2012 rates.
- ◆ Cells highlighted in green signify the lowest price for that particular item, across the six banks.
- ◆ All fees are inclusive of GCT
- ◆ Cells highlighted in red signify the highest price for that particular item, across the six banks.
- ◆ Where fees have a range, the minimum has been used e.g. credit card interest rates
- ◆ Cells circled in red signify the highest percentage increase for that particular item, across the six banks.
- ◆ Details and conditions attached to rates and fees are available on the CAC's website: <http://www.cac.gov.jm>

Project Proposals

A proposal was drafted and submitted to potential project funders for a mobile unit for the CAC to be used to facilitate greater access to the Commission's services, primarily in the areas of Complaints Resolution and Community Outreach. We await a response.

Information

Information regarding average grocery prices and their availability was continuously provided to other agencies, including the Bank of Jamaica and The Planning Institute of Jamaica. Additionally, information was supplied on demand to individuals who made requests.

The Commission also continued its research efforts and other duties aimed at empowering consumers in Jamaica and the region, to assist them in their effort to access the goods and services offered by suppliers in the marketplace.

Seminars and Workshops

The Commission participated in a number of local seminars and workshops. In addition, members of the team:

- provided secretariat functions for the **twelve (12) meetings** of the Distributive Trade that were convened during the period and chaired by the portfolio and State Ministers;
- attended **eight (8) technical committee meetings** at the Bureau of Standards Jamaica, all established to develop and revise standards;
- participated in the *Validation Workshops*, the review of the *Draft Micro, Small and Medium Enterprises and Entrepreneurship Policy* and the *National Food Security Policy of Jamaica*.

Policy Review

The CAC contributed to the review of the Revised Motor Vehicle Import Policy.

Corporate and Strategic Plan

The Unit also played a key role in updating the CAC's Corporate and Strategic Plan.

ISO 9001:2008 Implementation

The Commission provided the Management Representative for the Commission's ISO 9001:2008 Certification Programme. The Agency was able to complete 15 or 54% of the scheduled activities (training and documentation) towards becoming ISO 9001:2008 certified by December 2013.

National Policy for Gender Equality

The Commission appointed a Gender Focal Point Officer from the Research Unit. This enabled the agency to attend training sessions and set in motion its implementation plan. In November 2012, the CAC commenced reporting gender disaggregated data for its complaints, advice and outreach activities.



Information Technology

**Mobile Data Entry Collection System
developed and implemented**

Information Technology

The 2012-2013 Financial Year marked a significant milestone in the history of the Commission, as its survey data collection system was totally transformed into a paperless process.

Flagship Project – Mobile Data Entry Collection System

Through the collaborative efforts of the Research and Information Technology Units, a Mobile Data Collection system for gathering of survey data in the field was developed and implemented.

The project's duration was eight months and commenced with the evaluation and selection of a suitable vendor to supply a system that could be installed on tablets and smartphones. After a thorough evaluation process, a Cloud (internet) based application that has a pay-per-use model called **“SurveyToGo”** was selected, based on its many desirable features, namely:

- The pricing model was well within the budget;
- Easy system configuration which did not require much software development work;
- Allowed for the creation of virtually any survey types required; and,
- Facilitated real-time data integration with current databases.

The implementation and deployment of the system was, however, a very involved process, as the survey templates for Grocery, Hardware and Petrol surveys had to be created and tested.

In addition, data import software was developed in-house, to facilitate the movement of prices data, from “SurveyToGo” to the databases located in the Head Office. A total of eleven (11) Samsung Smartphones were acquired and they were fitted with a number of security applications created for mobile devices. The phones were loaded with the SurveyToGo application and deployed to the Agency's Survey Officers.

The system went live in early October 2012 and has brought tremendous benefits to the CAC, including being able to reduce the turnaround time for surveys from seven (7) days to three (3). Also, the need to conduct data entry at the head office has been eliminated. As such, the Commission requires less paper, resulting in savings associated with paper purchase and courier service costs.

Other Information Technology Activities

Among the activities undertaken by the Information Technology Unit during the period were:



- Regular maintenance of the website
- Ensuring that all computers in the network functioned correctly
- Updating of the necessary anti-virus system
- Acquisition of three (3) new computers for the network to replace older units
- Conducting offsite backup function for each week in the Year

The Unit also provided timely resolutions to the numerous user issues reported.

In respect of the Case Management System, although there were challenges, these were resolved without major disruptions to the Complaints Department.



Legal Intervention

**Amended Consumer Protection Act
(CPA) 2012 signed**

Legal Intervention

Amendments to the Consumer Protection Act

The 2012-2013 Financial Year saw the passage of the Consumer Protection (Amendment) Act (2012) on December 24, 2012 which subsequently became effective on February 1, 2013. Its passage is considered a pivotal step towards realising the Government's *Vision 2030* reform agenda, of greater protection for Jamaica's consumers. The amendments are expected to assist, inter alia, the achievement of a secure, cohesive, and just society through the reduction of inequality meted out to consumers. One of the chief improvements, that of the establishment of a Consumer Protection Tribunal, is expected to offer an alternative to the courts in certain cases and is a way of resolving issues of access to the civil justice system (by taking some types of work away from the courts). It is also expected to deal with specialised matters, and matters involving the exercise of discretion.

For matters brought before it, the Tribunal's procedures are expected to be:

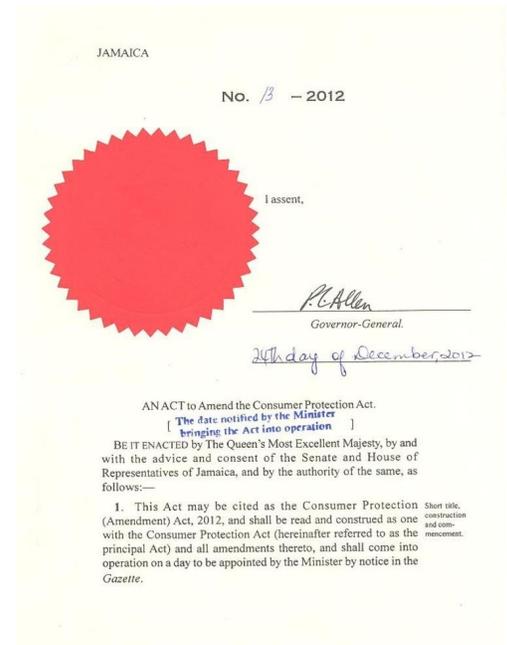
- Dealt with expeditiously, with no long waits for cases to be heard and dealt with;
- Less costly as, at this time, no fees are being proposed to be charged;
- Staffed by specialists in the area of consumer law and protection;
- Characterised by an informal atmosphere and procedure; and,
- More flexible in setting its own procedures and following its own precedents in keeping with the Consumer Protection Act.

Another principal change is the Agency's new authority to investigate not only infringements brought to it by consumers, but also violations of the Act identified through investigation on its own initiative. Further, the Agency's widened power to provide representation to all categories of complainants is expected to facilitate the institution of enforcement proceedings in the interest of consumers at large.

Legal Reviews, Advice and Representation

No legal proceedings were instituted during the Year, however the civil suits for misrepresentation - which continued before the Supreme Court (relating to the sale of three motor vehicles bought by three separate complainants) - were withdrawn by the Commission and the matter was settled by negotiations and subsequently taxed by agreement, in March 2013.

From a consumer law perspective, the Unit continued to provide input on policy papers such as the proposal of the Bank of



The signed Amended Consumer Protection Act 2012

Jamaica on *Enhancement of the Legislative Framework for the Deposit Taking Sector*; the draft *Ministry Paper on the proposed amendments to the Motor Vehicle Import Policy*; and the draft *Trade (Motor Vehicle Import and Dealer's Licences) Order, 2012*. The Timeshare Vacations Bill was reviewed, while the reviewing process for the Hire Purchase Act (1974) commenced.

From a policy perspective, papers were prepared on the proposal for implementation of the Consumer Protection Tribunal together with a draft Budget; the role of the Office of Utilities Regulation vis-à-vis that of the Commission as it relates to the arbitration of disputes between consumers and utility service providers; and whether there would be a need to introduce in Jamaica any new form of representative or class action procedure to deal with multiple wrongs. The Unit was also part of the Technical Committee on the development of standards for Acetic Acid.

Throughout the Financial Year, the Unit continued to provide advice to internal units and other relevant personnel on specialised and routine legal matters. It also participated in mediation negotiations and perused legal documents on behalf of the Commission to ensure conformity with the related laws, policies, and the interests of the Commission. Furthermore, it represented the Commission at local and international meetings, conferences and field operation and community outreach activities.

Corporate Governance

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



Finance and Administration

PMAS implementation on course

**19 staff members participated in
8 Training Courses**

Finance and Administration

During the 2012-2013 Financial Year, the Finance and Administration Division continued its focus on the implementation of the Performance Management and Appraisal System (PMAS). More specifically, the Commission partnered with the Public Sector Transformation Unit (PSTU) of the Cabinet Office to complete the outstanding pre-implementation activities necessary for the full implementation of PMAS. Resulting from this collaboration, the following PMAS activities were conducted:

- Development of a new action plan to guide future activities;
- Re-sensitisation of all members of staff to build back momentum, update staff on the organisation's PMAS implementation status and activities, in order to complete the process;
- Revision of new output focused Job Descriptions for all members of staff, based on feedback received from the Cabinet Office;
- Updating of Unit Plans and Individual Work Plans, in keeping with the current year Operational Plan;
- Several meetings with representatives of the Cabinet Office to share information, provide reports and seek advice;
- Revision/Finalisation of a Competency Framework for the organisation, based on feedback from the Cabinet Office; and,
- Training of managers/supervisors in :
 - ⇒ Performance Coaching and Giving Performance Feedback
 - ⇒ Conducting the Performance Appraisal and Scoring Performance using the PMAS Appraisal Instrument.
 - ⇒ Communicating salient PMAS information to staff and introduction of the Appraisal Instrument

A meeting was held with the designated Cabinet Office representative concerning full implementation of PMAS, and subsequently, a readiness survey was conducted to determine our level of preparedness for implementation. The organisation was considered to be satisfactorily prepared and given the go ahead to fully implement PMAS in April 2013, as was previously agreed.

Staff Development

A training Plan was developed, with a view to addressing identified training needs. Staff members participated in the following training programmes:

Employee	Training /Workshop	Financing
Mrs Raquel Chambers	Public Service Excellence /Strategic and Corporate Planning, Jamaica	Sponsorship
Mrs Dolsie Allen Mrs Jeanette Hylton Mrs Suzette Pinnock Mrs Charmaine Heslop -Thomas Mrs Cheryl Martin-Tracey Mr Andrew Evelyn Mr Pash Fuller Mrs Raquel Chambers Ms Shemaine Genas	Performance Coaching and Giving Performance Feedback, Jamaica	CAC
Mr Pash Fuller Mrs Suzette Pinnock Ms Shemaine Genas	GOJ Procurement Policies & Procedures	CAC
Mrs Dolsie Allen Mrs Charmaine Heslop-Thomas	Seminar on the Legal Framework for Financial Services, Consumer Protection and Consumer Loan Agreements: Consumers' Rights and Obligations, Barbados	Sponsorship
Ms Shemaine Genas	Auditors- HIV Voluntary Compliance Programme, Jamaica	Sponsorship
Mrs Dolsie Allen Mrs Jeanette Hylton Mrs Suzette Pinnock Mrs Charmaine Heslop -Thomas Mrs Cheryl Martin-Tracey Mr Andrew Evelyn Mr Pash Fuller Mrs Raquel Chambers Ms Shemaine Genas	Corporate Governance Sensitisation Framework Programme	CAC
Miss Dorothy Campbell	Graduate Course on 'The Management of Market Surveillance Systems on Consumer Product Safety, United States	Sponsorship/ CAC
Miss Suzette Spence	Milestone Judgements in Competition Law Workshop, Barbados	Sponsorship
Mrs Dolsie Allen	6 th Meeting of the Pan American Commission For Food Safety (COPAIA 6) at the Crowne Plaza Hotel Libertador Bernardo O'Higgins, Chile	Sponsorship

Staffing/Organisation Review

During the year, eight (8) persons separated from the organisation, five (5) based on retirement and three (3) as a result of resignation. Five (5) of the vacant positions were filled and recruitment commenced to fill the remaining three (3).

The Post Operation Committee of the Ministry of Finance granted approval for the establishment and operation of two (2) positions of Research Assistant, SOG/ST 3. Approval was also sought and received from the Corporate Management Branch of the Cabinet Office for the position of Writer/Editor to be re-titled Director of Communications.

The Ministry of Finance gave approval for the abolition of the positions of Director Access to Information, Receptionist and Records Clerk. The establishment of the organisation was therefore reduced from 40 positions to 39.

Staff Safety

As part of the Commission's plan of activities for a safe environment for staff, an earthquake drill was conducted in May 2012. Representatives from the Office of Disaster Preparedness and Emergency Management (ODPEM) were on hand to conduct an assessment and provided us with valuable feedback.

Gender Mainstreaming

In November 2012, the Commission commenced reporting gender disaggregated data for its complaints and outreach activities. Meanwhile, at the start of the 2012/2013 Financial Year, the Commission committed to the implementation of the National Policy for Gender Equality. Since then, the Commission has appointed a Gender Focal Point officer and has set in motion its implementation plan.

The Consumer Affairs Commission Staff



The Field Operations Department

Front Row (left - right): Mrs Denise Welcott, Mrs Michelle Curling-Ludford, Mrs Petra Young and Mr Richard Rowe

Back Row (left - right): Mrs Nickesha Clue-Curtis, Mr Colin Brett, Mrs Winsome Harrisingh, Mrs Cheryl Martin-Tracey and Mr Pash Fuller



The Field Operations Department

Left - Right: Mr Ralston Patterson, Mrs Suzette Griggs-Cummings, Mr Cleveland Parker and Mr Synley Simms

Absent from photograph are Miss Shauna Malcolm and Mr Wilberforce Watson



The Information Technology Department

Left - Right: Mr Andrew Evelyn and Mr Christopher Martin



The Legal Department

Mrs Suzette Pinnock



The Research Department

Left - Right: Miss Janice Francis, Miss Lisa Chamberlain, Mrs Racquel Chambers, Mr Colin Brett, Mrs Charmaine Heslop-Thomas, Mr Pash Fuller, Mrs Tamra-Kay Biggs and Mr Elroy Galbraith



The Communications Department

Left - Right: Ms Latoya Halstead and Ms Dorothy Campbell



The Finance and Administration Department

Front Row (left - right): Mrs Carlene Henry-Clarke, Miss Shillie-Ann Johnson and Miss Gisele-Ann Perry
Back Row (left - right): Miss Shemaine Genas, Mrs Natalie Deer-Muirhead and Mr Leighton Cornwall

DIRECTORS' COMPENSATION APRIL '12 –MARCH'13

Position of Director	Board Fee p.a (\$)	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	141,000.00				141,000.00p.a.
11 Other Members: K. Clarke	125,000.00				125,000.00
L. Dunn	102,500.00				102,500.00
F. Sylvester	135,500.00				135,500.00
D. Ellis	114,500.00				114,500.00
M. Parkins	106,000.00				106,000.00
N. Pierce	114,500.00				114,500.00
N. Clarke	41,000.00				41,000.00
D. Webb	86,500.00				86,500.00
M. Weir	100,000.00				100,000.00
S. Pryce	40,500.00				40,500.00
B. Francis	79,500.00				79,500.00
Total					1,186,500.00 p.a., Board Fee

Notes

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

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 (\$)
Chief Executive Officer	Apr'12-Mar'13	3,459,806.00 p.a.		975,720.00p.a.		22,620.00		4,458,146.00 p.a.
Finance & Administration Manager	Apr'12-Mar'13	2,363,623.00 p.a.		514,500.00p.a.		22,620.00		2,878,123.00 p.a.
Dir. for Western Div. Field Op.	Apr'12-Mar'13	1,499,251.00 p.a.		514,500.00p.a.		22,620.00		2,036,371.00 p.a.
Dir. Of Field OP.	Apr'12-Mar'13	2,305,974.00 p.a.		514,500.00p.a.		22,620.00		2,843,094.00 p.a.
Senior Accountant	Apr'12-Mar'13	1,631,717.00 p.a.		514,500.00p.a.		22,620.00		2,168,837.00 p.a.
Communication Specialist	Apr'12-Mar'13	1,499,251.00 p.a.		514,500.00p.a.		22,620.00		2,036,371.00 p.a.
Director of Research	Apr'12-Mar'13	2,363,623.00 p.a.		514,500.00p.a.		22,620.00		2,900,743.00 p.a.
IT Manager	Apr'12-Mar'13	1,751,106.00 p.a.		514,500.00p.a.		22,620.00		2,288,226.00 p.a.
Legal Officer	Apr'12-Mar'13	3,120,336.00 p.a.		514,500.00p.a.		329,670.00		3,964,506.00 p.a.
Senior Economist	Apr'12-Mar'13	1,718,961.00 p.a.		514,500.00p.a.		22,620.00		2,256,081.00 p.a.
Director of Communication	Apr'12-Mar'13	1,631,717.00 p.a.		514,500.00p.a.		22,620.00		2,168,837.00 p.a.

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.

THE CONSUMER AFFAIRS COMMISSION

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

**THE CONSUMER AFFAIRS COMMISSION
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

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INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of The Consumer Affairs Commission (the "Commission"), which comprises the statement of financial position as at March 31, 2013, 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

Independent Auditor's Report

Opinion

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Commission as at March 31, 2013, 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 & Assoc.
Crichton Mullings & Associates
Chartered Accountants

Kingston Jamaica
April 7, 2014

THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2013

	Note	2013 \$	2012 \$
ASSETS			
Non-current Assets			
Property and equipment	5	10,991,266	11,860,844
Retirement benefit assets	6	204,874,000	193,416,000
		<u>215,865,266</u>	<u>205,276,844</u>
Current Assets			
Receivables and prepayments	7	2,245,786	1,741,222
Cash and bank balances	8	3,872,919	4,442,500
		<u>6,118,705</u>	<u>6,183,722</u>
TOTAL ASSETS		<u><u>221,983,971</u></u>	<u><u>211,460,566</u></u>
EQUITY AND LIABILITIES			
Retirement benefit reserve	6	204,874,000	193,416,000 *
Accumulated surplus		9,498,122	10,725,793 *
		<u>214,372,122</u>	<u>204,141,793</u>
Current liabilities			
Payables and accruals	9	7,611,849	7,318,773
		<u>7,611,849</u>	<u>7,318,773</u>
TOTAL RESERVE AND LIABILITIES		<u><u>221,983,971</u></u>	<u><u>211,460,566</u></u>

* - Restated to conform to current year presentation

APPROVED, on behalf of the Board on



 Lorna E GREEN
 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, 2013**

	Note	2013 \$	2012 \$
Income			
Grants		102,323,386	106,068,971
Administrative and general expenses	10	<u>101,364,247</u>	<u>104,530,786</u> *
Operating surplus		959,139	1,538,185
Other income		<u>28,812</u>	<u>65,612</u>
		987,951	1,603,797
Finance and policy costs	11	<u>2,215,622</u>	<u>2,299,004</u>
Net deficit		(1,227,671)	(695,207)
Other comprehensive income			
Actuarial gain on defined benefit plan		<u>11,458,000</u>	<u>13,301,000</u> *
Net surplus for the year, being total comprehensive income		<u><u>10,230,329</u></u>	<u><u>12,605,793</u></u>

* - Restated to conform to current year presentation

The accompanying notes form an integral part of the financial statements

THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED MARCH 31, 2013

	Retirement Benefit Reserve \$	Accumulated Surplus \$	Total \$
Balance at March 31, 2011	180,115,000	11,421,000	191,536,000
Net surplus, being total comprehensive income for the year	-	12,605,793	12,605,793
Transfer to retirement benefit reserve	<u>13,301,000</u> *	<u>(13,301,000)</u> *	<u>-</u>
Balance at March 31, 2012	193,416,000	10,725,793	204,141,793
Net surplus, being total comprehensive income for the year	-	10,230,329	10,230,329
Transfer to retirement benefit reserve	<u>11,458,000</u>	<u>(11,458,000)</u>	<u>-</u>
Balance at March 31, 2013	<u>204,874,000</u>	<u>9,498,122</u>	<u>214,372,122</u>

* - Restated to conform to current year presentation

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2013**

	2013	2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net surplus	10,230,329	12,605,793
Adjustments for items not affecting cash resources:		
Depreciation	1,753,521	2,205,457
Loss on disposal of property and equipment	21,930	
Retirement benefit assets	<u>(11,458,000)</u>	<u>(13,301,000)</u>
	547,780	1,510,250
(Increase) / decrease in operating assets:		
Receivables and prepayments	(504,565)	(190,464)
Increase / (decrease) in operating liabilities:		
Payables and accruals	<u>293,076</u>	<u>(1,645,615)</u>
Net cash provided by / (used in) operating activities	<u>336,291</u>	<u>(325,829)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,094,872)	(1,540,257)
Proceeds from disposal of property and equipment	<u>188,999</u>	<u>-</u>
Net cash used in investing activities	<u>(905,873)</u>	<u>(1,540,257)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Note payable	-	(259,042)
Net cash used in financing activities	<u>-</u>	<u>(259,042)</u>
NET DECREASE IN CASH AND BANK BALANCES	(569,582)	(2,125,128)
CASH AND BANK BALANCES - Beginning of the year	<u>4,442,500</u>	<u>6,567,628</u>
CASH AND BANK BALANCES - End of the year	<u><u>3,872,919</u></u>	<u><u>4,442,500</u></u>
REPRESENTED BY:		
Cash and bank balances	<u><u>3,872,919</u></u>	<u><u>4,442,500</u></u>

The accompanying notes form an integral part of the financial statements

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

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

Trade Act of 1955 and the Consumer Protection Act of 2005 (the "Acts").

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

(b) Changes in accounting standards and interpretations:

i) Current year changes:

Certain new or amended International Financial Reporting Standards and Interpretations (IFRIC) became effective as of 1 January 2012.

The revisions, amendments and new standards and interpretations that became effective during the year but are not considered relevant to the Commission's operations are:

- *IAS 1 'Presentation of Items of Other Comprehensive Income -Amendment', issued June 2011.*
Effective for periods commencing on or after 1 July 2012
- *IFRS 1 'Severe Hyperinflation and Removal of Fixed Dates for First - time Adopters -Amendment', issued September 2010.*
Effective for periods commencing on or after 1 July 2011

Management anticipates that the adoption of the following new or revised International Financial Reporting Standards and Interpretations (IFRIC) could have a material impact on the Commission's financial statements:

- *IAS 1 ' Presentation of Financial Statements - Amendments''*
issued June 2011
Effective for annual periods commencing on or after July 1, 2012
- *IAS 12 'Income Taxes - Amendments', issued December 2010*
Effective for periods commencing on or after 1 January 2012
- *IFRS 7 'Financial Instruments: Disclosures -Amendment', issued October 2010.*
Effective for periods commencing on or after 1 July 2011

THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

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

(b) Changes in accounting standards and interpretations:

i) Current year changes (Cont'd):

Additionally, the IASB issued "Improvements to IFRSs", as part of its annual improvements project, and a vehicle for making non-urgent but necessary amendments to various IFRSs. These amendments primarily become effective for annual periods beginning on or after 1 January 2012. Management has concluded that these amendments will not have a significant impact on the Commission's operations or financial position.

ii) 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', issued May 2011*
Effective for periods commencing on or after 1 January 2013
- *IAS 28 'Investments in Associates and Joint Ventures', issued May 2011*
Effective for periods commencing on or after 1 January 2013
- *IFRS 10 'Consolidated Financial Statements', issued May 2011*
Effective for periods commencing on or after 1 January 2013
- *IFRS 13 'Fair Value Measurement', issued May 2011.*
Effective for periods commencing on or after 1 January 2013
- *IFRS 7 'Disclosures - Offsetting Financial Assets and Financial Liabilities Amendment', issued December 2011.*
Effective for periods commencing on or after 1 January 2013
- *IFRS 11 'Joint Arrangements', identifies two main types of joint arrangements -- joint operations and joint ventures.*
Effective for periods commencing on or after 1 January 2013

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

- *IFRS 9 'Financial Instruments Classification and Measurement', issued in November, 2009*
Effective for periods commencing on or after 1 January 2013
- *IFRS 12 'Disclosure of Interests in Other Entities', issued May 2011*
Effective for periods commencing on or after 1 January 2013
- *IAS 12 'Income Taxes - Amendments', issued December 2010*
Effective for periods commencing on or after 1 January 2012
- *IAS 19 'Employee Benefits -Amendment', issued June 2011.*
Effective for periods commencing on or after 1 January 2013

THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

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

(c) Use of estimates and judgments:

The preparation of the financial statements in conformity with IFRS and the Acts requires management to make judgments, 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

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

Critical judgments 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 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.

**THE CONSUMER AFFAIRS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013**

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 is 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 Improvements	2.5%
Computer	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, 2013

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 and equity instruments issued by the Commission are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Commission after deducting all of its liabilities.

Financial assets include cash and bank deposits, accounts receivable, long-term receivables and other current assets except inventories and any prepayments.

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, 2013

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, 2013**

4. INCOME

Income represents grants from the Government of Jamaica on a monthly basis based on yearly budget allocation and arising needs of the Commission.

5. PROPERTY AND EQUIPMENT

At Cost/Valuation	Leasehold Improvement	Furniture, Fixtures and Equipment	Computers	Total
Beginning of year	1,691,250	13,588,486	7,112,476	22,392,212
Additions	-	769,000	325,872	1,094,872
Disposals	-	(973,521)	-	(973,521)
End of year	<u>1,691,250</u>	<u>13,383,965</u>	<u>7,438,348</u>	<u>22,513,563</u>
Accumulated Depreciation				
Beginning of year	421,857	6,743,279	3,366,232	10,531,368
Elimination on disposal	-	(762,592)	-	(762,592)
Charge for year	57,281	1,136,665	559,575	1,753,521
End of year	<u>479,138</u>	<u>7,117,352</u>	<u>3,925,807</u>	<u>11,522,297</u>
Net Book Value				
End of year	<u>1,212,112</u>	<u>6,266,613</u>	<u>3,512,541</u>	<u>10,991,266</u>
End of prior year	<u>1,269,393</u>	<u>6,845,207</u>	<u>3,746,244</u>	<u>11,860,844</u>

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

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. Employees may make additional voluntary contributions not exceeding a further 5%. The Commission meets the balance of the cost of the scheme benefits. Normal retirement pension is based on 2% of the final pensionable salary per year of pensionable service.

The disclosures below are based on the independent actuarial valuation at March 31, 2013.

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

	2013	2012
	\$	\$
Present value of the obligation	(96,069,000)	(91,617,000)
Fair value of planned assets	312,701,000	305,175,000
Fund status	216,632,000	213,558,000
Unrecognized actuarial gains	(11,758,000)	(20,145,000)
Unrecognized past service cost	-	3,000
	204,874,000	193,416,000

The amounts recognized in arriving at income were determined as follows:

	2013	2012
	\$	\$
Current service cost	(7,769,000)	(5,771,000)
Interest cost	(9,474,000)	(8,449,000)
Expected return on assets	28,489,000	27,238,000
Net actuarial gain recognized during the year	511,000	379,000
Contributions made during the year	155,000	170,000
Change in disallowed asset	(454,000)	-
Past service cost	-	(266,000)
	11,458,000	13,301,000

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

6. RETIREMENT BENEFIT ASSETS (CONT'D)

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

	2013 \$	2012 \$
Net assets at start of year	193,416,000	180,115,000
Net income recognized in statement of comprehensive income	11,303,000	13,131,000
Contributions paid by the Commission	155,000	170,000
	204,874,000	193,416,000

The principal actuarial assumptions used were as follows:

	2013 %	2012 %
Discount rate	10.0	10.0
Rate of escalation of pensionable earnings	7.0	7.5
Rate of increase in pension	5	5
Expected long term rate of return on scheme assets	7.0	9.5

Expenses - allowance is made for administrative expense at the rate of 7% (2012: 6%) earnings of members' pensionable earnings.

7. RECEIVABLES AND PREPAYMENTS

	2013 \$	2012 \$
Staff receivables	349,790	603,987
Withholding tax recoverable	198,780	198,780
Reimbursable from:		
The Caricom Single Market Economy	252,987	390,430
Other receivables	1,806,672	548,025
	2,608,229	1,741,222
Provision doubtful debts	(362,443)	-
	2,245,786	1,741,222

8. CASH AND BANK BALANCES

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

	2013 \$	2012 \$
Petty cash	3,000	3,000
Local currency accounts	3,869,919	4,439,500
	3,872,919	4,442,500

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

9. PAYABLES AND ACCRUALS

	2013 \$	2012 \$
Accounts payable	959,831	614,772
Other payables and accruals	6,652,018	6,704,001
	<u>7,611,849</u>	<u>7,318,773</u>

10. ADMINISTRATIVE AND GENERAL EXPENSES

	2013 \$	2012 \$
Salaries and wages	41,682,265	45,250,783
Retroactive salaries	2,491,105	460,883
Temporary and casual wages	3,900,707	1,789,526
Mileage allowances	5,659,652	5,141,608
Statutory contributions	3,418,807	3,327,364 *
Motor vehicle allowance	9,012,612	10,281,880
Staff welfare	447,329	318,425
Travelling and subsistence	1,146,029	1,144,423
Rental:		
Equipment	79,958	96,020
Buildings	9,059,387	8,378,113
Electricity	2,514,539	2,532,867
Telephone	3,055,277	3,496,355
Water	186,863	99,851
Repairs and maintenance	2,926,664	1,639,053
Medical supplies	18,394	23,762
Meals and entertainment	1,064,845	874,198
Wireless, cable and postage	243,951	332,606
Directors' fees	1,186,500	711,000
Professional fees	463,520	502,800 *
Legal fees	1,868,972	406,753 *
Insurance	204,191	265,159
Grants and contribution	887,000	960,000
Staff training	218,272	92,837
Printing and stationery	1,786,714	1,854,325
Audit fee	350,000	415,400
Advertising and promotion	1,293,827	7,484,399
Subscription and membership fees	611,304	662,772
Exhibition, conference and seminars	2,284,814	2,129,487
General office expenses	722,720	363,428
Security	2,578,029	3,494,709
	<u>101,364,247</u>	<u>104,530,786</u>

* - Restated to conform to current year presentation

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

11. FINANCE AND POLICY COSTS

	2013	2012
	\$	\$
Doubtful debts	362,443	-
Bank charges	77,728	93,547
Depreciation	1,753,521	2,205,457
Loss on disposal of property and equipment	21,930	-
	<u>2,215,622</u>	<u>2,299,004</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	105,577,000	102,323,386	(3,253,614)
Other	-	28,812	28,812
	<u>105,577,000</u>	<u>102,352,198</u>	<u>(3,224,802)</u>
Expenditure:			
Personal emoluments	52,927,000	51,107,791	1,819,209
Travelling and subsistence	14,407,000	15,911,829	(1,504,829)
Other operating and general expense	23,913,000	21,664,225	2,248,775
Rental	7,521,000	9,139,346	(1,618,346)
Public utilities	3,070,000	5,756,678	(2,686,678)
	<u>101,838,000</u>	<u>103,579,869</u>	<u>(1,741,869)</u>
Net surplus / (deficit)	3,739,000	(1,227,671)	(4,966,671)
Capital:			
Purchase of property and equipment	<u>(3,739,000)</u>	<u>(1,094,872)</u>	<u>2,644,128</u>
TOTAL	<u>-</u>	<u>(2,322,543)</u>	<u>(2,322,543)</u>

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YEAR ENDED MARCH 31, 2013

13. STAFF COSTS

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

	2013	2012
Permanent	26	26

The aggregate payroll costs for these persons were as follows:

	2013	2012
	\$	\$
Salaries and other related costs	60,365,531	62,463,798
Statutory payroll contributions	3,418,807	3,327,364
	63,784,338	65,791,162

14. RELATED PARTIES

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

	2013	2012
	\$	\$
Transactions with Board of Directors:		
Directors' fees	1,186,500	711,000
Transactions with key management personnel:		
Chief Executive Officer	4,256,306	4,256,306
Finance and Administration Manager	2,783,623	2,783,623
	8,226,429	7,750,929

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 judgment 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 following methods and assumptions have been used are as follows:

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

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

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 have 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 analyze 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.

	2013	2012
	\$	\$
Cash and bank balances	3,872,919	4,442,500

(ii) Liquidity risk

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

THE CONSUMER AFFAIRS COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

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, 2013:			
Accounts payable	<u>7,611,849</u>	<u>7,611,849</u>	<u>7,611,849</u>
March 31, 2012:			
Accounts payable	<u>7,318,773</u>	<u>7,318,773</u>	<u>7,318,773</u>

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Commission's income or the value of its holding of financial instruments. The objective of market is to manage and control market risk exposures within acceptable parameters, while 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, 2013 and 2012, 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 equity.



Notes

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