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FOREWORD

By

*Mrs. Tessa Bodden,
Chairman, National Drug Council*

It is an honour for me to be contributing a Foreword to the first Annual Report of the National Drug Council since its establishment under the National Drug Council Law, 1997.

The Report covers the period between the 23rd of October 1997, when the Law came into force, and the 30th of June 1998, the end of the Council's financial year.

During the Council's first months, it embarked upon the carrying out of its newly conferred responsibilities with vigour. Principal among those is the formulation and development of policies intended to prevent or reduce drug abuse and the promotion and encouragement of the implementation of those policies.

Work to bring up to date the National Strategic Plan for Drug Abuse Prevention and Rehabilitation, which constitutes the major formulation of the policies in question, continued with the enormous assistance of the Planning Team whose hard work and dedication deserve the highest praise.

Areas of particular focus during the period under review were the development of prevention and education programmes and the gathering of statistical information. This included work on a survey of students in all middle and high schools in the Cayman Islands, which will be an important guide in preparing future programmes.

In May of 1998 a programme entitled "Drug Free Week", based on community awareness, was launched and preparations made for other important awareness campaigns scheduled to take place after the end of the reporting year. The Council, through Committees respectively targeting the areas concerned, has undertaken other major tasks relating, among other things, to law enforcement, treatment and rehabilitation, and legislation.

It is felt that much has been achieved in this short period since the inception of the Council. An efficiently running office has been set up, financial and other procedures instituted, and future plans mapped out. In this, the support of the Ministry of Health, Social Welfare, Drug Abuse Prevention and Rehabilitation has been absolutely vital at all stages. Other Ministries, particularly the Ministry of Education, Aviation and Planning, and the Ministry of Community Affairs, Youth, Women, Sports and Culture have made invaluable contributions in support of the Council's first steps.

The Council is also grateful to the others who have given assistance including Governmental agencies, notably the Royal Cayman Islands Police Force, non-governmental organisations such as Cayman Against Substance Abuse, the Lions and Rotary Clubs of Grand Cayman and many other entities and persons in the private sector. The Council looks forward to the continuation of that support in the future, as well as to that of the many individuals whose generous help in time, work, and money mean so much.

I am personally encouraged by the progress made so far and am sure that the Council will be able to continue its important role in the prevention and treatment of drug abuse.

MESSAGE

By

*His Excellency the Governor,
Mr. John Owen, MBE*

The work of the National Drug Council is crucial if the Cayman Islands is to be successful in its war against drug abuse. It is therefore heartening to see that in its first year of operation the NDC has made significant progress in carrying out its mandate of both co-ordinating and facilitating local anti-drug abuse measures.

The Council has fostered co-operation among many organisations involved in anti-drug programmes and, with their help, has spearheaded several projects of its own.

The Voice of Youth symposium, Drug Free Week, and Drug Awareness Week are examples of initiatives which served to improve interaction and co-ordination among both Government and private sector agencies. These have also served to heighten public awareness and education, particularly among the youth. The Student Drug Use Survey, the results of which were released late last year, is another example of the Council's work in researching the nature and extent of the problem and making that information available to decision-makers and the public. The Council continues to work in co-operation with other agencies in the areas of education and prevention, law enforcement, legislation, treatment and rehabilitation.

I am pleased to have been able to participate in some of the Council's activities and even more pleased at the level of cohesiveness that I have observed. The Cayman Islands still has a long, difficult battle ahead of it to eradicate drug abuse from these Islands. However, as monitor, educator, advisor, co-ordinator and facilitator, the National Drug Council is one of the most important weapons we have. I look forward to seeing the Council grow from strength to strength.

REPORT

OF

THE NATIONAL DRUG COUNCIL

for period ending 30 June, 1998

ESTABLISHMENT OF THE NATIONAL DRUG COUNCIL

The National Drug Council (NDC) was established under the National Drug Council Law, 1997. It focuses on improving interaction between all Government and non-governmental agencies dealing with the issue of substance abuse.

The NDC replaced the Advisory Council on the Misuse of Drugs (ACMD) which was established in 1988 to assess the local drug abuse situation and make recommendations for action. Whereas the ACMD had only advisory powers, the NDC is empowered under the law to formulate and develop policies and programmes to prevent and reduce substance abuse. These include efforts aimed at rehabilitation, drug supply control, law reform, public education, training, and data collection.

Financed mainly through grants from Government, the NDC is also eligible as a non-profit organisation to receive gifts, grants, and endowments. The NDC divides its statutory responsibilities between a number of committees working for the Council, which is the decision-making body. The individual committees of the NDC look at ways to curb substance abuse through law enforcement, treatment and rehabilitation, school education, public information, and community and family support.

The Council is supported by the NDC office, which consists of six staff members and has sections dedicated to research and information.

The specific functions of the National Drug Council are as follows:

- In consultation with such persons or bodies it deems appropriate, to formulate policies and develop programmes intended to prevent or reduce drug abuse and to promote and encourage the implementation of such policies and programmes;
- To promote and encourage the establishment of a system to co-ordinate the treatment and rehabilitation of drug abusers and the care of persons associated with drug abusers;
- To give advice on the licensing and operation of premises used in connection with the treatment and rehabilitation of drug users;
- To advise the Minister and such persons, groups and organisations or bodies which request it to do so, on policies and programmes related to the prevention of drug abuse, the treatment and rehabilitation of drug abusers and the care of connected persons;
- To educate the public, and in particular the young, on the dangers of drug abuse, and to publicise these dangers;
- To promote and encourage the award of scholarships, and to award scholarships or other financial assistance to persons wishing to pursue courses in basic or advanced training in matters related to drug abuse;
- To initiate, sponsor and support conferences, seminars and meetings related to drug abuse;
- To initiate, support and publish studies, reports and other documentation on drug abuse;
- To establish, maintain and operate information systems and facilities, and to encourage and support the exchange of information of all kinds in respect of policies, programmes and research related to drug abuse;
- To establish and operate treatment centres;

- To keep under review the situation of the Islands with respect to drugs which are being, or appear to the Council likely to be, abused and of which the abuse is having or appears to the Council to be capable of having, harmful effects, and to give to the Minister, where either the Minister so requests or the Council considers it expedient to do so, advice on measures which in the opinion of the Council ought to be taken for restricting the availability of such drugs or supervising the arrangements for their supply;
- To conduct research into, and develop and maintain a database of information on, drug abuse in the islands; and
- To advise the Minister on matters of law reform relating to the misuse of drugs.

NDC POLICIES AND PROGRAMMES

In order to address the scope of its mandate effectively, the National Drug Council has established specific areas of focus.

PREVENTION AND EDUCATION

Prevention and Education addresses the larger issue of drug demand reduction by targeting the demand for substances and seeking to diminish it through education. The area is divided into two main sections: the schools and the community. In the schools, the NDC is focusing on strengthening the drug education system, while also periodically staging more intensive awareness campaigns, such as 'Drug Free Week'. The work in the community is currently focused on developing District Councils which will spearhead community awareness and education projects within each district. The Council's Drug Education Campaign is being geared towards informing the general public on the ill effects of substance abuse and urging both young and old to make responsible choices.

TREATMENT AND REHABILITATION

Treatment & Rehabilitation also targets drug demand reduction by seeking to rehabilitate those for whom preventive efforts came too late. This committee addresses the establishment of rehabilitation programmes for drug abusers. This encompasses residential treatment centres, rehabilitation programmes for incarcerated drug offenders, halfway houses, after care programmes for released prisoners, and testing programmes to identify users in need of treatment. The Treatment and Rehabilitation Committee also addresses the effective co-ordination of treatment efforts.

LAW ENFORCEMENT AND LEGISLATION

Another important aspect of the effort to eradicate substance abuse is drug supply reduction. The NDC's Law Enforcement and Legislation committee addresses the illicit drug trafficking trade. The committee includes judicial and law enforcement officials, who meet to review and advise on the development and strengthening of interdiction and inter-agency co-operation. In addition, many of the policies and programmes recommended by the committees of the National Drug Council which require changes to existing legislation in order to be instituted are studied in detail by this committee. (expand and put under heading of legislation on p.9 – sub-head of legislation)

SURVEYS AND STATISTICS

To continue with all of its activities, the Council requires an accurate picture of the local drug problem. This is provided through the work of the NDC's Surveys and Statistics section. In recent months, a survey of local middle and high school children was carried out in order to determine the nature and extent of that population's drug use. The results gained from this survey will assist in the development of education, prevention, and treatment programmes in the future. The work of the Surveys and Statistics section allows the NDC to properly target its programmes, and also provides the Cayman Islands with information on the local drug situation that is easily accessed and is also comparable to that of other countries.

THE SISTER ISLANDS

Efforts in the NDC's areas of focus are not limited to Grand Cayman. In the past year, the NDC has begun developing consistent programming on Cayman Brac, and in 1998 appointed an NDC Cayman Brac Co-ordinator to assist with developing the Council's programmes there.

FINANCE

Without adequate funding, all of this work could not be carried out. The NDC's Finance committee deals with this important issue for the Council. This committee determines the best use of the NDC's funds, which are received from Government and from private sector donations. Other functions of the Finance committee are to identify possible sources of funding, and to ensure that all monies received and used by the NDC are fully and properly accounted for.

MEMBERSHIP

In addition to funding, what is most vital in carrying out the work of the Council is co-ordination and co-operation. The NDC's mandate is very wide-ranging, and because it encompasses many areas, the Council must work in conjunction with many other agencies in order to achieve its goals. This level of co-operation is partially ensured by the membership of the National Drug Council.

The Council has 20 members, including the following:

- the Chief Justice of the Cayman Islands;
- the Permanent Secretary of the Ministry of Health, Social Welfare, Drug Abuse Prevention and Rehabilitation;
- the Permanent Secretary of the Ministry of Education, Aviation, and Planning;
- the Permanent Secretary of the Ministry of Community Affairs, Sports, Women, Youth, & Culture;
- the Director of Social Services;
- the Director of HM Northward Prison;
- the Deputy Collector of Customs – Enforcement;
- the Head of the Drugs Task Force;
- the Government Health Services' Chief Pharmacist; and
- representatives of Cayman Counselling Centre and the Financial Secretary's Office.

Other agencies represented on the National Drug Council are Cayman Against Substance Abuse and the Cayman Ministers Association. Further membership includes concerned private citizens who volunteer their time, services, and expertise to the Council.

PREVENTION AND EDUCATION

The overall area of Prevention & Education falls under two major headings, Schools and Community.

ACHIEVEMENTS

SCHOOLS

School-based Prevention & Education Campaign

A comprehensive School-based Prevention & Education Campaign was formulated by the NDC in conjunction with the Education Department. One goal of the prevention and education campaign is to ensure that drug education is an ongoing part of the curriculum in all schools. A part of this effort is the NDC's commitment to encourage the strengthening the QUEST drug education programme currently in place in local Government schools and to introduce the same programme to private schools.

Drug Free Week 1998

Drug Free Week 1998 was held May 3rd through May 10th with the theme "Celebrate Life 100% Drug Free." It involved several schools and community based activities as well as a full media campaign. Local schools, service clubs and churches, as well as Government departments participated in Drug Free Week. Feature events were co-ordinated by various organisations including CASA, the Cayman Islands Chamber of Commerce, the Lions Club of Grand Cayman, the Cayman Islands Football Association, the Cayman Islands Ministers Association, the Cayman Islands Cancer Society, the Cayman National Cultural Foundation, the Department of Social Services, the Public Health Department, and the Education Department.

COMMUNITY

Establishment of District Councils

Planning for the Establishment of District Councils in all districts of the Cayman Islands and a District Council Executive to co-ordinate their activities was undertaken by an NDC committee set up for this purpose. At the end of the reporting period, the Committee set as its goals to plan and establish the framework for the District Councils and to organise as a coordinating body District Council Executive with representatives from each District Council.

FUTURE PLANS

SCHOOLS

National Drug Education Programme

The primary goal in this area is to implement a National Drug Education Programme based on the QUEST programme, which will be geared to provide students in grades K through 12 with tobacco, alcohol, and other drug prevention programmes that have been evaluated and based on available research. In addition, the School-based Prevention & Education Campaign will seek to implement a set of principles on which all future prevention planning can be based.

COMMUNITY

Community Awareness Campaign

One major goal is to promote fuller community awareness of the larger social and economic consequences of substance abuse, in order to encourage greater problem ownership on the part of community residents. Groundwork for a Community Awareness Campaign was completed.

TREATMENT AND REHABILITATION

ACHIEVEMENTS

Rehabilitation of Drug Offenders

The NDC's Treatment and Rehabilitation committee drafted a comprehensive report and recommendations on the Rehabilitation of Drug Offenders. The final draft of the report was completed mid-year.

The committee's report identifies general recommendations with a consistent approach to rehabilitation from detection to discharge from prison. The committee's basic view is that incarceration may be the only alternative to recidivism for those who are unwilling to change despite all help, but that offenders who are willing and able to remain substance-free and participate in counselling should be given full assistance with their rehabilitation.

The committee addresses a number of issues in their report, which include:

- The identification of substance abusers when they offend;
- Assistance to police and parents in managing juvenile offenders;
- Ensuring that the Courts have a full and accurate assessment of defendants' substance abuse problems;
- Non-custodial sentencing;
- Driving whilst intoxicated;
- Prison education;
- Parole;
- Technological support to the prison;
- Rehabilitation while in Prison;
- Upgrading of Prison Facilities;
- After-care of prisoners;
- Partial release;
- A half-way House;
- The Prison as a substance free environment; and
- The Prison's physical environment.

The committee notes in its report that some of its recommendations would necessitate changes in relevant legislation and policy. It also points out that to assess the effects of implementing the report's recommendations would require setting parameters of success and monitoring

Sobriety Homes

The NDC's Treatment and Rehabilitation committee prepared a proposal for the establishment of Sobriety Homes for adult addicts who are recovering.

The report recommends setting up a broad framework for the concept of Sobriety Homes, in the context of the continuum of care approach to treatment and rehabilitation of substance abuse/addiction.

This is one of the requirements of the National Strategic Plan for Drug Abuse Prevention and Rehabilitation, and is defined as part of a Government subsidised programme for recovering adults.

The goals of the Sobriety Homes project are to:

- Reduce the risk of relapse for recovering adults;
- Strengthen the sense of family in the Cayman Islands;
- Facilitate family reunification wherever possible; and
- Prepare recovering adults emotionally for independent living.

The committee identified the establishment of such a network of sobriety homes as a priority, due to the present lack of a Halfway House and residential treatment facilities.

Driving While Intoxicated Programme

An education and intervention programme for persons convicted of Driving While Intoxicated was developed by the Cayman Counselling Centre as part of the Rehabilitation of Offenders report. This document was approved and revised by the Treatment and Rehabilitation Committee, and is currently awaiting Government approval.

Under the proposed programme, individuals convicted of DWI would continue to be dealt with as the Court sees fit with the added sentence of an education and intervention programme, attendance to which would be required in order to have driving licences reinstated.

Objectives of the programme would be to increase the participants' knowledge of:

- The law;
- The medical effects of consumption and abuse;
- The social effects of consumption and abuse;
- The familial effects of consumption and abuse;
- The disease of addiction; and
- Their own use, abuse, and dependency patterns relating to the consumption.

It is recommended that clients be charged for the programme. A means test will be carried out to determine whether or not the client can afford to pay. The report also recommends that the DWI programme be offered in lieu of a harsh sentence, which would be carried out if the client does not successfully complete the programme.

FUTURE PLANS

Adult Education Programme

The Education Department of Northward Prison is continuing its Adult Education Programme with remedial education for offenders, who would be assessed to determine their educational needs and referred through the Courts.

Addiction Conference

The NDC hopes to sponsor a conference in 1999 for local medical and paramedical staff to update them on addiction issues and treatment. This conference will feature lectures conducted by overseas experts in the drug addiction field.

LAW ENFORCEMENT & LEGISLATION

ACHIEVEMENTS

LAW ENFORCEMENT

Overview

The Caribbean is a popular route for drug smugglers who transport illicit narcotics from the producer countries of South America and the Caribbean to the consumer markets in North America and Europe. With increased pressure by law enforcement in the Eastern Caribbean, together with Central American Routes being affected by hurricanes, the 'balloon effect' has produced a noticeable shift, by the traffickers, to using Northern and Western Caribbean routes.

Recent seizures, and reliable intelligence, indicate that the Cayman Islands is increasingly being used as a transshipment point. A percentage of each load is inevitably left as payment for local assistance and this is peddled on the local market.

The Drugs Task Force

The Drugs Task Force was created in 1994 by amalgamating the Royal Cayman Islands Police drugs squad and marine unit, and including officers from Her Majesty's Customs. The DTF spearheads anti-drug supply operations within and around the Cayman Islands, often in conjunction with foreign agencies. In support of demand reduction, the DTF works closely with the NDC and is represented on both the Council board and the Law Enforcement committee.

During 1998, progress was made within the area of international co-operation leading to the signing of the Maritime Co-operation Agreement between the United States and the United Kingdom on behalf of its Caribbean territories, which significantly boosted local interdiction efforts.

Further international co-operation came about through the Cayman Islands' involvement in the International Drug Enforcement Conference (IDEC) of which the Cayman Islands is a member. Cayman also serves as Secretary to IDEC's Caribbean group and the Regional Drug Squad Commanders Conference.

The DTF also continues to participate in information and intelligence sharing, both locally and regionally. Cayman Islands Customs, Police and the DTF are computer linked to each other and to other British territories in the Caribbean through the Overseas Territories Regional Criminal Intelligence System (OTRCIS), which is sponsored by the UK Government and is headquartered at the British Consulate in Miami, Florida.

Training is provided for DTF officers through the Regional Drugs Training Centre in Jamaica, which is now fully operational with a wide programme of courses. Drugs Task Force officers together with Customs and Immigration officers also received training in identifying drug couriers known as "swallowers".

LEGISLATION

The NDC continues to review existing legislation with a view to making changes that would facilitate its policies and programmes, particularly those regarding Treatment & Rehabilitation, Prevention & Education, Finance, and Law Enforcement & Legislation. The primary goal of this review process is to fill any current gaps in the legal system's handling of drug related issues, and to make the law more reflective of newly instituted programmes and policies.

FUTURE PLANS

LAW ENFORCEMENT

The Drugs Task Force

The Drugs Task Force will continue to work along with the National Drug Council with representatives of the Force sitting on the NDC itself and its Law Enforcement Committee thus keeping the Council updated on its anti-drug supply operations.

Formalisation of a Memorandum of Understanding in relation to drug interdiction procedures is ongoing. The Cayman Islands will continue its membership in IDEC and in the CCIEC.

Construction on a Drugs Task Force Base is a continuing priority. A site has been identified and planning is being conducted in conjunction with Lands and Survey, Department of the Environment, and various ministries.

The DTF also issues an annual report each year highlighting key points of interest and drugs statistics which is contained in the Royal Cayman Islands Police Annual Report.

The applicant screening system for new recruits to law enforcement agencies is in the process of being upgraded.

The development of a security system at local airports and major seaports is ongoing.

It is anticipated that a multi-agency drug awareness course will be held in the near future.

LEGISLATION

The NDC will continue to review the Cayman Islands' legislation as it relates to drug control issues. Areas of specific interest include sentencing of drug offenders, treatment and rehabilitation options for drug offenders, and interdiction efforts.

SURVEYS & STATISTICS

ACHIEVEMENTS

Student Drug Use Survey

During 1998, the NDC initiated the first comprehensive study of adolescent drug use in the Cayman Islands. The student drug use survey was a collaborative effort between the NDC and the Addiction Research Foundation of Toronto, Canada. The survey included all middle and high school students, grades 7 through 12, and was conducted between 24 March and 6 April of this year. The survey will provide important information that will serve as a basis for evaluating the ill-effects of drug abuse. The results of the survey should tell us the size of the adolescent population engaged in drug use.

The survey will form a baseline for formulating, developing and monitoring demand reduction efforts. Repeated cycles of the survey will provide data necessary to identify and track emerging trends in drug use among this segment of the population.

Database of Drug Abuse Indicators and Statistics

A review of available statistics relating to drug abuse was conducted. Data collection from identified sources is on-going and a database containing this information is being compiled. Criteria for selecting suitable drug abuse indicators are currently being developed. The goal is to establish a centralised database of drug abuse information, which will facilitate sharing of information between all agencies involved in this field. The database will also form the basis for developing a profile of the drug abuse problem in the Cayman Islands.

FUTURE PLANS

Reports on Drug Abuse

The NDC will publish reports and other documentation, as available, related to the analysis of its drug abuse database.

Needs Assessment Study

Before planning prevention and education programmes, the NDC recognises the importance of learning more about the communities for which it develops programmes. A needs assessment study will assist in gleaning facts and opinions about the community's current position relating to drug abuse. The results of the study will therefore form the basis for planning and evaluating drug abuse prevention and education programmes for the community.

FUNDING

ACHIEVEMENTS

Government Funding

The National Drug Council is funded primarily by funds from Government, channelled through the Ministry of Drug Abuse Prevention and Rehabilitation. The NDC receives a grant each year in response to its stated budgetary requirements. In addition, the NDC may also receive individual sums related to specific projects, such as Drug Free Week or the Student Drug Use Survey.

In addition to the funds received from Government, the NDC is also allowed to receive funds from private benefactors.

Finance Committee

The Finance Committee is examining the NDC's long-term plans in order to develop a funding strategy. In the upcoming year, all of the NDC's projects and programmes will be evaluated for appropriate sources of funding.

PUBLIC INFORMATION

ACHIEVEMENTS

Publicity

Beginning with the official launch of the National Drug Council, its activities were publicised through all branches of the media. Campaigns were developed for all major projects during the period.

Drug Education Campaign

From its inception in 1997 through June 1998, the National Drug Council's Public Information Committee began developing ideas for the NDC's Drug Education Campaign. Areas of focus for the committee included the development of specific messages, determining the overall goal of the campaign, and estimating the costs involved in mounting such a wide-ranging and long-running media project.

The Committee identified a basic plan for the campaign, which advocates an overall, long-running campaign using all available media and disseminating general anti-drug messages. This would be supported by shorter, more intensive campaigns focusing on specific substances.

The NDC Brochure

The National Drug Council has produced and distributed a brochure outlining the functions and services of the National Drug Council. This brochure was distributed to private sector companies as well as to schools, churches, service organisations and Government offices.

Directory of Service Agencies

The National Drug Council produced and distributed an initial Directory of Service Agencies which gives information and contact numbers on local services and agencies dealing with the issue of drug abuse. The directory covers the areas of education programmes, youth development programmes, community action programmes, as well as treatment programmes. It has been distributed to local schools, churches, service organisations, and Government offices serving the public.

NDC Information Centre

Printed and audio-visual material have been ordered and received for the Information Centre, which is now well stocked. Videos and other material from the Information Centre have been distributed to local schools to supplement their drug education programmes.

FUTURE PLANS

Drug Education Campaign

The NDC's Drug Education Campaign will continue in 1999 with a strengthened focus on a general anti-drug message throughout the year. Shorter more intensive campaigns will be run for certain periods throughout the year targeting the abuse of specific substances.

The campaign will also develop messages to target various audience groups, for example, some advertisements and messages will be aimed at children and teenagers, while others will be aimed at adult members of the population.

GENERAL

ACHIEVEMENTS

Official Launching of NDC

The NDC was officially launched as a statutory corporation in a public ceremony at the George Town Town Hall in January 1998. This event put the NDC in the public eye as an independent body, and this image has been reinforced throughout the year through ongoing public relations efforts.

Training

Since January 1998, the National Drug Council has provided staff members with training in the following areas:

- Fundamentals of Addictions – Caribbean Institute on Alcoholism and other Drug Problems;
- Designing & Conducting Surveys – Addiction Research Foundation;
- Epidemiological Research Methodologies of Substance Abuse – University of the West Indies/Addiction Research Foundation;
- Programme Evaluation Methodologies – University of the West Indies/Addiction Research Foundation; and
- Skills for Action (Prevention & Education) – Quest International.

Conferences & Seminars

The NDC has participated in regional and international conferences making decisions on strategies to be employed for drug demand and supply reduction, such as the UNDCP Regional Conference on Drug Control Co-ordination and Co-operation in the Caribbean, held in Santo Domingo in December 1997. The NDC maintains contact with this and other drug control agencies.

The NDC also participates in international anti-drug abuse programmes and observances. In June 1998, the Cayman Islands participated in the observance of the United Nations' International Day Against Drug Abuse and Illicit Trafficking.

Interagency Co-operation

The NDC has consistently promoted improved co-ordination between local agencies to combat drug abuse. Several local service groups, community organisations, Government departments and private sector organisations have worked together on important projects such as Drug Free Week.

Special Visitors

The NDC received a visit in March 1998 from Soumaya Al-Alami, Drugs Control Officer from the European Commission Drugs Control Office for the Caribbean. During her stay, she reviewed anti-drug programmes in place in the Cayman Islands.

The following persons also met with NDC officials while on official duties in the Cayman Islands:

- David Hollamby, Deputy Head of the West Indies and Atlantic Department, Foreign Commonwealth Office, London, England (November 1997);
- Captain Peter Jackson RN, British Defence Advisor, British High Commission, Bridgetown, Barbados (May 1998); and
- Commander Lawrence Smallman RN, Ministry of Defence, London, England (May 1998).

MEMBERS OF THE NATIONAL DRUG COUNCIL

As at 30 June, 1998

Mrs. Theresa (Tessa) Bodden, Cert. Hon. (Businesswoman)	Chairman
Dr. Stephen Pickering (Private Medical)	Vice Chairman
Hon. Mr. Justice Anthony Smellie (Judiciary)	Member
Mr. Eric Smith (HMP Northward)	Member
Mr. Dale Ramoon (Customs)	Member
Mrs. Deanna Look Loy (Social Services)	Member
Mr. Kevin Gipple (Government Pharmacy)	Member
Mr. Terrance Delaney (Cayman Counselling Centre)	Member
Miss Andrea T. Bryan, JP (Permanent Secretary, Ministry of Health, Social Welfare, Drug Abuse Prevention & Rehabilitation)	Member
Mrs. Joy Basdeo, JP (Permanent Secretary, Ministry of Education, Aviation, and Planning)	Member
Mr. Carson Ebanks (Permanent Secretary, Ministry of Community Affairs, Sports, Women, Youth & Culture)	Member
Miss Letitia Solomon (Representative of the Hon. Financial Secretary)	Member
Det. Chief Supt. Derek Haines (Representative of Commissioner of Police)	Member
Pastor Robert E. Thompson (C.I. Ministers Association)	Member
Mr. Carlyle E. McLaughlin Jr. (Private Accountant)	Member
Mrs. Martha Ruth Julal (Community Activist)	Member
Mr. William Helfrecht (Private Lawyer)	Member
Mrs. Mary Lee Rowlandson, Cert. Hon. (President, Cayman Against Substance Abuse)	Member

APPENDICES

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APPENDIX A

National Drug Council

Financial Statements

Six Months ended 30 June 1998

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APPENDIX A



National Drug Council

To the Members of the National Drug Council

CERTIFICATE OF THE AUDITOR GENERAL

I have audited the financial statements of the National Drug Council for the six months ended 30 June 1998 as set out on pages 2 to 7 in accordance with the provisions of Section 22 (1) of the National Drug Council Law, 1997 and section 45(1) of the Public Finance and Audit Law 1997.

Respective Responsibilities of Management and the Auditor General

These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

Basis of Opinion

My examination was made in accordance with International Standards on Auditing which require that I plan and perform my audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of the National Drug Council as at 30 June 1998 and of the results of its operations and its cash flows for the six months then ended in accordance with International Accounting Standards and the National Drug Council Law, 1997.

N K Esdaile
Auditor General
8 January 1999


APPENDIX A

National Drug Council
Balance Sheet
(Stated in Cayman Islands Dollars)

	<u>Notes</u>	<u>30 June 1998</u>
Current Assets		
Cash and cash equivalents		\$ 125,920
Prepaid expenses and other receivables		2,396
Total current assets		<u>128,316</u>
Fixed Assets	2,3	<u>40,770</u>
Total assets		<u>\$ 169,086</u>
 Current Liabilities		
Accounts payable		\$ 4,975
Deferred grant funds	2	102,535
Deferred income - assets transferred	2	<u>40,770</u>
Total current liabilities		148,280
 Surplus		
General		20,806
Total current liabilities and surplus		<u>\$ 169,086</u>

Signed on Behalf of the Board

Date *Nov 19, 1998*



Chairman



Finance Director

See accompanying notes.

APPENDIX A

National Drug Council
Statement of Operations
(Stated in Cayman Islands Dollars)

	<u>Notes</u>	<u>Six Months ended 30 June 1998</u>
General Surplus:		
Revenues		
Government grant income	2	\$ 158,062
Amortization of deferred income - assets transferred	2	10,905
Non-government grant income:		
Bank deposit income		2,203
Donations		35
Total revenues		<u>171,205</u>
Expenses		
Personnel emoluments		89,438
Rent	4	13,292
Grants and contributions		11,564
Other operating and maintenance services		11,108
Depreciation - assets transferred		10,905
Utilities		8,229
Supplies and materials		2,924
Audit fees		2,000
Travelling and subsistence		939
Total expenses		<u>150,399</u>
Net surplus for the period		20,806
Surplus at beginning of period		-
Surplus at end of period		<u>\$ 20,806</u>

See accompanying notes.

APPENDIX A

National Drug Council
Statement of Cash Flows
(Stated in Cayman Islands Dollars)

	<u>Six Months ended 30 June 1998</u>
Operating activities	
Net surplus from operations - general surplus	\$ 20,806
Adjustments for non-cash transactions:	
Fixed assets received from Government	(51,675)
Depreciation	10,905
Adjustments to reconcile net surplus from operations to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Prepaid expenses and other receivables	(2,396)
Accounts payable	4,975
Deferred income - assets transferred	40,770
Deferred grant funds	102,535
Net cash provided by operating activities	<u>125,920</u>
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	<u>\$ 125,920</u>

See accompanying notes.

APPENDIX A

National Drug Council Notes to Financial Statements

30 June 1998

1. Organization

The National Drug Council (the "NDC") became a statutory body in the Cayman Islands with the passage of the National Drug Council Law, 1997 and began operations on January 1, 1998. Its functions are diverse and include many aspects of coordinating the efforts in the Islands in respect to drug abuse education, treatment, and rehabilitation; to support drug demand and supply reduction programmes; and to provide overall advisory capabilities to the Ministry of Health, Social Welfare, Drug Abuse Prevention and Rehabilitation with the collection of data, coordination of resources and manpower, and reports or laws addressing drug abuse prevention and rehabilitation.

2. Significant Accounting Policies

The NDC's financial statements have been prepared in accordance with International Accounting Standards and are stated in Cayman Islands Dollars. The following is a summary of the most significant accounting and reporting policies used in preparing the financial statements:

Government Grant Income

Government grant income is determined on a calendar year basis by the Government of the Cayman Islands from its annual budgets. Since this grant is made on a calendar year basis (which differs from the accounting year basis of the NDC), the grant is treated as deferred income when granted and subsequently amortised to income. For that portion of the grant income relating to operating expenses, the amount taken to income is amortized on a prorata basis over the period to which it relates. Grant income relating to other projects is allocated to income during the period over which the project is expected to be commenced and completed.

Deferred Grant Funds

Grant income relating to the payment of personnel emoluments has been withheld by the Government of the Cayman Islands in order that it may pay such benefits to the staff of the NDC, all of whom were government employees at the date of the establishment of the NDC. As such payments were made monthly, the NDC expensed these payments to the appropriate payroll accounts in its records and reduced the amount withheld. As the contracts of various staff members were renewed or new staff members became employed, the NDC became the employer of these staff members and funds for these posts, for which the Government would no longer have payroll responsibility, were released to the NDC. The amount shown in the balance sheet for deferred grant funds therefore represents the unamortised portion of total funds received net of the amount remaining withheld for personnel emoluments. Subsequent to 30 June 1998, most of the balance withheld at that date was paid over to the NDC as only one staff member remains as a government employee at 1 October 1998.

Cash and Cash Equivalents

Cash and cash equivalents include amounts due from banks on demand and interest bearing deposits, when purchased, of three months or less. All cash and cash equivalents are held with a bank in the Cayman Islands.

APPENDIX A

National Drug Council

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Fixed Assets

Fixed assets located in the offices with a net book value of \$51,675 which had been purchased in the years prior to the establishment of the NDC have been treated as a non-monetary grant and classified as deferred income which will be recognised as income in a systematic and rational basis over the life of the fixed assets transferred. The assets were taken into account based on their original cost less two years of accumulated depreciation. For the purposes of calculating future depreciation, this net book value has been treated as the opening cost for the NDC. Depreciation is being calculated on a straight line basis on this opening cost over the estimated remaining lives of such assets as follows:

	Years remaining
Office equipment	3
Office furniture	6
Computer equipment	1
Leasehold improvements	3

Disclosures about Fair Value of Financial Instruments

International Accounting Standards No. 32 "Financial Instruments: Disclosure and Presentation" requires the disclosure of fair value information about financial instruments, whether or not recognized in the financial statements, for which it is practicable to estimate the value. The carrying amounts of all financial instruments in the balance sheet are reasonable estimates of fair values.

3. Fixed Assets

	30 June 1998
Cost:	
Office equipment	\$ 9,275
Office furniture	12,616
Computer equipment	10,030
Leasehold improvements	19,754
Total	<u>51,675</u>
Accumulated depreciation:	
Office equipment	1,546
Office furniture	1,051
Computer equipment	5,015
Leasehold improvements	3,293
Total	<u>10,905</u>
Net Book Value	<u>\$ 40,770</u>

APPENDIX A

National Drug Council

Notes to Financial Statements (continued)

4 Rental Expense

The NDC operates from leased premises at Two Paddington Place, George Town, Grand Cayman. This lease, which is currently between the Government of the Cayman Islands and the landlord, requires a minimum monthly lease of \$2,417 for one year from the 19th January 1998 with a option for two further years at the same rate.

APPENDIX B

NDC SALARY SCALE
As at 30 June, 1998

Senior Project Manager (2)	\$3,900
Project Manager (1)	\$3,300
Senior Executive Officer (3)	\$2,700
Executive Officer (2)	\$2,200
Executive Officer (1)	\$1,600