



# Department of Co-operatives and Friendly Societies (DCFS)

MINISTRY OF INDUSTRY, INVESTMENT & COMMERCE (MIIC)



**Annual Report 2009/2010**



**DEPARTMENT OF CO-OPERATIVES AND  
FRIENDLY SOCIETIES (DCFS)**

**VISION STATEMENT**

*“To be transformed to position Co-operatives and Friendly Societies as vibrant and viable sectors within Jamaica’s socioeconomic development by 2018.”*



**DEPARTMENT OF CO-OPERATIVES AND  
FRIENDLY SOCIETIES (DCFS)**

**MISSION STATEMENT**

*“To contribute to the social and economic development of the nation by facilitating the establishment and regulation of Co-operatives and Friendly Societies as viable business alternatives and effective social organizations, and protecting all stakeholders’ interests”.*

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## 1. CORPORATE DATA

### **The Department of Co-operatives and Friendly Societies (DCFS)**

is a Division of the Ministry of Industry, Investment and Commerce and has been in existence since 1950. The Department has been privileged to serve under the following Ministries:

- Ministry of Agriculture
- Ministry of Parliamentary & Regional Affairs
- Ministry of Youth & Community Development
- Ministry of Local Government & Community Development
- Ministry of Local Government & Works
- Ministry of Commerce, Science and Technology (with Energy)
- Ministry of Industry, Technology, Energy and Commerce
- Ministry of Industry, Investment and Commerce.

#### **HEAD OFFICE**

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#### **Sub Offices**

The Department maintains two (2) Sub-offices, which facilitate the work of four (4) Inspectorate Officers with responsibilities for the parishes of St. Ann, Trelawny, St. James, Westmoreland, Hanover, St. Elizabeth, Clarendon and Manchester. These offices are located at:

The Office of The Prime Minister  
10 Delisser Drive  
Montego Bay, St. James  
Tel: 952-7913

Rural Agricultural Development  
Authority (RADA)  
Barham Plaza  
Mandeville P.O.  
Manchester  
Tel/Fax: 625-0368



## 2. INTRODUCTION

The Department of Co-operatives and Friendly Societies has responsibility for administering the Co-operative Societies Act and the Friendly Societies Act and their respective Regulations. It regulates and supervises Credit Unions, as well as Agricultural and twelve (12) other types of Producers and Services Societies, along with Benevolent, Specially Authorized and Friendly Societies. The Department is also integral in ensuring stability within the Co-operative and Friendly Societies Movements which consists of six hundred and sixty-five (665) Societies; one hundred and ninety six (196) Co-operatives and four hundred and sixty-nine (469) Friendly and Benevolent Societies with a membership of over 1.4 million individuals. The Department manages a portfolio of over \$55B worth of asset, invested in the Co-operative and Friendly Societies Movements.

The mandate of the Department is aimed primarily at ensuring the safety of Societies' assets and protection of members' savings and investments and other stakeholders' interests. Its functions include:

- Registration of Societies and their Rules
- Inspection and Supervision of Societies
- Annual Audits and Investigations
- Settlement of disputes affecting Societies' business

- Inquiries
- Suspension of Societies' registrations
- Cancellation of Societies' registrations
- Dissolution and Liquidation of Societies
- Training and Promotion
- Development and Research
- Planning and capacity building for Societies

In addition, the Department monitors and assists with the development of the Co-operative Movement in keeping with Government's policies and global trends and provides technical assistance to facilitate sustainability and social mobility of the Friendly Societies Movement.

The Department has three (3) main Sections through which its programmes are affected:

- **Inspection:** Inspects the affairs of Co-operatives and Friendly Societies with a view to ensuring compliance with prevailing Acts, Regulations, Rules, Prudential Standards and sound business practices.
- **Audits and Investigations:** Audits the accounts,



## 2. INTRODUCTION

systems and procedures of all registered societies annually and investigates all reported and suspected incidences of fraud or misappropriation in these Societies.

- **Research, Training and Development:** Facilitates the registration process for Groups seeking registration under the Co-operative and Friendly Societies Acts. Effects training for DCFS' staff and personnel within the Movements; as well as, research, promotional and developmental activities.

The Department in the execution of its roles as a regulator, auditor and developer is mandated to operate accordingly.

As a Regulatory Authority the Department:-

- conducts effective monitoring and inspections;
- creates standards and ensures compliance;
- ensures safety and soundness of public funds invested in the Sectors it regulates;
- facilitates the establishment of sound internal control systems;
- administers compliance with the Rules, Acts, Regulations and policies governing Societies.

As an Auditor, the Department:

- ensures the compliance of Societies with the International Accounting Standards (IFRS);
- ensures transparency and accountability within Societies;
- verifies assets and liabilities;
- advises Societies on financial and operational conditions based on the findings from the Audit Process;
- validates for accuracy and provides certification of Financial Reports.

As a Developer the Department:-

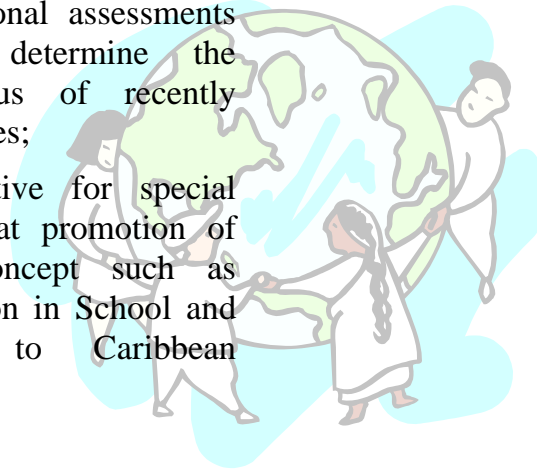
- assesses the viability of Business Plans and Project proposal of Groups seeking registration as Co-operative Societies;
- validates that Groups seeking registration as Benevolent Societies have socially acceptable programmes which provides charitable benefits to stakeholders/beneficiaries;
- ensures that Groups seeking registration as Friendly Societies are engaged in activities geared toward the relief and maintenance of members such as; insurance against fire and the provision of death and sick benefits;
- rejects the applications for registration of entities that did not meet the required standards;



## 2. INTRODUCTION

- liaises and collaborates with external entities such as; Jamaica Social Investment Fund (JSIF), Social Development Commission (SDC), Citizen Security and Justice Programme (CSJP), Ministry of Water and Housing (Project Unit) and Rural Agricultural Development Authority (RADA) to acquire technical and financial support for their sponsored Groups and newly registered Societies;
- conducts operational assessments in order to determine the compliance status of recently registered Societies;
- Facilitates initiative for special projects geared at promotion of Co-operative Concept such as Essay Competition in School and Study Tours to Caribbean countries.

safe to say that the Department impacts the lives of approximately fifty percent (50%) of Jamaica's population.



Overall, the work of the Department is multifaceted but dynamic; as it must remain relevant to the changing environment of the Movements it serves. The Department is cognisant of the significant impact its role has on nation building, and it is with pride that we continue to serve the people of this Nation of which over 1.4 Million are involved in either Co-operative or Friendly Societies or both. Based on statistics published by the Statistical Institute, Jamaica's population is approximately 2.7 Million; therefore it is



### 3. REGISTRAR'S OVERVIEW



**ERROL GALLIMORE**  
**REGISTRAR OF CO-OPERATIVE SOCIETIES**  
**& FRIENDLY SOCIETIES**

Jamaica experienced serious social and economic challenges over the period in review. By the last quarter of 2008, Jamaica had already received clear signals that the new year would bring vast challenges and mixed fortunes and the year 2009 began with vast global recession triggered by a plunging US economy which was characterised by a 'tsunami' of job loss, diminishing dollars and rising prices which affected the Island. As a result, the year 2009 was a difficult one for the Jamaican economy as it was for the rest of the world.

Devastations caused by national disasters, raising oil prices, inflation, and increasing crime rates all created adverse effects on the country at large and the Department's Programme of Work was not immuned.

Hurricane Gustav in August 2008 was the second most destructive hurricane of the 2008 hurricane season. The storm was the seventh tropical cyclone, third hurricane, and

second major hurricane of the season. Gustav caused serious damage and casualties in Haiti, the Dominican Republic, the Cayman Islands, Cuba, the United States and Jamaica. Within Jamaica this disaster resulted in \$210 million in damage most of which was felt by the Agricultural Sector. To this end, the Producers and Services Co-operatives were immensely affected.

Mud slide and severely damaged roads prevented Officers from travelling to Societies in many areas. Supervision of those Societies during this period was done via telephone contacts. Many inner city communities experienced spates of violence and murders during over the reporting period which cautioned Officers from venturing into these areas to conduct visits.

With the Government struggling to contain the persistently high crime rate and the rising tide of job losses. It was all too clear that Jamaicans were going to need all their coping skills, all their resolve and all their natural resourcefulness in order to survive in a time of crisis.

#### **Debt Watch**

Jamaica additionally suffer from fluctuating rating grades from the major international rating agencies Standard and Poor's (S&P), Moody's



### 3. REGISTRAR'S OVERVIEW

#### Investors Services and Fitch Ratings.

S&P stated that Jamaica's fiscal accounts, which were already under pressure before the international financial crisis started last September and deteriorated even further this year. S&P projects that Jamaica's Government borrowing requirement for the fiscal year 2009/10 (ending March 31) to be 20% of GDP.

By December 2009 there were positive vibes about investing in Jamaica and in February 2010, Moody's Investor Services maintained stable outlook on Jamaica's B2 Government Bond ratings. Moody's said that its outlook reflected its expectation that the Government of Jamaica will sign off on the pending US\$1.2 billion stand-by arrangement with the International Monetary Fund and address financing shortfalls exacerbated by the global economic crisis.

Fitch Ratings in February 2010, upgraded Jamaica's long-term local and foreign currency Issuer Default Ratings (IDR) to B- and the rating outlook was also upgraded from "Negative" to "Stable". This follows the downgrade in January, when the long-term local currency IDR was downgraded to "C" and the long-term foreign currency IDR was affirmed at "CCC."

The revision in the ratings was attributed to a combination of the approval of the US\$1.27 billion IMF Stand-By Arrangement, the successful Jamaica Debt Exchange (JDX) and the Government's commitment to maintain macro-economic stability and implement reforms as articulated in the economic programme.

The Government was satisfied with the upgraded rating which represents an endorsement of the Government's policy actions as put forward in our economic programme. The upgrade at that time sent a significant signal to international and local investors and helped in reinforcing confidence in the market for Jamaica's debt.

To this end, the Credit Union Sector was able to better position itself in the Jamaican Economy by providing loans to members at reduced interest rates. Additionally, other Agricultural Cooperatives were also successful in accessing loans at reduced interest rates.

#### **Corporate Governance**

During the period under review the Department continue to work diligently at raising the level of corporate governance and transparency within the Department itself and the Societies we regulate. We place a great deal of importance on



### 3. REGISTRAR'S OVERVIEW

strong Corporate Governance as a mean to provide both the internal and external clients with confidence in the proper management of the Department.

Societies that understand the importance of effective Corporate Governance will recognize the link to the advancement and development of the entities they are elected to manage. Global competitive pressures are forcing national governments, corporations and the private entrepreneur to:

- place greater focus on achieving cost efficiencies and grow their businesses.
- be accountable and transparent and continuously develop human capital in their shared goals of servicing citizens.
- satisfy shareowners or the advancement of ones' self-interest.
- be one step ahead of the competition at all times through conventional thinking, strategic planning and implementation driven by cutting-edge technology and a workforce committed to delivering high performance.

Good corporate governance is the glue that holds together responsible business practices, which ensures positive workplace management, marketplace responsibility, environ-

mental stewardship, community engagement and sustained financial performance. This is even more now as we work worldwide to restore confidence and promote economic growth and long term sustainability of the Societies being regulated.

The Credit Union Movement however proved its mettle by providing a guiding hand to and being a shelter for members in the trying economic times experienced during the year. The Movement recorded asset growth above the rate of inflation and 14,000 new members joined its ranks. Credit Unions at the same time continued to improve and strengthen their capital base which increased from 9.90% to 10.36% of assets in an atmosphere of sluggish economic recovery internationally and a worsened economic situation locally.

The Credit Union Sector continues to grow in membership over the years under review and it has moved from 953,783 in 2008 to 967,781 in 2009 with assets of JA\$50.51 Billion in 2008 to JA\$56.50 Billion in 2009. This sector plays a significant part in the creation of wealth for its members and job opportunities for entrepreneurs especially in the Small Business Sector.

The operating environments for Credit Unions and other Societies are



### 3. REGISTRAR'S OVERVIEW

expected to be even more difficult in 2010 and beyond. This is going to call for some new approach to doing business for the Movement to deeper some of the initiative already started.

The potential of people organizations such as Co-operatives and Societies registered under the Friendly Societies Act to create positive impact upon the country's economic and social development cannot be overly emphasized. These entities generate investments, create jobs, mobilize human and financial resources and provide for the full democratic participation of the people in treating with the challenges being associated with inflation and rising food prices.

In January 2010, the Government announced that it had reached an agreement with the Financial Industry to reschedule its local debt in mid-February – it recalled over three hundred (300) instruments at interest rates ranging between 16% and 28% and issued twenty four (24) new instruments with interest rate between 11% and 13% and extended the tenure of the instrument.

Jamaica Co-operative Credit Union League (JCCUL) along with other societies participated in the exercise. This resulted in approximately \$3.5 Billion in the Jamaica Debt Exchange (JDX) Programme. What this means

is that these societies will suffer a substantial loss in income from its participation in this programme – both in terms of lower interest rates and the fact that it will be honouring deposit certificate that it had issued to clients at the higher interest rates.

#### **Bank of Jamaica (Credit Union) Regulation**

The long expected BOJ (Credit Union) Regulation with the accompanying amendment of the Co-operative Societies Act is expected to become a reality in 2010. JCCUL continue to lobby for enabling regulations – a submission was made to the BOJ on outstanding areas of difference. A review of the proposed amendment to the Co-operative Societies Act was also undertaken and a submission made to the Ministry and to the Registrar of Co-operative Societies and Friendly Societies.

During the year efforts were contained to the examination of the BOJ position. Through a process of consultation the League developed a positive in response to the position outlined by BOJ.

Due to raised objections to proposals by the Government to place these institutions under the regulatory regime of the Central Bank; Finance and Public Service Minister Audley



### 3. REGISTRAR'S OVERVIEW

Shaw instructed the Bank of Jamaica (BOJ) to take a second look at plans to bring Credit Unions under its regulatory framework. Therefore facilitating the assessment and tailoring of the proposed regulatory framework to suit the peculiarities of the Credit Union Movement.

#### **Industrial and Provident Societies**

The House of Representatives on February 24, 2010 passed a Bill to amend the Industrial and Provident Societies Act, thereby improving the institutional framework of these bodies.

Many Industrial and provident Societies, including People's Co-operative Banks, operate similarly to Credit Unions, but are not regulated by the Bank of Jamaica, hence risk of failure and misuse.

It was felt that the Registrar of Companies was not really equipped to properly supervise and to manage the Industrial and Provident Societies and that the transfer of responsibility will ensure stricter supervisory and regulatory standards. It was also felt that more stringent monitoring and attention was draw to the problems surrounding the now defunct Operation Pride Project, which was carried out under the National Housing Development Corporation.

In addition, the Act was amended for increases in the ceiling for members' shares in the societies, by moving them from a dollar value to a percentage of the total shares. As a result, it was change from \$400 which was considered unrealistic in these times, to 20 per cent of the total shares. This will prevent the need for periodic adjustments of the dollar value, through amendments to the legislation.

Further amendments allow a society to appeal on refusal of an application by the Registrar. The Registrar is obliged to notify the society within 30 days of the refusal.

Additionally, some societies that were currently registered under other Acts, such as the Agricultural Credit Board Act, was transferred with the removal of that provision and the insertion of the Registrar of Co-operative Societies.

This was done in order to remove references to the Agricultural Credit Board, and the Agricultural Credit Board Act. The Registrar of Co-operatives, under the Co-operatives Act, will be responsible for societies that are involved in agricultural lending. These societies (agricultural entities) will not fall under the Industrial and Provident Societies Act.



### 3. REGISTRAR'S OVERVIEW

Meanwhile, there will be more transparent procedures for dissolving a society and fines were amended to make them more realistic, and in keeping with the modernisation of the law.

#### **Rebranding the Department**

With the introduction of the Industrial and Provident Society in 2010 and the loss of some of the regulatory activity of the Co-operative Societies in the upcoming financial year, the Department is preparing to undertake a rebranding programme. We foresee that with proper planning and technical advice the Department will avoid the common rebranding pitfalls.

#### **Volunteer and Permanent Shares**

In an effort to comply with International Financial Reporting Standard (IFRS) the process of reclassifying the types of Shares within the Credit Union Movement was facilitated. This witness the Department providing the requisite technical assistance needed to treat with the execution of same. This included:-

- Provision of advice on technical issues.
- Attendance at meetings to treat with resolutions.
- Amendments and approval of Rules.

To this end, fifty two (52) Credit Unions successfully upgraded their Rules to facilitate the establishment of Permanent, Deferred and Voluntary Shares structure.

This move will therefore result in the expansion of the Credit Union Movement's capital base that will enable it to be compliant with the Jamaican Co-operative Credit Union League's institutional capital to asset ratio, The Bank of Jamaica's capital base to total assets ratio and Bank of Jamaica's risk base capital adequacy ratio.

#### **Overcoming the Challenges faced**

Despite the many challenges the Department is committed to its mandate of ensuring that the entities we regulate contribute to the social and economic development of the nation. To this end, there are a number of strategies to be employed to include:-

- Modernization of existing Rules
- Increase collaborations with stakeholders in capacity building of inner city communities
- Facilitation of the Registration of Co-operatives in the Production, Services and Distributive Sectors
- Review the relevance and appropriateness of the current



### 3. REGISTRAR'S OVERVIEW

disclosure regimes for Benevolent Societies in order for these Societies to continue to build community wealth.

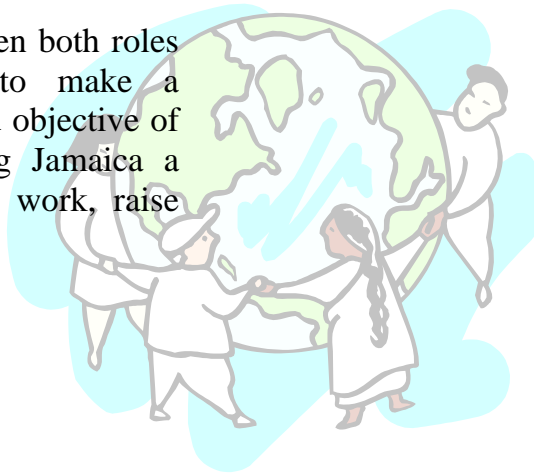
In concluding, the Department will continue to effectively play its dual roles as a facilitator to enhance the economic and social well-being of people through the promotion of development activities and that of Regulator seeking to ensure regulator compliance to statutory requirements.

The right balance between both roles I believe will help to make a contribution to the broad objective of Government in “making Jamaica a place of choice to live, work, raise family and do business.

*Errol Gallimore*

ERROL GALLIMORE  
Registrar of Co-operative Societies  
and Friendly Societies

March 2011





### 4.1 INSPECTORATE SECTION

The Inspectorate Section is the Regulatory arm of the Department that is mandated by the Acts and Regulations through the Registrar of Co-operative Societies and Friendly Societies to ensure that all Societies operate within the confines of the respective Statutes and Rules based on its registration as a legal entity. With a staff compliment of nine (9) persons, the Section ensures that Societies adhere to other applicable Statutes; such as Tax Administration Laws, Labour Laws and Financial Laws in relation to their activities.

The following activities were accomplished for the period 2009/10.

#### 4.1.1 Inspections

Sixty (60) Societies operations were inspected in 2009/10 and numerous breaches of Rules, Statutes and lack of proper internal control systems were detected; hence Technical Assistance was provided for the implementation of additional policies, recommending training and sanctions/warnings were some of the strategies employed to mitigate against the short comings.

<i>Inspections</i>			
<i>Year</i>	<i>Projection</i>	<i>Achievement</i>	<i>% of target</i>
<b>2009/10</b>	<b>95</b>	<b>60</b>	<b>63.1%</b>

See *Appendix X* for a synopsis of the workflow of Annual Inspections.

#### 4.1.2 Pre-audit Checks

The objective of this activity was to facilitate the auditing of accounting records within six (6) months after the closure of Societies' financial year and for the convening of Societies' Annual General Meetings.

Pre-audit checks were undertaken within ninety three (93) Societies in 2009/10

This process ensured that all relevant books of accounts were properly updated and supporting documents for verification of transactions were available to facilitate financial audits, thus reducing delays and arrears in the auditing of many Societies.

<i>Pre Audits Checks</i>			
<i>Year</i>	<i>Projection</i>	<i>Achievement</i>	<i>% of target</i>
<b>2009/10</b>	<b>119</b>	<b>93</b>	<b>78.1%</b>

#### 4.1.3 Transfers and Mergers

The objective of this strategy was to encourage Societies whose operations were unsustainable to Amalgamate or Transfer their engagements to other Societies in an effort to:

- Achieve economies of scale.
- Enhance viability and achieve more effective management.



## 4. OVERVIEW OF THE DEPARTMENT'S PERFORMANCE

- Allow for continuity of economic ventures.
- Provide better quality and range of services to their members.

During the period under review Sodality Co-operative Credit Union merged with City of Kingston (C.O.K) Credit Union as a strategy to mitigate wide scale internal control deficiencies, financial irregularities, mounting capital deficiency, insolvency, increasing vulnerability to credit and operational risks, weak corporate governance and a general lack of integrity in prudential and financial reporting.

### 4.1.4 Financial Assessments

Ninety four (94) Societies in 2009/10 were targeted to have their financial performances assessed; of the targeted amount fifty one (51) Societies or 54.2% was achieved.

The major challenges to achieving our target were the tardiness of Societies in submitting their financials and the poor quality of the financials submitted by the Producers and Services Societies. These Returns were not in keeping with the standards and thus required the Officers within the Department to take on increased work load.

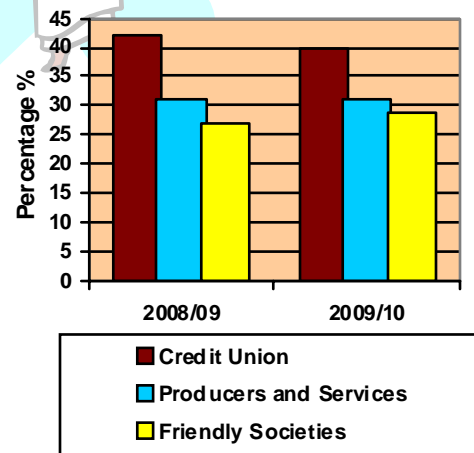
The Credit Unions that were assessed had a high rate of compliance. Nevertheless, the cases of non-

compliances were communicated to the Boards of Directors for remedial actions.

<i>Financial Assessments</i>			
<i>Year</i>	<i>Projection</i>	<i>Achievement</i>	<i>% of target</i>
<b>2009/10</b>	<b>94</b>	<b>51</b>	<b>54.2%</b>

## 4.2 AUDITS AND INVESTIGATIONS

The Audits and Investigations Section had a staff complement of nine (9) Officers and was able to audit a total of one hundred and twenty four (124) Societies for the period 2009/10. Seventy five (75) were completed internally and forty nine (49) completed externally by the Department's panel of Auditors. These audits represent two hundred and fifteen (215) audit years.



The Credit Unions being a major part of the audits completed represented 40%, Producers and Services 31%



## 4. OVERVIEW OF THE DEPARTMENT'S PERFORMANCE

and Friendly Societies represented 29% for 2009/10.

The Section surpassed the target set as well as reduced significantly the number of outstanding audit years for the Producers and Services Co-operatives. These Societies continue to be faced with the challenges of poor management, substandard records, inadequate financial resources, the absence of competent and experienced staff and gerontology among volunteers which put increased pressure on the Audit Staff, as accounting work as well as training had to be undertaken. For some Benevolent and Friendly Societies, the members lost interest once the projects were completed and in some instances when the projects were delayed and this impacted negatively on the maintenance of accounting records.

<i>Audit</i>			
<i>Year</i>	<i>Projection</i>	<i>Achievement</i>	<i>% of target</i>
<b>2009/10</b>	<b>134</b>	<b>153</b>	<b>114%</b>

### 4.2.1 Investigations

Investigation was conducted in collaboration with the Inspectorate Section for Westmoreland Co-operative Credit Union Limited.

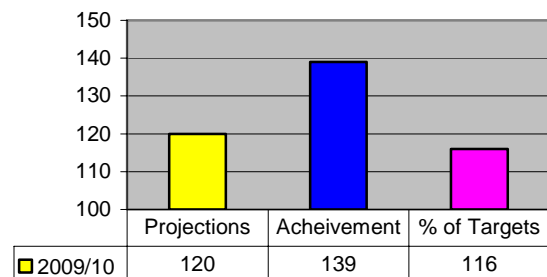
There were no reported misappropriations.

<i>Investigations</i>			
<i>Year</i>	<i>Projection</i>	<i>Achievement</i>	<i>% of target</i>
<b>2009/10</b>	<b>4</b>	<b>1</b>	<b>25%</b>

### 4.2.2 Audits

The completion of one hundred and thirty nine (139) Societies audits in the two years and less category represents an achievement of 116% compared to the number completed last year at this time; due in part to the requirement to have Credit Unions audits completed by the end of March each year. Nevertheless, the number of audits completed for Credit Unions total forty eight (48) for the April 2009 – March 2010 financial year.

**AUDIT OF ACCOUNTS TWO (2) YEARS AND LESS 2009/2010**



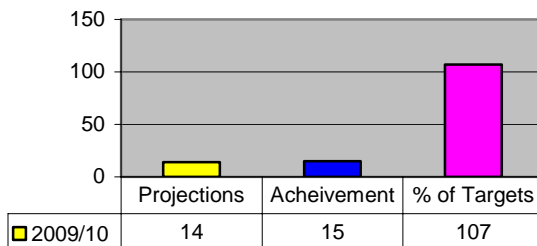
The completion of fourteen (14) Societies audits in the over two years category represents an achievement of 107% compared to the number completed last year at this time. This percentage represents an increase over the



## 4. OVERVIEW OF THE DEPARTMENT'S PERFORMANCE

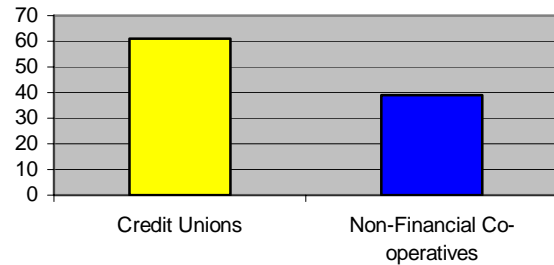
same period last year, and renewed efforts will be made in the coming years to put a significant dent in the number of Societies in audit arrear.

**AUDIT OF ACCOUNTS OVER TWO (2) YEARS 2009/2010**



Department's staff, whilst the additional 39% was attributed to the Panel of Auditors.

**NUMBER OF AUDITS COMPLETED BY DEPARTMENT AND PANEL OF AUDITORS 2009/2010**



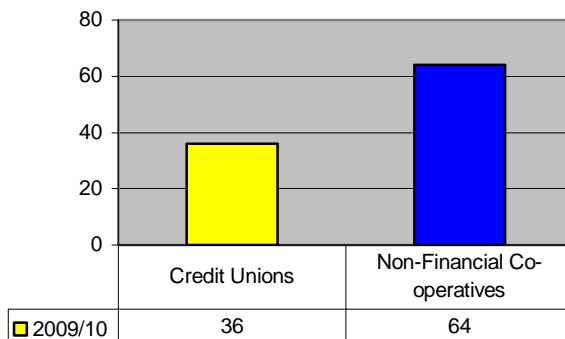
Audits completed for Credit Unions alone represent 37% of the total number completed, while non-financial co-operatives combined represent 63%, signifying a shift of the Section's work plan to audit more non-financial co-operatives.

### 4.2.3 Strategies

In an attempt to alleviate the various problems the Section experienced during the year, a number of strategies were implemented.

- Employed effective time management.
- Deployed Department's staff after consultation with the Inspectorate Section; to verify Statement of Affairs submitted where accounting records were inadequately prepared, and source information unavailable to facilitate regular or full audits.
- Increased supervision to ensure faster completion of audits assigned to external Auditors and the Department's staff.
- Ensured that communications

**AUDITS COMPLETED FOR CREDIT UNIONS AND NON-FINANCIAL CO-OPERATIVES 2009/2010**



Of the total number of audits completed 61% was attributed to the



were in written format for the most part to both internal and external clients.

- Excused audit years for some Societies.

### 4.2.4 Constraints

The Section did not complete the year without experiencing a number of challenges. These included:

- Inadequate equipment
- Poor book-keeping practices by Volunteers, which caused the Audit staff to spend too much time doing Accounting work instead of Auditing.
- Audits in arrears have gradually increased especially for the non-financial co-operatives, thus preventing the speedy completion of audits
- Lack of adequate information and documentation from Societies
- Incomplete implementation of New International Accounting Standards, especially for Producers & Services Co-operatives.

### 4.3 RESEARCH, TRAINING AND DEVELOPMENT

The Research, Training and Development Section had a staff

complement of eight (8) Officers for the year under review.

The main activities of the Section involved facilitating the establishment and development of Co-operatives and Societies registered under the Friendly Societies Act (Benevolent, Friendly and Specially Authorized Societies). This was achieved via activities such as group organization, group supervision, recommendation for registration and providing technical support before and after registration.

See *Appendix VIII* for a synopsis of the flow of work.

Other activities were also conducted to include development planning, resuscitation of Societies, training and special projects.

#### 4.3.1 Group Organization

This activity involved:

- receiving written, verbal and electronic requests from groups, promoting agencies and other parties;
- informing clients of the requirements for registration within real time for verbal requests and within five days of written/electronic requests;
- assisting Groups with the establishment of Steering Committees;



## 4. OVERVIEW OF THE DEPARTMENT'S PERFORMANCE

- ensuring completion of Application Forms and Registration Agreements.

<i>Group Organization</i>			
<i>Year</i>	<i>Projection</i>	<i>Achievement</i>	<i>% of target</i>
<b>2009/10</b>	35	39	111.4%

While thirty five (35) groups were targeted to be organised, thirty nine (39) was achieved; which represents 111.4% of target.

### 4.3.2 Group Supervision

This activity involves:

- attending group meetings to provide technical assistance in fulfilling registration request;
- conducting training and evaluation geared at developing and ascertaining the individual's knowledge of managing the respective legal structures under which they were seeking to be registered;
- conducting monitoring visits to ensure the establishment of proper accounting and other internal control systems;
- assessing documents to ascertain attainment of registration criteria:
  - Registration Agreements
  - Application Forms
  - Business Plan / Project Proposals

- Statement of Affairs
- Rules
- Proof of registered office location. (e.g. lease agreements and letters of permission to utilize locations.)

<i>Group Supervision</i>			
<i>Year</i>	<i>Projection</i>	<i>Achievement</i>	<i>% of target</i>
<b>2009/10</b>	25	28	112%

In the year under review, 112% was achieved in relation to target.

### 4.3.3 Registration of Societies

This activity involved ensuring that criteria were met; then the recommendation of registration to the Registrar was made. Upon being satisfied with the submissions made, the Registrar registers the Society and its Rules under the relevant Act.

<i>Registration of Society</i>			
<i>Year</i>	<i>Projection</i>	<i>Achievement</i>	<i>% of target</i>
<b>2009/10</b>	25	10	40 %

The figures show that a 40% achievement for the year under review.

See *Appendix I* for Societies registered over the period.



## 4. OVERVIEW OF THE DEPARTMENT'S PERFORMANCE

### *General Observations:*

The twenty-eight (28) Groups supervised when compared to the ten (10) Groups that were recommended for registration was attributed to tardiness in the finalization of documents (such as incorporating relevant changes to Rules, submission of Business Plan/Statement of Affairs and document regarding proof of office location) to facilitate registration in a timely manner, as in most instances the Groups failed to submit the required documents in the agreed time frame as stipulated in the Registration Agreement.

### **4.3.4 Development Resuscitation and Cancellation Planning, and Can-**

These activities involved working with dormant or inefficiently managed Societies to:

- ascertain factors which contributed to their dormancy or factors inhibiting efficiency in their operations;
- appropriate recommendations made regarding programs of resuscitation of Societies or cancellation of registration;
- assist Societies with implementing activities geared towards resuscitation; to include:

- meeting with existing members,
- assisting members to elect a Management Team,
- upgrading outdated Rules,
- developing and implementing internal control systems, policies and procedures;

- assist Societies to implement activities geared towards improving operations:

- Budgets and Strategic Plans
- Amendment of Rules
- Preparation of Policies
- Training
- Strengthening internal controls to include accounting systems.

- Assist Societies geared towards cancellation of its registration. Strategies include:

- Voluntary dissolution
- Cancellation based on insufficient membership
- Preparation of justification for conducting Enquiry with

a view towards cancellation.



## 4. OVERVIEW OF THE DEPARTMENT'S PERFORMANCE

<i>Development Planning</i>			
<i>Year</i>	<i>Projection</i>	<i>Achievement</i>	<i>% of target</i>
<b>2009/10</b>	<b>5</b>	<b>21</b>	<b>420%</b>

The table reflected a four Hundred and twenty (420%) achievement over target. It must be noted that there was a drastic increase in the amount of Societies focused on for Development Planning over prior years.

### 4.3.5 Appraisal of Documents

The appraisal of documents such as; Rules and Business Plans were done in order to complement the registration process. Rules were appraised in order to:-

- detect and correct grammatical errors;
- detect and correct statements that are ultra virus the Act and Regulations;
- ensure the relevance of Rules to Societies' objectives;
- strengthen weak statements
- detect and correct ambiguous statements;
- detect and eliminate loop holes.

The appraisals of business plans were carried out in order to assess the

viability of economical activities being proposed by groups seeking registration as Co-operative, Friendly or Specially Authorized Societies under the relevant Acts.

<i>Appraisal Of Rules &amp; Business Plans</i>			
<i>Year</i>	<i>Projections</i>	<i>Achievements</i>	<i>%of targets</i>
<b>2009/10</b>	<b>35</b>	<b>32 Rules</b>	<b>91.5%</b>
	<b>10</b>	<b>4 Business Plans</b>	<b>40%</b>

However, in most instances Societies seeking registration as Benevolent Societies were asked to complete a Statement of Affairs or submit a Project Proposal and to ensure that the Programmes for the Society complemented the objectives established in the Rules.

### 4.3.6 Education and Training

The activity involved:

- Identifying training needs for volunteers, members and staff within the Movements.
- Preparing training materials to standard.
- Conducting training sessions with volunteers, members and staff within the Movements on a one and one basis or in workshop setting deemed as appropriate through the island.



## 4. OVERVIEW OF THE DEPARTMENT'S PERFORMANCE

<i>Training of Individuals (Movements)</i>			
<i>Year</i>	<i>Individuals</i>		<i>% of target</i>
	<i>Projection</i>	<i>Achievement</i>	
<i>2009/10</i>	<b>650</b>	<b>585</b>	<b>90%</b>

The year 2009/2010 saw a 90% achievement of target, with five hundred and eighty five (585) personnel within the Movements receiving training.

Approximately 75% of the training undertaken during the reporting period was to facilitate registration criteria. On average at least nine (9) persons from a Group's Steering Committee were required to avail themselves for training during the registration process. In some instance training was undertaken through a collaborative approach, but as per its mandate the Research, Training and Development Section had portfolio responsibility in executing the training exercises.

### 4.3.7 Staff-DCFS

#### DCFS Staff Training

The Department's policy is to ensure that staff members are constantly trained to enhance performance and increase their knowledge base in order to provide sound advice and guidance to the Societies assigned.

During the year under review, In-

House Training workshops were held for members of staff (exception those on vacation and study leaves). While most of the topics were geared towards Technical Staff, we ensured that learning opportunities were presented for Support Staff as well. Some of the topics covered for the year in review were:

- Pension Benefits
- Workplace Wellness
- Public Speaking
- Bonding of Officers in Societies
- Permanent Shares and Maximum Liability Limits
- Common Bond within societies

#### **MIND Training Programme - Human Resource Management for the Public Sector**

The Department took up the opportunity granted by the Government to have Supervisors participate in a Human Resource Management Course which focused on the Public Sector. The Section co-ordinated the attendance of staff to the Course, which was facilitated by the Management Institute of National Development (MIND). It was seen by the Department as a way of further enhancing Officers interpersonal dealing with other members of staff and in particular those they



supervised. A total of eight (8) staff participated.

Staff members were also supported through time off for classes and exams in pursuit of their individual programs of studies in various fields. This had no adverse effect on output and resulted in a cadre of staff with increased qualifications.

### 4.3.8 Co-operative Development Committee

The Co-operative Development Committee was first established in 2002 to assist with the development of viable and efficient Producers and Services Co-operatives via the implementation of training programmes and formulation of strategies, policies, procedures and or related standards.

However, due to budgetary and human constraints, the activities of the Committee were curtailed in 2004. Despite the short period of operation, the Committee impacted positively on the Movements and stakeholders, which was evidenced by the staging of several training sessions that included a national symposium involving participants within and outside the Co-operative and Friendly Societies Movements. The main presenter was Professor Thomas Turay, a Lecturer from COADY International Institute, St.

Francis Xavier University, Canada.

The re-establishment of this Committee is considered to be crucial to Co-operative Development at this juncture in our country's economic development and as such the Co-operative Development Committee was re-established in January 2010 via a joint effort of the Department of Co-operatives and Friendly Societies and the National Union of Co-operatives Societies. The Committee has harnessed the voluntary participation of varying resource persons to bolster the resource capacity.

The Committee comprises the following persons from their respective organizations:

- Mr. Fitzgerald G. Rowe - National Union of Co-operative Societies Ltd. (NUCS)
- Mr. Albert Smith - NUCS
- Dr. Arnoldo Ventura - Consultant
- Mr. Glenworth Francis - Jamaica Co-operative Credit Union League (JCCUL)
- Mrs. Marcia Wentt-Hyman - Department of Co-operatives & Friendly Societies
- Miss Ionie Henry - Jamaica Fishermen Co-operative Union Ltd.



## 4. OVERVIEW OF THE DEPARTMENT'S PERFORMANCE

- Mrs. Sophia James -NUCS
- Mr. Johnathan Brown -JCCUL
- Miss Paulette Kirkland -  
Department of Co-operatives  
& Friendly Societies
- Dr. Grace Munroe -  
Education Consultant  
University of the West Indies
- Dr Marvadeen Sing – Wilmot  
Lecturer - University of the  
West Indies

development of the Movement  
in keeping with global trends.

Overall, the Committee will seek to  
implement a programme geared at:

- co-operatives becoming  
viable, self-sustaining and to  
be seen as entities that can  
fulfill their members' needs
- sourcing of resources to  
improve co-operatives'  
operations

The authority of the Co-operative  
Development Committee is derived  
from the Registrar of Co-operative  
Societies and Friendly Societies. The  
Co-operative Development  
Committee is to assist with the  
development and strengthening of  
societies registered and supervised by  
the Department through assistance  
with:

- Determining adequacy of  
systems and procedures within  
co-operative societies and  
recommend appropriate  
changes
- Recommending changes to the  
legal framework within which  
co-operative societies operate
- Recommending strategies and  
action plans to facilitate the  
development of co-operative  
societies
- Submitting recommendations  
to the Registrar for

It will also constantly lobby for  
enabling legal and regulatory  
frameworks environment and  
resources that are conducive to the  
development and sustainability of co-  
operatives.

### 4.3.9 Denbigh Agricultural and Industrial Showcase 2009

The Denbigh Agriculture Show  
continues to be a successful medium  
to promote the work of the  
Department by creating public  
awareness of the Department's roles  
and functions; as such the  
Department once again participated  
in the annual show held during the  
period July 31- August 2, 2009.

Much work was undertaken in  
preparing for the event to ensure the  
event a success; plans commenced  
from as early as May 2009.

The Department shared booth space



## 4. OVERVIEW OF THE DEPARTMENT'S PERFORMANCE

with the National Union of Co-operative Societies (NUCS), who displayed products offered by its member Societies; as well as services offered by NUCS.

Overall the Department disseminated information to eight one (81) persons; and distributed tokens for correct responses to questions on the Department, the Co-operatives and Friendly Societies Movements.

### 4.4 COLLABORATIVE ACTIVITIES BETWEEN SECTIONS

#### 4.4.1 Technical Support

The execution of this activity was facilitated through collaboration with the other Sections within the Department to ensure effective outcomes.

<i>Technical Support</i>			
<i>Year</i>	<i>Projection</i>	<i>Achievement</i>	<i>% of target</i>
<b>2009/10</b>	<b>275 interventions</b>	<b>494 interventions</b>	<b>179.6%</b>

In 2009/10 two hundred and seventy five (275) interventions regarding technical support were projected and four hundred carried out. This represents a 179.6% achievement over target. These interventions were facilitated through the following:

- Assisting newly registered

societies with the planning and implementation of Inaugural General Meeting.

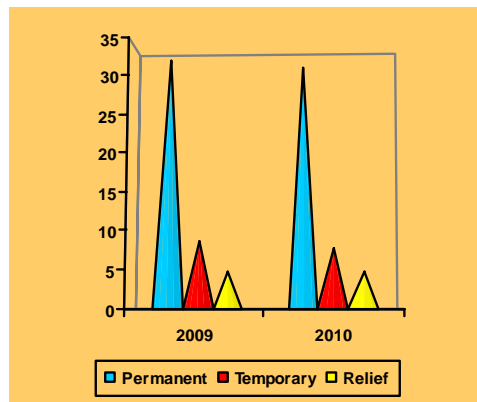
- Attending and advising Inaugural Meetings on Regulatory requirements.
- Attending Meetings of Boards, Committees and Members to provide regulatory and developmental guidance.
- Conducting assessment of business operations to ascertain strengths and weaknesses.
- Advising Societies of findings from Operational Assessments conducted and made appropriate recommendations to correct weaknesses / breaches identified.
- Assisting Societies to establish appropriate systems and to formulate procedures and policies to complement the accounting and other internal control systems.
- Assessment of training needs.
- Conducting training with volunteers and members in areas such as; Laws governing the respective Societies, Bookkeeping and Accounting, and roles and responsibilities of members, staff and volunteers.



## 4. OVERVIEW OF THE DEPARTMENT'S PERFORMANCE

- Ensuring that accounting standards and internal operational systems are in place for newly registered societies.
- Ensuring that policies are developed and implemented to support accounting and other internal control systems.
- Ensuring that Societies constitutions are relevant to assisting with operations.
- Interpretation of legislations;
- Advising on Arbitration proceedings.
- Reviewing of proposed amendments to Societies' Rules.

Temporary	9	4
Relief	5	5



### ii) Staff Turnover: Resignation, Recruitment and Transfer

In the year under review, three (3) persons resigned, two (2) persons were transferred from the Department and two (2) vacancies were filled. It should also be noted that one person returned from extended study leave.

### iii) Vacation Leave:

The Department developed its Vacation Leave Policy, which ensured that vacation leave was taken in a timely and structured manner. During the year under review, twenty three (23) persons proceeded on vacation leave.

### iv) Other Activities

Five (5) students, from the Excelsior Community College were accommodated in the Work Experience

## 4.5 ADMINISTRATION

The Administration Section provided the necessary support service to enable the Department to undertake its functions.

### 4.5.1 Staff Welfare

#### i) Staff Complement:

- The Department ended the financial year with the following staff:

	2009	2010
Permanent	34	36



## 4. OVERVIEW OF THE DEPARTMENT'S PERFORMANCE

Program during the year. Their involvement assisted in the timely completion of audit assignments and contributed to the overall performance of the Section.

### 4.5.2 Safety First - Avoid the Worst.

The Department closed its doors early to staff and clients as a result of a bomb scare announced by the police on the premises of the Department's closest neighbours Guardian Life Limited in April, 2009.



This prompted a research in our preparedness for any such eventuality. It revealed that over the last fifteen (15) years the Department's staffs were never exposed to any form of Fire Prevention Drill, which was considered a cause for concern by the newly formed Safety Committee.

It was for these reasons that the Committee found it necessary to recommend that the Department contact the Fire Prevention Division of the Jamaica Fire Brigade which is mandated to embark upon training programs to teach persons to monitor the safety of their surroundings, and

to take steps necessary to marshal staff and visitors to evacuate the building safely in the event of an emergency.

The Division was contracted and was invited to visit the Offices of the Department and inspected the premises. They recommended that the fire detectors be acquired and installed throughout the building after which they would conduct a presentation on general fire safety.



*"Why do we always have fire drills when we're right in the middle of something?"*

The general fire safety presentation took approximately two (2) hours. The presentation included a demonstration on the use of the fire extinguisher and a fire drill.

The emergency system (an alarm) was activated and the building was evacuated as though a real fire had occurred. The fire drill was used to demonstrate best practice when evacuating a building under fire or other emergency.



## 4. OVERVIEW OF THE DEPARTMENT'S PERFORMANCE

### 4.5.3 Audit and Supervision Fund (ASF)

The Department in accordance with the Co-operative Societies Act has responsibility for administration of the ASF Fund.

Inflows to the Fund for the period were mainly from audit fees, while outflows were for expenses related to accounting services in having Societies' accounting records updated

to audit-readiness standard and refund of members' shares arising from Liquidation of their Societies.

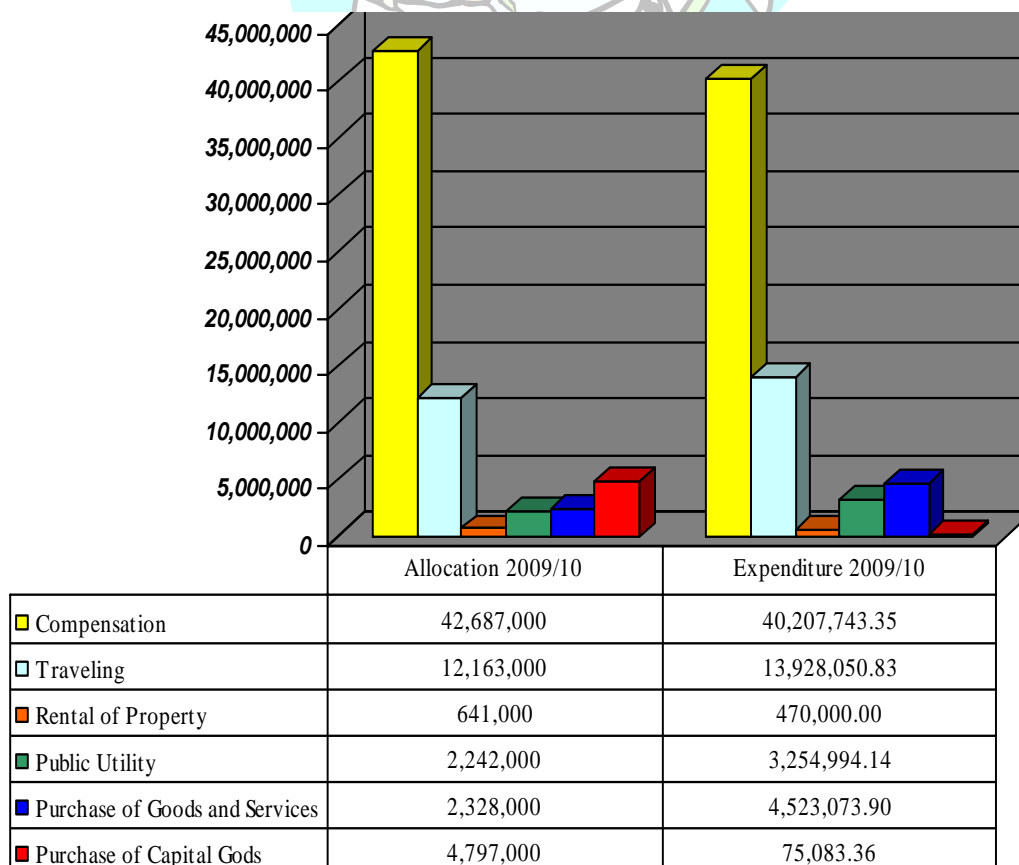
The focused collection of audit fees was undertaken and this resulted in an inflow of \$3.6M; as of March 2010, amount outstanding represented approximately \$5.23M from over one hundred (100) Societies.

See *Appendix V* for movements in the Fund for the year in review.

### 4.5.3 Budget

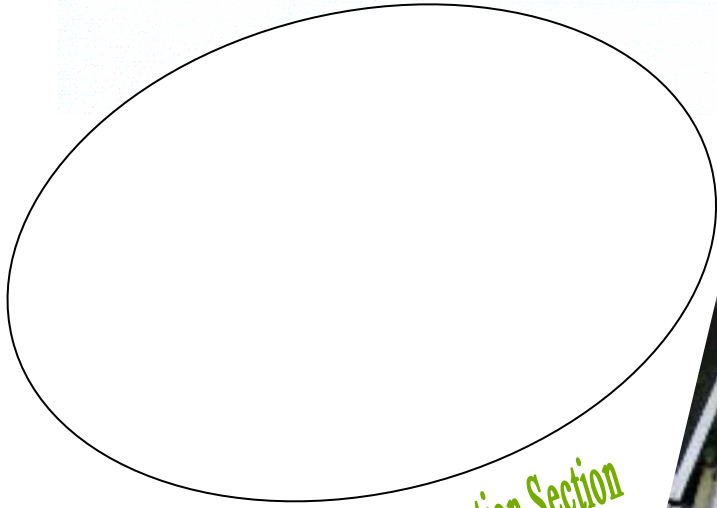
The Department's budget for 2009/10 was \$62.4M, an increase of approximately \$13.85M or 28.5% over 2008/09. The following chart and graph shows a breakdown of allocation in relation to expenditure.

#### Breakdown of Budgetary Allocation 2009-2010

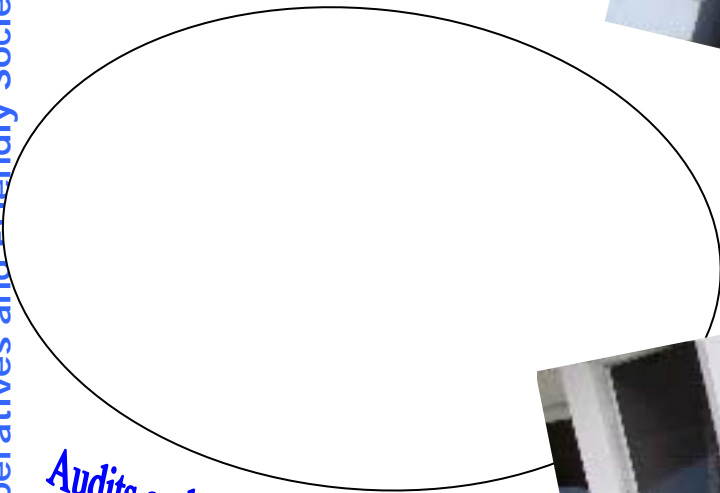




# STAFF MEMBERS OF THE DEPARTMENT OF CO-OPERATIVES AND FRIENDLY SOCIETIES (DCFS)



*Administration Section*



*Audits and Investigations Section*



*Inspectorate Section*



## 5. PERFORMANCE OF CO-OPERATIVE SOCIETIES

### 5.1 THE CREDIT UNION SECTOR

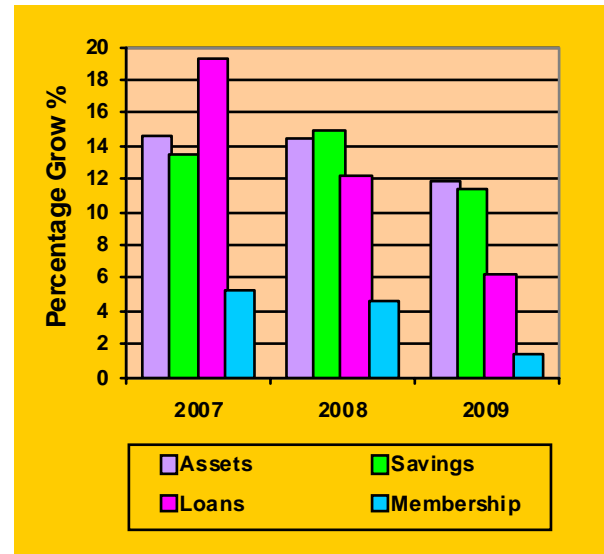
The Credit Union Sector represents safe, sound and effective institutions that help to overcome financial market imperfection by deepening access to many who would otherwise be disenfranchised in the rather selfish, aggressive, profit-driven global financial landscape.

Through prudent management, the Sector has made overall modest gains in the major portfolios. Preliminary reports show that as at December 2009, the overall movements in Savings and Assets increased by an average 11%. Loans stood at \$36.22B, while Membership increased by 1.6% to 967,781. This represents a significant achievement given the challenging economic landscape. The data nonetheless is also in keeping with a general upward trend over the past five (5) years.

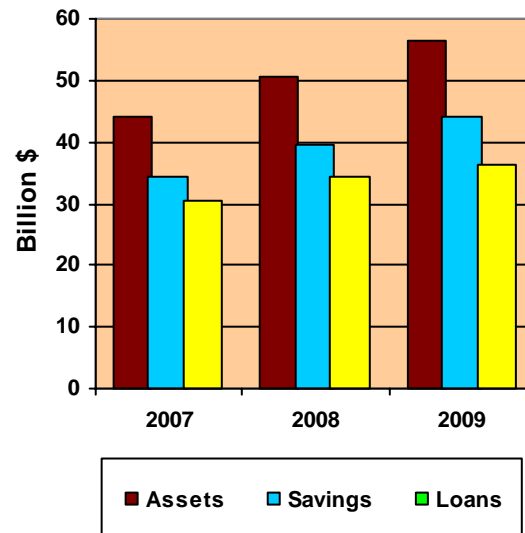
#### 5.1.1 Growth in Credit Union Sector

	Total Assets	Savings	Loans	Membership
% Growth 2009	11.86	11.40	6.28	1.46
Balance as at 2009	\$56.50B	\$44.07B	\$36.22B	967,781

	Total Assets	Savings	Loans	Membership
%Growth 2008	14.45	14.89	12.28	4.70
Balance as at 2008	\$50.61B	\$39.50B	\$34.28B	953,783
% Growth 2007	14.71	13.43	19.53	5.26
Balance as at 2007	\$44.23B	\$34.38B	\$30.58B	910,945



#### Balance over a three year period 2007-2009

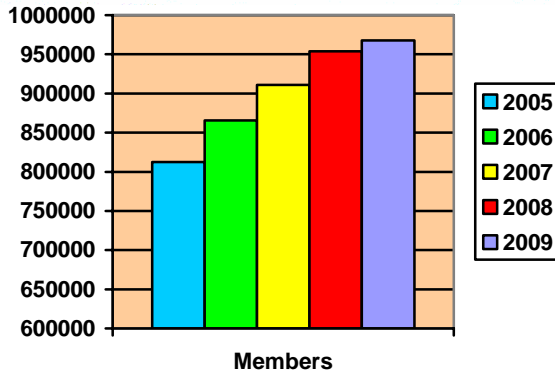




## 5. PERFORMANCE OF CO-OPERATIVE SOCIETIES

### *Balance over a five year period 2005-2009*

968,558, an increase of 14,775 or 1.54% growth over prior year.



### 5.2 PERFORMANCE OF PRODUCERS AND SERVICES CO-OPERATIVE SOCIETIES

The societies within the Producers and Services Co-operative Sectors continued to struggle during the period under review.

The lack of adequate financial, human and capital resources, adversely affected the growth and sustainability of these Societies.

The Department worked more aggressively with those Societies that demonstrated some level of stability and potential for development. Hence, focus was placed on approximately two hundred and sixty eight (268) Societies. Technical assistance and support ranging from on-the-job training in maintenance of accounting records; updating of accounting records, upgrading of Rules, preparation of policy documents, facilitation of strategic planning sessions and retreat were provided.

The Department's commitment to providing the necessary technical assistance, for 20010/2011 in financial and administrative management, and policy development and implementation is strengthened

### 5.1.2 Membership

Parishes	Membership	
	31.12.09	31.12.08
CLARENDON	42,646	41,466
HANOVER	20,797	19,003
MANCHESTER	48,190	46,829
PORTLAND	22,380	20,663
ST. ANN	84,624	84,538
ST. CATHERINE	42,298	56,394
ST ELIZABETH	29,509	28,491
ST JAMES	49,969	47,225
ST. THOMAS	20,616	20,098
TRELAWNY	25,249	26,928
WESTMORELAND	38,023	37,386
<b>RURAL TOTAL</b>	<b>424,301</b>	<b>429,051</b>
INTRA-PARISH	288,520	285,689
CORPORATE AREA	254,960	239,043
<b>TOTAL JAMAICA</b>	<b>967,781</b>	<b>953,783</b>

At the close of the year 2009 there were forty nine (48) Credit Unions with a combined membership of



## 5. PERFORMANCE OF CO-OPERATIVE SOCIETIES

by the support expected from the Co-operative Development Committee. In addition, lobbying on Societies behalf with other stakeholders will be done.

### **Highlighted Societies:-**

#### **i. Jamaica Co-operative Insurance Agency Ltd (JCIA) formerly NUCS Cooperative Insurance Services Limited (NUCS-CIS)**

NUCS Cooperative Insurance Services Limited (NUCS-CIS), a Society registered 26 years ago to provide general insurance services to the Co-operative Movement in Jamaica; on October 20, 2009 formally launched a share offer to raise \$30 million in equity capital from member societies.

JCIA formerly (NUCS-CIS) has plans to use the proceeds to position for new business, anticipated from the pending change in the Regulatory structure for Credit Unions – (a \$52-billion by assets).

The Co-operative had \$41.8 million in combined Share Capital and Reserves, with \$19.4 million representing Issued Capital and its ownership was split among two shareholders - the Jamaica Co-operative Credit Union League (JCCUL) with 70% (seventy per cent) of the shares and the National Union of Co-operative Societies owning the remaining 30 per cent.

It was a defining moment in the history of JCIA formerly (NUCS-CIS), as it marked the transformation of the ownership of the Society from NUCS and JCCUL to a broader base of shareholders potentially comprising all co-operatives in Jamaica.

Tribute must be paid to the two (2) founding shareholders JCCUL and NUCS in agreeing to the Rule change that made the transformation possible and for supporting the broader vision for the growth and development of the JCIA.

In recognition of the change of ownership, the Society rebranded as the **Jamaica Co-operative Insurance Agency Limited**. With this new partnership JCIA will be embarking on a programme of establishing Service Delivery Centres in participating Credit Unions in a bid to fulfil the mandate of better serving the needs of its members by providing insurance service on their doorsteps.

For this to be successful collaboration must exist between the Credit Unions and JCIA. The Credit Union will need to enter into an agreement with JCIA for the centre to be established and identify a member of staff to be trained as the Sales Representative.

JCIA will undertake training for the staff identified and will establish the



## 5. PERFORMANCE OF CO-OPERATIVE SOCIETIES

necessary computer system within the Credit Union to facilitate the timely processing of insurance documents.

It is expected that the Service Delivery Centre will offer the full range of services offered by JCIA to include the following:

- Moto Vehicle Insurance – Private & Commercial
  - Comprehensive
  - Third Party Fire & Theft
  - Third Party
- Private / Residential Property
  - Fire & Perils
  - Home Comprehensive
  - Home “Cover All” Policy
- Commercial Property
  - Commercial Property
  - Fire & Perils
  - Burglary
  - Public Liability
  - Employers’ Liability
  - Public Liability
  - Money
  - Computer/Electronic Equipment
  - Contractors All Risks
  - Fidelity Guarantee

- Personal Accident

Jamaica Co-operative Insurance Agency (JCIA) has pledged to continue to offer the same high quality service with competitive rates; especially for Co-operative members people at special rates.

JCIA has also been recognising Credit Union and its members who have placed business through NUCS-CIS over the past years. The awards were named in honour of NUC-CIS’s pioneers, Messrs Oswald Thourbourne, Stanley Moore, Hector Dietrich and Ivan Green. Previous winners included:

- Marine & Allied Credit Union and Sodality Credit Union for the Ivan Green Trophy in 2007 and 2008 respectively.
- PWD Credit Union for the Oswald Thorbourne Trophy in 2007 & 2008.
- AAMM Credit Union and St. Elizabeth Credit Union for the Hector Dietrich Trophy in 2007 and 2008 respectively.
- City of Kingston (COK) Credit Union for the Stanley Moore Trophy in 2007 & 2008.
- JTS Credit Union for the Top Achiever Award (Property Business) in 2008

# Awards Presentation 2009

## JCIA formerly (NUCS-CIS) Annual General Meeting 2009



### 5. PERFORMANCE OF CO-OPERATIVE SOCIETIES





### ii. **St. Peter Claver Women's Housing Co-operative Society Limited: Impacting the Lives of Women through Community Development**

The St. Peter Claver Women's Housing Co-operative currently located at 62 Brotherton Avenue was registered on January 26, 1989. The Co-operative was established for the purpose of assisting women with affordable living accommodations, thus empowering them to meet one of the most coveted social needs. The women are drawn from various communities and its environs.

Despite the many challenges, the Co-operative remains committed to its mandate as it scales the barriers of discrimination, lack of access to land and equal employment to achieve sustainable development. The Society currently has Asset valued at \$31.6M.

Presently as the Society operates in the economic climate there is consideration in developing new strategies that will further impact growth of the organization. This will also enable members and their families to achieve pride and self actualization within a safe housing environment.

The renewal drive to achieve sustainable development, even as a result of the integration of Officer

from the DCFS who renewed emerged from a recent members' meeting, facilitated by the Department of Co-operative and Friendly Societies who will be networking with the Society to execute the following objectives:

- New Business Ventures
- Networking for better self help
- Policy Implementation
- Sub-committees for projects

It is envisioned that a special committee comprising of foundation members will be formed to develop and implement the programme activities; which will include, but not be limited to:

- Documenting the history of the Society
- Creating and implementing an interactive website on the Society
- Media blitz

Notwithstanding the above, the Society is in need of financial assistance to ensure success of the plans.

The St. Peter Claver Women's Housing Co-operative is an important reference point of how innovation and action at the local level can change lives positively; and has



demonstrated that they have the ability to promote sustainable livelihood. Other groups /communities need to undertake similar project and demonstrate creative ways to engage their communities as they focus on the way forward as an *'Agenda of Change.'*

### 5.3 APEX & FEDERATIONS BODIES

#### National Union of Co-operative Societies (NUCS)

##### Celebrating 50 Years of Success:

The National Union of Co-operative Societies celebrated its 50<sup>th</sup> Anniversary in 2009; as part of the activities to mark this milestone, an exposition was staged at the offices and grounds of the Department of Co-operatives and Friendly Societies, Kingston, on Thursday, October 8, 2009.

The exposition was held under the theme, *'Co-operatives: The Way to Go, the Way to Grow'*, and featured over 20 booths displaying an array of products and services offered by Co-operatives, islandwide.

Corporate Planner, Policy Planning, Projects and Research, in the Ministry of Industry, Investment and Commerce, Joan Harris, who

represented the Minister at the Opening Ceremony, lauded the Society for the role it has been playing over the years.

"The success you now boast must be credited to the foresight, vision, initiative hard work and steadfastness of your leaders and members, who now total over 1 million strong," she said. She noted that the development of Co-operatives could be used as a vehicle to "breathe life" into rural communities.



President of the National Union of Co-operative Societies Limited (NUCS), Fitzgerald Rowe (right) with Corporate Planner, Policy Planning, Projects and Research in the Ministry of Industry, Investment and Commerce, Joan Harris, during the exposition.

"Co-operatives empower people, by enabling even the poorest segments of the population to participate in economic progress. They create opportunities for those who have skills but little capital, and they



## 5. PERFORMANCE OF CO-OPERATIVE SOCIETIES

provide protection by organising mutual help in communities," she said.

She cited the Christiana Potato Growers Co-operative, as an example of one that has transformed a normal rural district into one with immense opportunities as a vibrant enterprise zone.

General Manager at NUCS, Albert Smith, said that the event was largely geared at encouraging participants to become more aware of co-operatives role in society.

"When we talk about co-operatives, we are talking about what we deem the financial as well as the producers and services co-operatives; in other words, credit unions and the other types of co-operatives. Everybody in Jamaica is aware of credit unions, but not many persons are aware of the other co-operatives," he told JIS News.

He explained that there are housing, agriculture, transportation and a wide range of other co-operatives in Jamaica. He encouraged Jamaicans and persons in the wider Caribbean, to look at co-operatives as a business model. He also noted that it is one way of doing business, which is effectively encouraging people to pool their resources.

Highlighting the significance of the

Theme, he said that in this economic environment, the co-operatives are one of the best ways of doing business to empower people, and to improve the economic and social well being of the country.

NUCS 50th Anniversary celebrations culminated with an Awards Banquet, where stalwarts within the Movement were recognized.

Article extracted from JIS Website

### Operations

The Department of Co-operative and Friendly Societies has worked in close partnership with the National Union of Co-operative Societies since its establishment in 1959. Both organisations have collaborated on many projects and had numerous consultation regarding policies and systems for the achievement of the Co-operative Movement.

NUCS being the Tertiary Co-operative in Jamaica consists of Primary Co-operatives (consisting of individual members) and Secondary Co-operatives (consisting of Co-operative Societies as members).

The programmes and activities influence the development of the Co-operative Movement in Jamaica. Indeed, much of the history of the Co-operative Movement is entwined with NUCS, its members and most



## 5. PERFORMANCE OF CO-OPERATIVE SOCIETIES

significantly the leaders.

It provides national and international representation for co-operatives and promotes the co-operative philosophy and principles by assisting people to realize their economic and social potentials as well as conducting educational and publicity programmes; the Society promotes and advances the Co-operative Movement as a system of business that has service, not profit as its prime motive.

NUCS also provides accounting, auditing and management services for the Co-operative Movement, in accordance with the Rules, Acts and Regulations.

During the year, NUCS was able to successfully withstand the many challenges faced. The Board of Director and Staff were able to steer NUCS through the unpredictable and rough economic climate.

The Society performed quite well for the last Audit conducted in 2009. This was for the financial year ended December 31, 2008. Interest income saw a \$1.9M or 118% increase over the previous year, moving from \$1.6M in 2007 to \$3.5M in 2008. The Society's Capital and Reserve stood at \$37.4M, an improvement of \$1.5M or 4% over the previous year. The Accumulated Surplus stood at \$18.9M, an increase of \$10.5M or

124% over 2007, whilst the Surplus available for distribution was \$13.1M.

As NUCS moves forward it is hoped that the Directors and Management supported by the staff and members will continue to act prudently, carefully and with foresight in ensuring the continued growth and viability of the Society.

The Department wishes to congratulate NUCS for all its achievements to date, and on achieving 50 years while still remaining to the members. We look forward to many more years of successfully working together.

### **5.2.2 Jamaica Co-operative Credit Union League (JCCUL) Ltd**

The Jamaica Co-operative Credit Union League (JCCUL) Ltd objective was to facilitate strengthening of Credit Union whilst growing the memberships, through the jointly hosting of several Financial Fora aimed at assisting Credit Union members to develop and hone their entrepreneurial skills and moving their business ideas from gestation to the implementation stage.

In furtherance of the emphasis being placed on production and business, the League also partnered with the Jamaica Business Development Corporation (JBDC) to host a number



of Business Workshops for members and staff of Credit Unions. Participants were taken through the rudimentary of Business Plan preparation, Business Loan Underwriting and the elements required for running a profitable business.

At the consultation with the Leadership of the Credit Union Movement in November 2009, the areas of focus for 2010 were discussed which included Shared Services and Mergers.

The League also assisted the Credit Union Sector during the year in its effort to boost youth saving. The Treasure Chest Savings Competition reached new heights and the effort was aided by a Saving Mascot which made the rounds at various events starting in Credit Union Week. "Sammy" the saving mascot proved very popular among the children and it was made available to Credit Unions.

The League continued to lobby for enabling Regulations as a submission was made to the Bank of Jamaica (BOJ) on outstanding areas of differences under the proposed BOJ/CU Regulations. A review of the proposed amendments to the Co-operative Societies Act was also undertaken and a submission made to the Ministry of Industry, Investment and Commerce and to the Registrar

of Co-operative Societies and Friendly Societies.

### 5.2.3 Jamaica Fishermen's Co-operative Union Limited

The Jamaica Fishermen Co-operative Union (JFCU) (previously named the Jamaica Co-operative Union) started in 1942 as an umbrella organization for all Co-operatives in Jamaica.

Today the Jamaica Fishermen Co-operative Union Limited provides a wide range of services to its thirteen (13) members and other Co-operatives and licensed fishermen. It is also a major supplier of a range of commercial fishing equipment and supplies to fishermen in the island.

Audit figures for 2009 saw the Society boasting a net surplus of \$4.3M and Total Assets of \$64.8M. See below a highlight of some of the activities undertaken for the period:-

- The Society was able to curtail expenses and realized a net surplus of \$3M for year ending 2009; a 40% increase over the previous year. There was a decline in net growth due to the withdrawal of shares by members to boost their own Co-operatives.
- Sales overall increased by 14%. JFCU had to give up the outboard motor dealership but will continue to supply parts



## 5. PERFORMANCE OF CO-OPERATIVE SOCIETIES

for motors already sold. Repairs are no longer being done by JFCU.

- The JFCU continued to supervise the operations of Rocky Point and North Eastern Island Co-operatives; in order to strengthen governance. Other primary Co-operatives were struggling and JFCU continued to work with DCFCS to formulate strategies geared at development. Old Harbour Bay Fishermen Co-operative was a member of JFCU gears store was broken into twice which made things even harder for them; but the JFCU assisted.
- The JFCU development programme included the construction of a Cold Storage Facility at its Beechwood Avenue Office with a capacity of 26000 lbs. This enable JFCU during the year ensured that there was a steady supply of Fish. The success of the programmes has encouraged the Board and Management to expand; as well as to explore the possibility of providing frozen bait to its members at more reasonable rate than presently exist on the market.
- Another project was the fish farming; this did not get off the ground, as the support

from Ministry of Agriculture in relation to land acquisition did not materialize.

The Department had anticipated that throughout the course of the year they would further develop the Jamaica Fishermen Co-operative Limited through the follow activities:-

1. Elimination of dormant members from the Society.
2. Upgrading of Rules in keeping with current trends as well as compliance with the Co-operative Societies Act and fiduciary management practice.
3. Training of volunteers and personnel to enhance competences and compliance with the statutes.
4. Development for discussion an approval draft Policies and Procedures which would facilitate good governance transparency and higher levels of accounting within the operations of Sales.
5. Development of fit and proper criteria for adoption by Boards and other Committees in the selection of Volunteers.

However not all of those activities were undertaken, during the period under review due to lack or resources and some circumstances beyond our control



## 5. PERFORMANCE OF CO-OPERATIVE SOCIETIES

- The Board is yet to decide on the procedure for treating with dormant members, although a workshop was held with Management and other stakeholders.
- The Rules were amended to include Permanent Shares to assist with increasing the Capital base of the Society. Also Procedures and Policy Manual was reviewed and changes incorporated in keeping with trends and current governance standards; thereby strengthening the systems of accountability and transparency.





## 6. PERFORMANCE OF SOCIETIES REGISTERED UNDER THE FRIENDLY SOCIETIES ACT

The Department has portfolio responsibility for entities registered under the Friendly Societies Act 1966. Societies registered under this Act fall into three (3) categories; Friendly, Benevolent and Specially Authorized. These fraternal and voluntary social organizations provide assistance to members and their families in times of distress and disaster, and the social upliftment of the wider community.

The Department continued to provide legal status to community groups by registering them in order for them to access funding for community projects. The projects undertaken by these Societies included refurbishing of schools, construction of health centres, acquisition of furniture and equipment for schools, construction of roads and upgrading of water supply systems. The activities conducted by Benevolent Societies have contributed to the development of communities in the following ways:

- Infrastructural work contributed to the improvement of the socio-economic lives of the people within the various Urban and Rural communities.
- Lobbied on behalf of the community for enhanced social interventions by

the relevant authorities for improvement of the community infrastructures.

- Promoted, and facilitated the creation of healthy life styles and a improved standard of family life.
- Fostered the creation of job opportunities via skills training.
- Assisted in developing better school facilities.

### **i. Mount George Citizens Benevolent Society**

The Mount George Citizens Association Benevolent Society was registered on October 21, 2008 under the Friendly Societies Act, with registration no. 708. The Society is located in the vicinity of the Yallahs Pond, St. Thomas and is managed by a Committee of Management comprised of seven (7) members and its present membership is thirty eight (38).

The Mount George Citizens Association Benevolent Society primary purpose is to lobby for tenure of land for citizens numbering over two thousand (2,000) within the Yallahs Pond environs. The Society holds land space of approximately 164 acres, apart from the housing space for the citizens. The land is



## 6. PERFORMANCE OF SOCIETIES REGISTERED UNDER THE FRIENDLY SOCIETIES ACT

targetted for the building of an Office, a Community Centre and a Basic School, which will treat with some of the social ills presently being experience by the citizens.

Thus the objectives as outlined in the Society's Rules are to ensure the provision of amenities that facilitates comfortable learning and teaching environs within the community through the following;

- Providing for the general maintenance, building improvement, upkeep and beautification of community based facilities;
- Assist in the provision and maintenance of general security for the community;
- Enhancing the social skill of members as well as assisting with the improving of their general welfare in terms of educational, recreational and economic needs;
- Facilitating skills training opportunities to build the capacity of the Community members;
- Undertaking fundraising and other such activities that will enable the Society to fulfil its goals.

The Department worked with the Society in having policies implemented to provide for

transparency and fiduciary management in the operations

Accounting training was provided for members of the Committee of Management in maintaining and updating their Accounting Books as well as preparation of Reports.

The Society had its books audited by the Department for the years 2008 and 2009 and is in the planning process of convening its first Annual General Meeting.

Since it existence the Society has undertaken several activities throughout the community. These are as follows:-

- A Health Fair for the community which provided services, such as blood pressure and blood sugar tests. A Health lecture was also done for the Senior Citizens and others.



Tea Tree Oil being applied to child rash.



## 6. PERFORMANCE OF SOCIETIES REGISTERED UNDER THE FRIENDLY SOCIETIES ACT



Mrs. R. Jackson preparing to do a Blood Sugar Test. A Visitor looks on in interest.

- A Fish Fry and Barbeque.



A group of children happily displaying the gifts they received at the 'Children Treat and Fun Day.'

- A Children Treat and Fun day was held in the community.
- The establishment of a temporary office on the main.
- Two (2) training sessions were held by the Social Development Commission (SDC):
  - a) Project Writing
  - b) Management Skills

- A Labour Day project erecting two (2) signs showing the Mount George District.

The devoted members of the Society must be commended for the hard work and interest they have shown in the operations of the Society

The Department congratulates Mount George Citizens Association Benevolent Society for operating as a true Benevolent Society for the benefit of the members of the Society and the wider community. Commendations are in order for the Committee of Management who consistently works to be compliant with statutes.



Senior Citizen happy to have wound dress. Visiting church sisters look on.



## 6. PERFORMANCE OF SOCIETIES REGISTERED UNDER THE FRIENDLY SOCIETIES ACT

### ii. The Greater Brown's Town Community Benevolent Society

*....on a journey to Paradise*

The Greater Brown's Town Community is located in the eastern end of Kingston. The area is bordered on the north by Cumberland Avenue, the west by Upper Elletson Road, the south by Windward Road and the east by Vauxhall High School and North Avenue. It includes Brown's Town and sections of Passmore Town and lower Franklin Town. The Community is part of the Kingston Central and Kingston Eastern & Port Royal Constituencies with adjacent Communities including Rae Town, Manley Meadows, Newton Square, upper Franklin Town and Victoria Avenue.

Occupied by approximately 6,000 residents, it is currently classified as

an inner-city area, such being characterized by poor housing and few community infrastructures and incidences of flare up of violence. Historically however, quality housing and infrastructure and a culture of peaceful co-existence were experienced. 'The re-creation of the



Greater Brown's Town Community through development of love and trust among its citizens, to enable effective utilization of available resources and educational opportunities, for

ALL to experience paradise' is the Vision Statement energizing the transformation process.

In January 2007 representatives from all sections of the community met in a retreat to advance the Community Development Agenda. In order to embrace the agreed defined areas, the



## 6. PERFORMANCE OF SOCIETIES REGISTERED UNDER THE FRIENDLY SOCIETIES ACT

name of the Community was changed to 'Greater Brown's Town', the Vision Statement was developed and the Community Development Council elected. Charged with the mandate to facilitate the process towards sustainable development and peace, the Council attained legal status on March 23, 2007 as a Benevolent Society under the Friendly Societies Act and is managed by a Committee of Management comprised of nine (9) vibrant and very hardworking members, with twelve (12) Community Based Organizations (CBOs) represented in the members Society.

The immediate objectives of the Society are to:

- Represent and be concerned with the social and economic development needs of all persons and organizations which are located within the Communities borders.
- Ensure that all issues are dealt with through a participatory and open process.

The Society's Inaugural General Meeting was held on May 24, 2007 exactly sixty (60) days of receipt of the Certificate of Registration in keeping with Statutes. In addition, the accounting records were submitted and audited by the Department's

Internal Auditors after which the Annual General Meeting was convened within the timeframe stipulated by the Rules. Indeed, very commendable, of course this could not be realized without the collaborative effort of the Committee of Management.

A Policies and Procedures Document was developed which provided a continuous framework for permission, practices, procedures and/or systems for implementation by the Committee of Management. .



**GBT Sports Day 2010: A friendly football match.**

The 2006 Award from the Ministry of National Security for 'maintaining the peace' was an appropriate backdrop for the projects and programmes pursued to enable personal development and participation of children, youth and adults from all parts of the Community.



## 6. PERFORMANCE OF SOCIETIES REGISTERED UNDER THE FRIENDLY SOCIETIES ACT

### *Development Programmes*



**Dancers in motion...**

Anger Management, Conflict Resolution and Mediation encounters were implemented to promote safety and social harmony. The After-School Homework Classes have been expanded to include cultural components of music, dance, speech and drama. The G-SAT After-School programme included transition sessions for students who would enter High School and a one-day Workshop for parents and students together.

Skills Training was pursued in the areas of Housekeeping, Food Preparation, Food & Beverage and Auto-mechanics. These, along with employment initiatives, entrepreneurial encouragement, religious observances (Palm Sunday procession, Child Month Worship, Christmas Candlelight observance), environment advocacy and action, justice advocacy, sports encounters and competitions, Summer and other youth programmes, fund-raising

events, capacity building training for CDC and CBO members and CDC support for programmes/projects initiated by CBOs have all contributed to the construction of a foundation based on unity and partnership.



**GBT Sports Day 2010: Goal Shooter getting ready to shoot.**

In 2009, a Summer Youth Engagement Project involving forty-two (42) participants were exposed to sessions worked on community projects and personal development. Under the project the Michael Manley Market was refurbished and further cleaning work done on the United Church Cemetery towards the goal of its transformation into the Greater Brown's Town Heritage Park. The Summer Camp for 200 children aged 6 – 15 years was then hosted in the refurbished market. Youth and adults of the community also participated in the Independence Day Street Parade & Grand Gala at



## 6. PERFORMANCE OF SOCIETIES REGISTERED UNDER THE FRIENDLY SOCIETIES ACT

the National Stadium.



**GBT Summer Camp & Youth Engagement Projects 2009**

Partnering State Agencies are the Social Development Commission (SDC), the Jamaica Social Investment Fund (JSIF) and the Community Security Initiative (CSI).

### ***Institutions***

Institutions within the Community include four (4) Basic Schools, the Elletson Primary & Infant School which has a Special Education Unit, the Vauxhall High School, several Churches and private business enterprises.

Vital centres located in adjacent communities which serve Greater Brown's Town include the Post Office (Central Sorting), the Windward Road Type V Clinic and the Kingston Eastern Police Division at Elletson Road.

There are two housing schemes in the Community: Dell McCalla (17 two-bedroom units) and McIntyre (426 studio, one-bedroom and two-bedroom units). Community assets include the McIntyre Community Centre, the Michael Manley Market and Penso Park. Upgrading of the Park commenced in 2008 and is scheduled to be completed in 2009/2010. There are also plans to upgrade the mini sports areas in the Dell McCalla and McIntyre Schemes.

The Department congratulates the Greater Brown's Town Community Development Benevolent Society for operating in the true spirit of a Benevolent Society; (i.e for the benefit of the members of the Society and the wider Community).

Armed with principles, policies, programmes, property and partnerships the people are encouraged to journey together to a better tomorrow. .

### **iii. The Trelawny Association of Volunteer Organizations Benevolent Society**



The Trelawny Association of Volunteer Organizations Benevolent Society is an institution that attained legal status on April 3, 2009. The



## 6. PERFORMANCE OF SOCIETIES REGISTERED UNDER THE FRIENDLY SOCIETIES ACT

Association was mandated to ensure continuity of volunteerism in a professional and structural way in the parish of Trelawny; which was born out of a President's forum of civic leader; structured to ensure that the linkages and partnership created among member groups continued. This was conceptualized when The late Honourable Roylan Barrett, Custos Rotulorum of Trelawny attended the United Nations (UN) Conference, International Year of the Volunteer in 2001.



**Custos Roylan Barrett of Trelawny reporting to the Governor General on his mission to Geneva regarding the 'Year of the Volunteer' planning and implementation celebration organised by the United Nations in 2001**

It is the first umbrella organization of its kind in Jamaica that seeks to promote, embrace and energize member organizations in the parish through volunteerism for future growth and development.

The Association's vision is to collectively participate in the planning and implication of activities for the development of the parish and

is also mandated to mobilize and strengthen all member organizations with the necessary resources available at its disposal. It has also resolved to develop the volunteerism spirit and improve the overall socio-economic output of its members in order to reduce the burden on government in solving those problems that can be resolved through community intervention and empowerment.

The organization each year under the distinguished patronage of the late Honourable Roylan Barrett, Custos Rotulorum of Trelawny, sought to recognize, saluted and thanked unsung heroes and heroines in the Parish for their dedicated contribution to nation building through volunteerism.



**Custos Barrett and volunteers at Falmouth Water front ceremony at the launch of the United Nations' Voluntary Project to clean up the beach of Falmouth and the planting of trees and grass.**



## 6. PERFORMANCE OF SOCIETIES REGISTERED UNDER THE FRIENDLY SOCIETIES ACT

This award came about as a result of the United Nations Volunteer Program, in partnership with UN-Habitat and the Inter-American initiatives on social capital, ethics and development. The award is the first of its kind and awarded to five cities in the world including Falmouth “Trelawny Association of Volunteer Organization”. The United Nations’ aim is to recognize the cities which through spontaneous grassroots activities support to voluntary work, serve as outstanding examples of the contribution that volunteerism can make to urban development.

The banquet and Awards ceremony held each year is to honour persons who have an outstanding track record in volunteerism. The areas are: the Development of Youth; the Advancement of Women; the Promotion and Preservation of our Culture; Social Development at Community and National levels; Protection and Preservation of the Environment; HIV/AIDS support; Care of the disabled and elderly, the Promotion of a Culture of Peace and Outstanding Service in Disaster Assistance.



**Custos Barrett at the Water Front planting a tree with student from one of the primary schools in Falmouth at an Intracit Volunteers Project sponsored by the UN Organisation and organised by the Community Specialists sent to Falmouth by the UN due to the visit to Geneva by Custos Barrett.**



**Custos Barrent presents the “City with a Heart” Certificate to Mayor of Falmouth, His Worship the Mayor, Councillor Jonathan Bartlett at a special church service in celebration of the International Volunteers Day (IVO).**



### CHALLENGES FACED BY DCFS

Every organization experience challenges in undertaking its duties/ activities and DCFS was not spared these. During the period under review the following challenges impacted adversely on the Department:

- The unavailability of Officers within Benevolent Societies to address the Department's queries and present records for examination and auditing.
  - Tardiness of Producers and Services Co-operatives in responding to measures aimed at improving financial viability and effectiveness within the Societies.
  - An increase in the number of entities seeking information on registration under the relevant Acts.
  - High demands for onsite interventions for groups seeking legal status.
  - Delay in the completion of the Reclassification Exercise of staff resulted in de-motivated staff.
  - Absence of articulated policy for Co-operative development by Government.
- Advise ratio of technical staff in relation to Societies Regulated.
  - Significant increase in workload versus zero increase in budgetary allocation..



## **Societies Registered April 2009 - March 2010**

### Friendly and Benevolent Societies

- Tivoli Gardens Community Development Benevolent Society
- Oneness Outreach & Transforming Ministry Benevolent Society
- Retreat United Benevolent Society
- Daffodil Heights Citizen Association Benevolent Society
- Top Bay Land Development Benevolent Society
- Axe-and-Adze Citizen Association Benevolent Society
- Trelawny Association of Volunteer Organisation's Benevolent Society

### Co-operative Societies

- Buff Bay Co-operative Society Limited
- Dallas Castle Producers Co-operative Society Limited
- Cave Valley Multi-purpose Co-operative Society Limited



**SOCIETIES AUDITED 2009 - 2010**

Societies	No. of Societies		External Audits		Internal Audits (DCFS)	
	09/10	08/09	09/10	08/09	09/10	08/09
Thrift & Credit	48	51	43	44	5	7
Agricultural	4	3	-	-	4	3
Housing and Land	3	3	-	-	3	3
Multi purpose / Consumer	5	3	-	-	5	3
Fishermen	9	8	-	-	9	8
Community Development	7	2	-	-	7	2
Transport	4	4	-	1	4	3
Coffee/Cocoa	2	6	-	-	2	6
Industrial	1	3	-	-	1	3
Friendly Societies	29	33	-	-	29	33
Tertiary/ Federation	5	4	4	3	1	1
Insurance	2	1	2	1	-	-
<b>TOTAL</b>	<b>124</b>	<b>121</b>	<b>49</b>	<b>49</b>	<b>75</b>	<b>72</b>



**CLASSIFICATION OF CO-OPERATIVE SOCIETIES**

<b>CLASSIFICATION</b>	<b>2009/2010</b>	
	<b>Active</b>	<b>Inactive</b>
<b>1. Agricultural</b>	<b>33</b>	<b>21</b>
<input type="checkbox"/> <i>Coffee</i>		
<input type="checkbox"/> <i>Cocoa</i>		
<input type="checkbox"/> <i>Dairy</i>		
<input type="checkbox"/> <i>Other</i>		
<b>2. Industrial</b>	<b>2</b>	<b>4</b>
<b>3. Fishermen</b>	<b>12</b>	<b>9</b>
<b>4. Consumer</b>	<b>5</b>	<b>15</b>
<b>5. Multi Services</b>	<b>5</b>	<b>4</b>
<b>6. Credit Union</b>	<b>47</b>	<b>0</b>
<b>7. Housing and Land Purchases</b>	<b>5</b>	<b>6</b>
<b>8. Land Leasing</b>	<b>0</b>	<b>3</b>
<b>9. Insurance</b>	<b>1</b>	<b>0</b>
<b>10. Thrift</b>	<b>1</b>	<b>1</b>
<b>11. Transport</b>	<b>6</b>	<b>3</b>
<b>12. Community Development</b>	<b>3</b>	<b>4</b>
<b>13. Secondary</b>	<b>3</b>	<b>2</b>
<b>14. Tertiary</b>	<b>1</b>	<b>0</b>
<b>Total</b>	<b>124</b>	<b>72</b>



**PRODUCTION OF LOW LAND COFFEE CO-OPERATIVES  
For the Year 2009/2010**

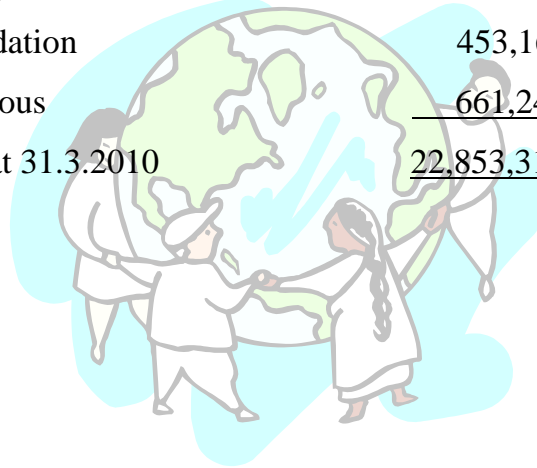
<b>Catadupa Coffee Grower's Co-operative</b>	<b>829 boxes</b>
<b>Central St. Catherine Coffee Grower's Co-operative</b>	<b>1599 ¼ boxes</b>
<b>Darliston Coffee Grower's Co-operative</b>	<b>1,334 ¾ boxes</b>
<b>Eastern St. Ann Coffee Grower's Co-operative</b>	<b>60 ¼ boxes</b>
<b>North East Clarendon Coffee Grower's Co-operative</b>	<b>3,559 ¼ boxes</b>
<b>North Manchester Coffee Grower's Co-operative</b>	<b>1,023 ½ boxes</b>
<b>North West St. Catherine Coffee Grower's Co-operative</b>	<b>3,350 ¼ boxes</b>
<b>South Manchester Coffee Grower's Co-operative</b>	<b>904 ½ boxes</b>
<b>Southern Clarendon Coffee Grower's Co-operative</b>	<b>616 ¼ boxes</b>
<b>St. Elizabeth Coffee Grower's Co-operative</b>	<b>960 ¾ boxes</b>
<b>Upper Trelawny Coffee Grower's Co-operative</b>	<b>124 ¼ boxes</b>
<b>Western St. Ann Coffee Grower's Co-operative</b>	<b>746 ¼ boxes</b>
<b>Frankfield JAS Coffee/Cocoa Co-operative</b>	<b>4,992 ¾ boxes</b>

**\*To date a first payment of \$1,200 has been paid per box**

Figures received from Wallenford Coffee Company on June 16, 2010

**AUDIT AND SUPERVISION FUND**

Adjusted Opening Balance as at 1.4.2009	\$	19,552,739.28
<b>Income</b>		
Audit Fees		3,567,451.00
Liquidations		816,416.77
Miscellaneous		<u>31,120.00</u>
		23,967,727.05
<b>Less Expenditure</b>		
Accounting Services rendered		-
Accommodation		453,164.37
Miscellaneous		<u>661,249.27</u>
Closing Balance at 31.3.2010		<u>22,853,313.41</u>





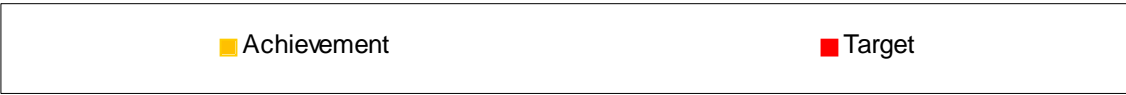
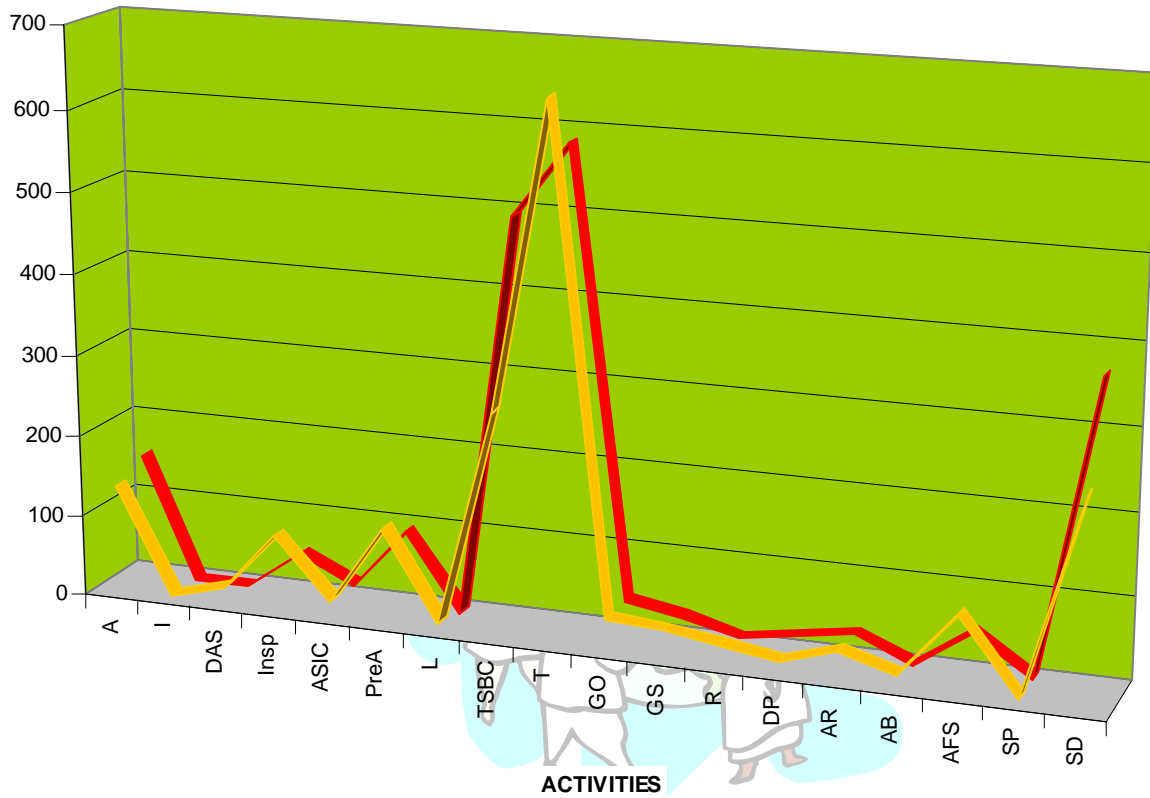
**COMPARISON OF ACHIEVEMENTS FOR THE PERIOD**

**2009/2010**

	Target	Achievement	% Achievement
<b>ACTIVITIES</b>	<b>2009/10</b>		
<i>Audits (A)</i>	134	153	114%
<i>Investigations (I)</i>	4	1	25%
<i>Development of Accounting Systems (DAS)</i>	22	1	5%
<i>Inspection (Insp)</i>	94	50	53.2%
<i>Assessment of Systems and Internal Controls (ASIC)</i>	20	18	90%
<i>Pre Audit Checks (PreA)</i>	119	93	78.2%
<i>Liquidations / Transfer of Engagement / Enquiry (L)</i>	10	9 in progress	90%
<i>Technical Support and Business Counselling (TSBC)</i>	275	494	179.6%
<i>Training (T)</i>	650	585	90%
<i>Group Organization (GO)</i>	35	39	111.4%
<i>Group Supervision (GS)</i>	25	28	112%
<i>Registration (R)</i>	25	10	40%
<i>Development Planning (DP)</i>	15	21	140%
<i>Appraisal of Rules (AR)</i>	35	32	91.4%
<i>Assessment of Business Plan (AB)</i>	10	4	40%
<i>Analysis of Financial Statements (AFS)</i>	94	51	54.3%
<i>Development of Models and Systems (DMS)</i>	10	5	50%
<i>Special Project (SP)</i>	3	3	100%
<i>Settlement of Disputes (SD)</i>	250	368	147.2%

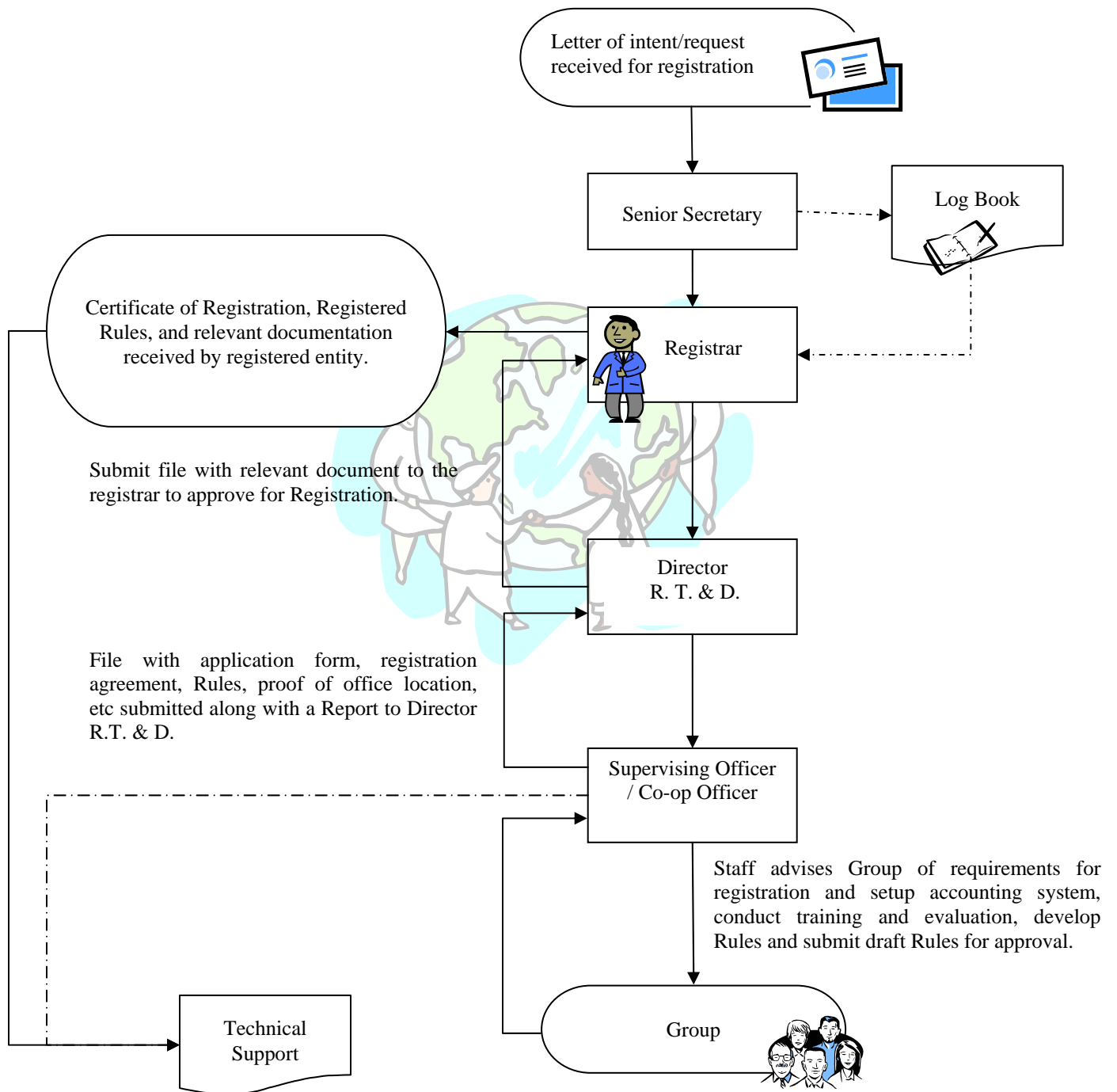


### COMPARISON OF TARGET VERSUS ACHIEVEMENTS FOR THE PERIOD 2009/2010





## FLOW CHART DEPICTING GROUP ORGANIZATION, SUPERVISION AND TECHNICAL SUPPORT



Department of Co-operatives and Friendly Societies

After registration staff conducts Operational Assessment to identify strengths and weaknesses, conduct post registration training and assist with the preparation of Policies



### FLOW CHART DEPICTING THE AUDITS AND INVESTIGATION PROCESS

Records are submitted to Audit Section by Society or collected by Inspectorate/ Development Officers.

Pre-Audit checks are conducted on Accounting Records submitted for Auditing.

Audits are assigned to Audit Officers through Senior Auditors.

Draft Financials are been discussed and approved by Societies.

Management letters are prepared based on weaknesses discovered during the Audit process.

Accounting Records are submitted for Auditing.

Inspectorate Section

Director A&I

Final copies of Approved Audits prepared and dispatched to Societies.

Annual General Meetings are attended

Accounts System Development  
Accounting Training of Groups/Societies are conducted as needed.

Draft Financials submitted by external Auditors.

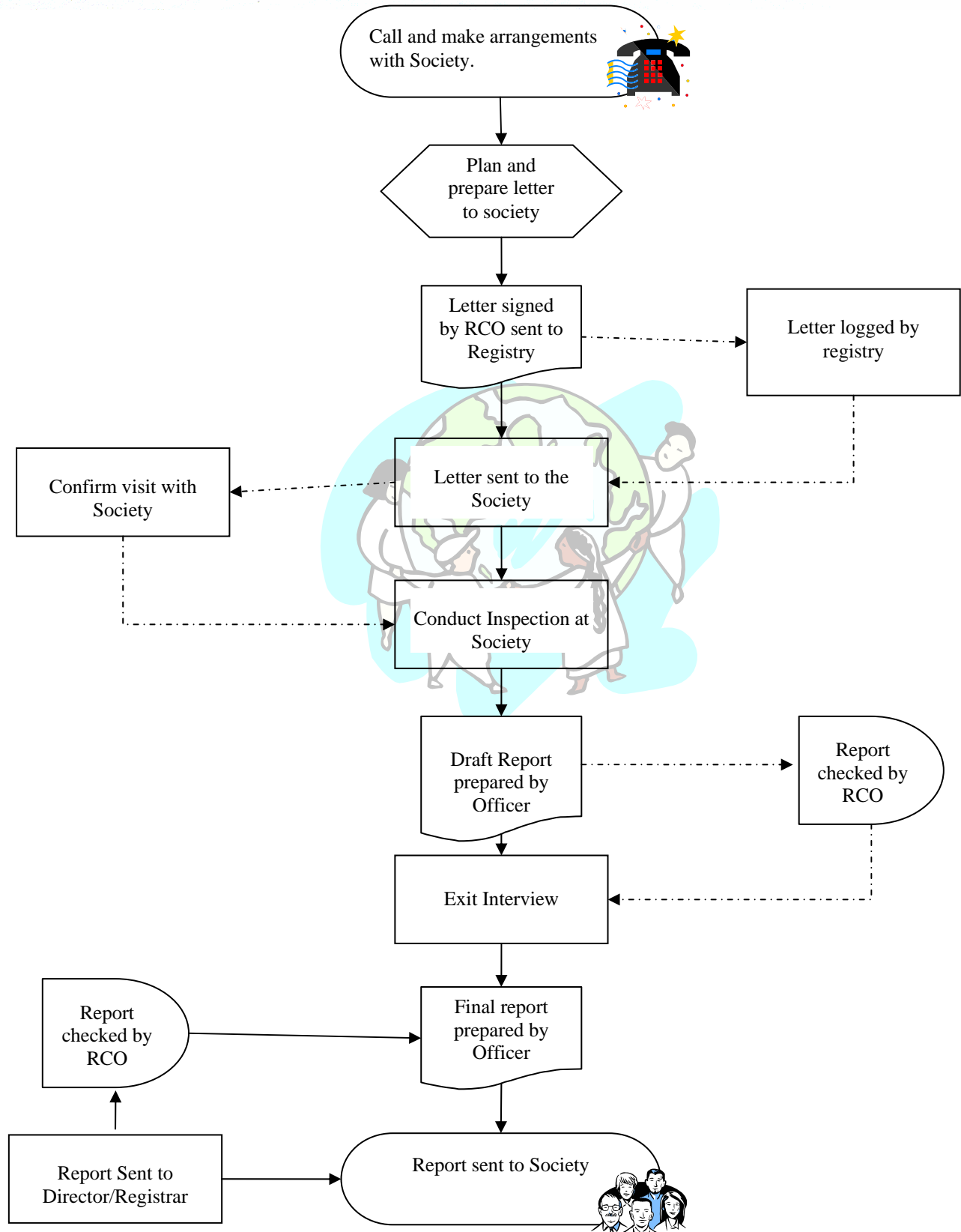
RCS

Snr. Sec.  
Registry

All Draft Financials are submitted to Dir. A&I for Approval.
















### FLOW CHART DEPICTING THE PROCESS FOLLOWED FOR ANNUAL INSPECTIONS



## APPENDIX XI

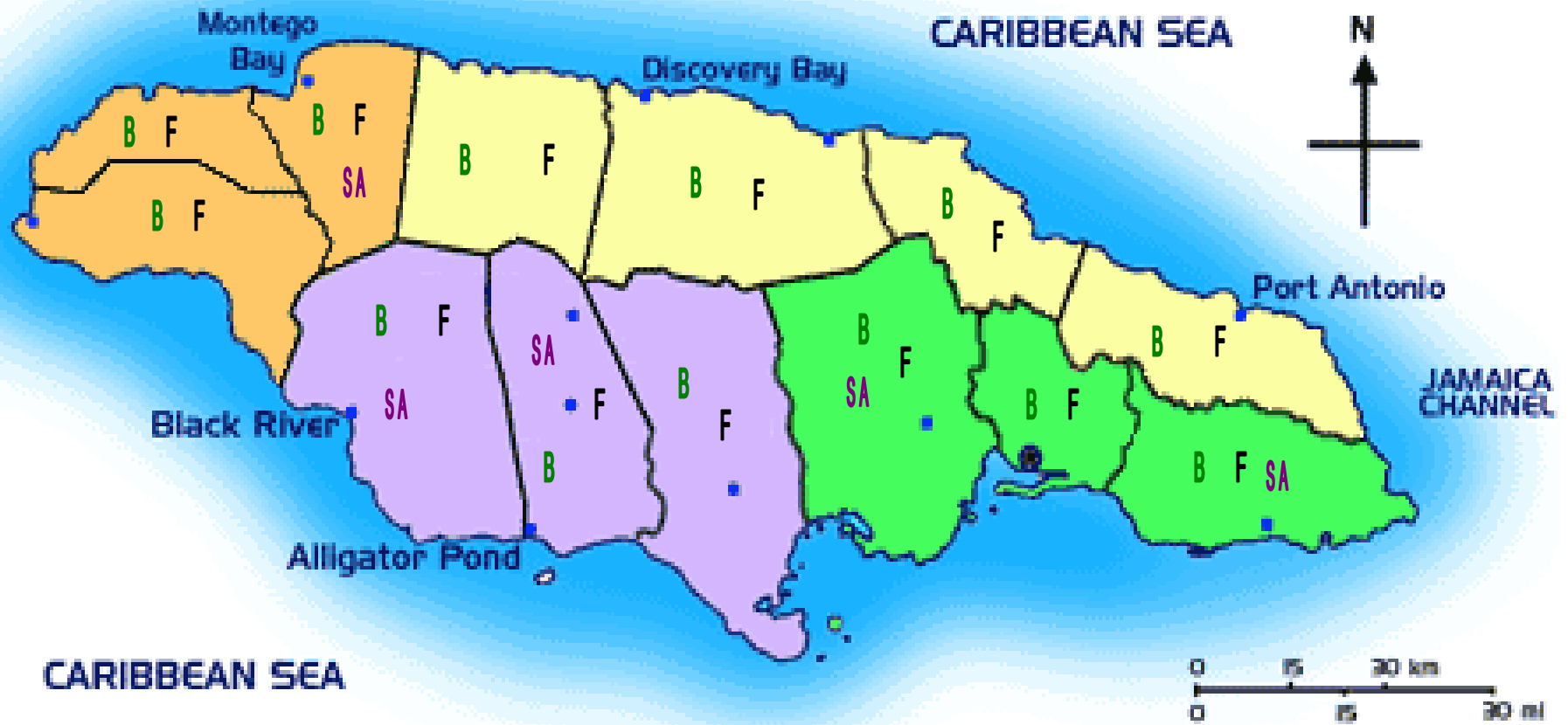
MAP SHOWING GEOGRAPHICAL DISTRIBUTION OF ACTIVE CO-OPERATIVE SOCIETIES



KEY			
	Federations		Multipurpose Co-operatives
	Agricultural Co-operatives		Thrift Co-operatives
	Fishermen Co-operatives		Community Development Co-operatives
	Insurance Co-operatives		Transport Co-operatives
	Credit Unions		Industrial Co-operatives
	Consumer Co-operatives		Information Technology Co-operatives
	Housing and Land Purchase Co-operatives		

## APPENDIX XII

MAP SHOWING GEOGRAPHICAL DISTRIBUTION OF SOCIETIES REGISTERED UNDER THE FRIENDLY SOCIETIES ACT



KEY	
F	Friendly Societies
B	Benevolent Societies
SA	Special Authorised Societies



## DEPARTMENT OF CO-OPERATIVES AND FRIENDLY SOCIETIES (DCFS)

### *PHILOSOPHY*

*The Department is guided by a philosophy to understand and appreciate that its functions are concerned with the lives of people; the awareness of this fact is essential to the satisfactory performance of its duties in attaining the closest possible relationship with its clientele, in order to assist Societies to bring about the economical and social improvements desired. This philosophy coupled with the principles of co-operation and the Associated Practices adopted by the International Co-operative Alliance, with respect to the establishment and operation of Co-operative Societies, assist the Department in fulfilling its objectives.*

*The principles and practices listed below also influence Friendly Societies, which are essentially co-operative in nature.*

- ◆ *Voluntary and Open Membership*
- ◆ *Democratic Membership Control*
- ◆ *Members Economic Participation*
- ◆ *Autonomy and Independence*
- ◆ *Education, Training and Information*
- ◆ *Co-operation among Co-operatives*
- ◆ *Concern for Communities*