

CABINET OFFICE ANNUAL REPORT

2019 FINANCIAL YEAR



Foreword

This Annual Report is for the Cabinet Office, of the Cayman Islands Government. The report outlines the Cabinet Office's performance during the period from January 1st, 2019 to December 31st, 2019 in comparison to that which was outlined in the Cabinet Office's budget for the corresponding period.

The requirement for an Annual Report is prescribed under section 44 of the Public Management and Finance Law (2018 Revision) ("PMFL").

In particular, Section 44 (2) states:

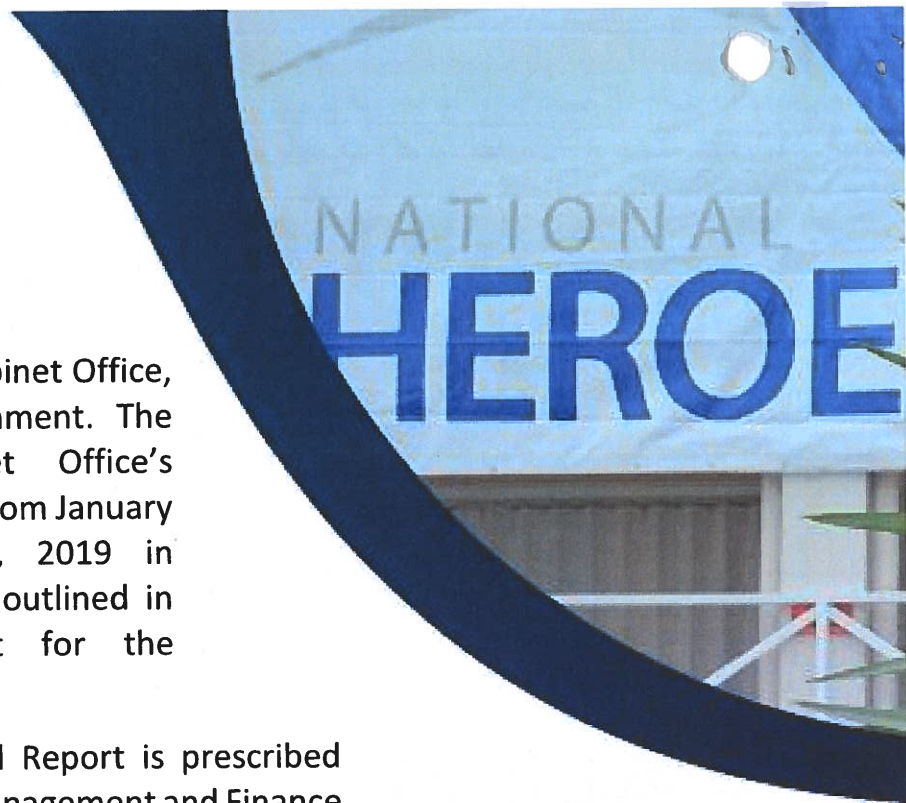
(2) The report shall –

- (a) state details of the entity's activities during the year;*
- (b) include a statement reporting all executive financial transactions that the entity administered;*
- (c) include the entity's financial statements for the year; and*
- (d) compare the actual performance shown by the financial statements with the performance proposed in the relevant budget statement.*

As well as fulfilling our statutory obligations, this Annual Report describes how the Cabinet Office has invested public funds for the benefit of the Cayman Islands.

Cabinet Office

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Message from the Premier

I am pleased to present the Annual Report for the Cabinet Office for the fiscal year ended December 31st, 2019.

The 2019 Annual Report marks the third reporting cycle of my administration, and provides a brief glimpse into what has been, in all material respects, another successful year of progress and prosperity.

The Cabinet is responsible for the formulation and directing the implementation of policy related to every aspect of government, with the exception of the Governor's special responsibilities. I am therefore pleased to provide the public with an overview of its outstanding achievements during the year, and the significant impacts made in advancing the outcome aspirations of the Government.

2019 was a year in which our Islands continued to make substantial economic strides. We recorded our highest air arrivals as we welcomed over half a million visitors to our shores, and marked ten consecutive years of annual growth in stayover visits. Our economy continued to show expansion through sustained growth in our GDP; unemployment rates saw historic lows; and inward investments continued to increase due to robust consumer confidence in our economy and the future of the Cayman Islands.

The Cabinet Office has worked collaboratively with the key Ministries responsible for Tourism, International Trade, Investment, Aviation, and Maritime affairs in providing assistance with strategic communication, reputation management and brand development for the Cayman Islands. The Cabinet Office also takes a lead role in the coordination and implementation of policy. These are crucial efforts to aid the development of a successful economy.

I wish to extend my sincere appreciation to the Cabinet Secretary, and the entire staff of the Cabinet Office for their continued support in ensuring the efficient and effective execution of the policies set by my administration, and for the positive results delivered for our country.

If we are to take advantage of our opportunities, we need to be more ambitious. In particular, as a Government, we need to go well beyond what has been done before, from improvements in the quality of our public services through to our approach in economic growth. We need to challenge the status quo and set stretching goals that will lead to real improvements in the quality of life for our people.

The policies and outcome goals of my administration are mere plans without the execution of our public officers, and I would like to personally thank them for their hard work in making our vision a successful reality.

Our fiscal plan for 2020 and 2021 was presented in November 2019. The plan demonstrates my Government's ongoing commitment to a progressive, resilient and well-governed Cayman Islands for the benefit of all Caymanians.

It provides for continued investment in growth infrastructure, support for education, another much-needed boost to our elderly and those most vulnerable in our society. It is a budget that speaks to building for the future while taking care of the needs of today.

I am committed to the people of the Cayman Islands and the promise of this administration for prosperity, growth and prudent financial management. It is, therefore, a privilege and an honor to report on the achievements of the Cabinet Office and the services delivered in 2019.



Hon. Alden McLaughlin, MBE, JP, Premier



Message from the Cabinet Secretary & Chief Officer

I am pleased to join the Honourable Premier in providing the 2019 Annual Report for the Cabinet Office. The Annual Report accords with Section 44 of the Public Management and Finance Law by outlining the activities, performance, and executive transactions administered during the 2019 fiscal year.

The Report also highlights the Cabinet Office's achievements in service delivery, financial management and governance by providing key statistics and an insightful overview of our mandate, deliverables and activities during the 2019 financial year.

The Cabinet Office plays an essential role in supporting effective administration through the provision of support and advice to our decision-makers to enable them to work effectively on behalf of the country.

Leadership, policy advice, good stewardship and a commitment to excellence are hallmarks of our service delivery model. Our value system and our commitment to the Public Servant's Code of Conduct underpin our work and ensures that serving the people of the Cayman Islands remains at the forefront of all we do.

It is in that light of good stewardship, that I am proud our 2019 accounts have once again received an unqualified opinion by the Office of the Auditor General, making it the 5th consecutive clean audit attained by the Cabinet Office.

Fiscal prudence, policy coordination, clear communication and maintenance of accurate records are critical aspects of any sound system of governance. To remain effective, the Cabinet Office must build and maintain relationships of trust and confidence with His Excellency the Governor, the Premier, the elected Government and our colleagues across the Public Service. It is a responsibility which we hold sacred and work diligently to deliver on a daily basis.

The Cabinet Office launched a bold performance agenda for 2019 with the specification of some sixteen goals in the Annual Budget Statements.

Those goals were in furtherance to the development of mission-critical areas of the Cabinet Office, and included initiatives to establish mechanisms for the development and coordination of Government Policy, encouragement of innovative policymaking and creativity, and the provision of policy oversight.

We delivered our 2019 goals with precision and confidence. Our communications team had an outstanding year continuing to lead the transformation of public sector communications as well as disseminating hundreds of key messages via new and improved channels; Celebrate Cayman continued its excellent work in marking the 60th anniversary of our first written constitution; and our Secretariat provided reliable and professional support to various constitutional and appointed bodies.

Our information rights team supported the successful implementation of the Data Protection Law, and through the excellent work of our Protocol Office with support from across the Cabinet Office and a host of volunteers, we rolled out the red carpet for a Royal Visit, Jamaica's Prime Minister, the UK Minister for the Overseas Territories, British Overseas Territory Leaders and a host of other dignitaries in an unprecedented year of activity and international diplomacy.

It is an exciting time for the Cabinet Office as we reflect on a year when much was achieved.

The achievements of 2019 would not have been possible without the ongoing commitment and dedication of our Cabinet Office team. I would therefore like to record my appreciation for their efforts, encourage them to continue the journey, and look forward to the Cabinet Office achieving even greater success in the years ahead.

Samuel Rose, JP
Cabinet Secretary & Chief Officer

Who we are

The Cabinet Office provides:

- support for The Premier and the Cabinet and the National Security Council;
- coordinates the development and implementation of cross-Ministerial policy;
- provides a well-informed populace through the communication of information relating to the activities of Government agencies;
- supports effective internal communication to promote collaboration and engage civil servants to deliver on priorities and support organisational change;
- provides advice and support to Government agencies with responsibility for protocol services;
- provides educational, cultural, entertainment and religious programming for the public of the Cayman Islands; and
- supports Information Managers and Data Controllers under the Freedom of Information and Data Protection legislation respectively.

We also provide administrative support to the Hon. Premier on regional and international affairs.

Additionally, we offer secretariat support to the Immigration Appeals Tribunal, the Council for Persons with Disabilities and the Council of Older Persons, along with administrative support to the Utility Regulation and Competition Office (URCO / OFREG, a statutory authority) in accordance with the Utility Regulation and Competition Law

The Departments and Units within its remit include:

- Office of the Premier
- Cabinet Secretariat & Appeals Secretariat
- Communications Directorate
 - Strategic Communications
 - Government Information Services
 - Internal Communications
- Radio Cayman
- Policy Coordination Unit
- Data Protection Unit
- Freedom of Information Unit
- Protocol Office
- Celebrate Cayman Project Team

The Authorities, Boards and Committees within its remit include:

- Immigration Appeals Tribunal
- Utility Regulation and Competition Office (OfReg)
- National Council for Persons with Disabilities
- National Council of Older Persons
- Refugee Protection Appeals Tribunal



What we do



- **Support** for the Cabinet coordinating the collection and dissemination of information regarding the decisions of the Cabinet.
- Developing, **coordinating** and monitoring the policy initiatives of the Government (such as the Cayman Islands Disability Policy and Cayman Islands Older Persons Policy).
- Providing secretarial, administrative and **policy support** for The Premier.
- Provide for the support of Government agencies in **communicating** proactively and responsively with the public, utilising the mass media as primary partners.
- Develop and **manage** internal communication and engagement campaigns and channels to keep civil servants informed, drive high performance, support organisational change, and help to achieve Government's and departmental objectives.
- Provide leaders with high quality, relevant internal communication and **engagement** advice and interventions based on audience insight.
- Facilitate training and **capacity building** for managers across the civil service so they are confident communicating with staff.
- Providing advice, **training** and coordination of services through the management of formal and informal Government ceremonial, protocol and diplomatic events and activities.
- **Facilitating** the further administration of freedom of information and data protection coordination.
- Providing **on air broadcasting** of government bulletins, commercials, news, public affairs programmes, entertainment and public service announcements as well as educational, cultural and religious programmes. Radio Cayman plays an integral role in providing full scale emergency broadcasts during national emergencies such as earthquakes, storms, hurricanes, the threat of a storm or hurricane.
- Facilitating **policy training** for senior and mid-management civil servants, Statutory Authorities and Government Companies.
- Offer secretariat support to the Immigration Appeals Tribunal pursuant to the Immigration Law.
- Provide **secretariat services** to the Council of Older Persons and the Council for Persons with Disabilities in accordance with the relevant legislation and policies.
- Administrative support to the Utility Regulation and Competition Office (OFREG) in accordance with the Utility Regulation and Competition Law.

The year in brief

January

We held our 16th Annual National Heroes Day



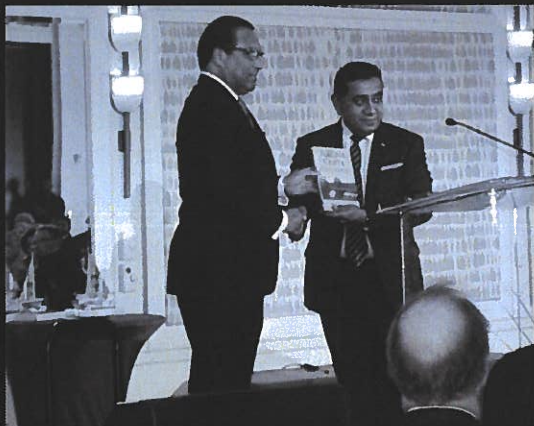
We were honoured to have their Royal Highnesses Prince Charles and his wife Camilla, Duchess of Cornwall, visit our Islands.



March

April

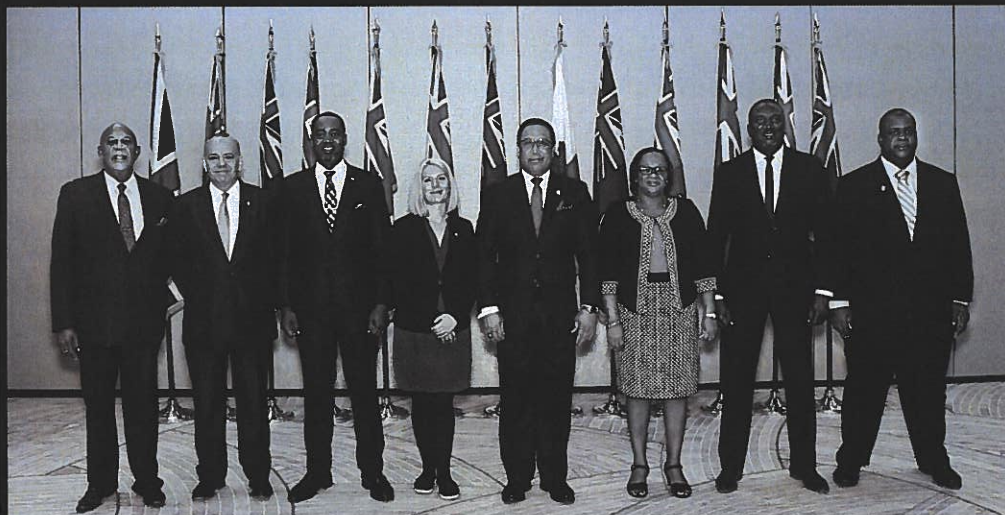
Effective 30th April, the Cayman Islands Government Office in the UK (London Office) was transferred to the new Ministry of International Trade, Investment, Aviation and Maritime Affairs (MITIAMA)

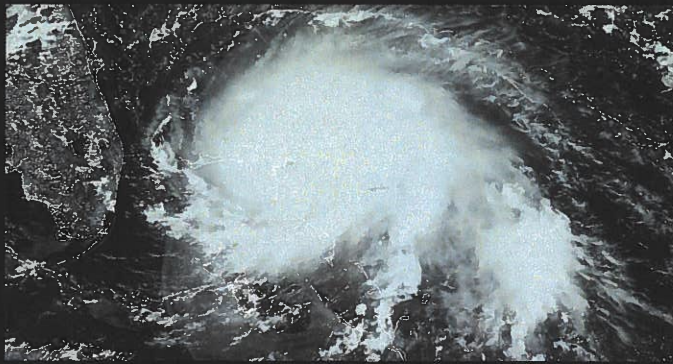


Cayman Islands and the UK Government jointly hosted the inaugural UK/OT International Trade Summit.

June

The Premier chaired the Pre-Joint Ministerial Council meeting, held in Cayman





September



The Premier travelled to the Bahamas on a Cayman Airways relief flight stocked with medical and other emergency supplies.



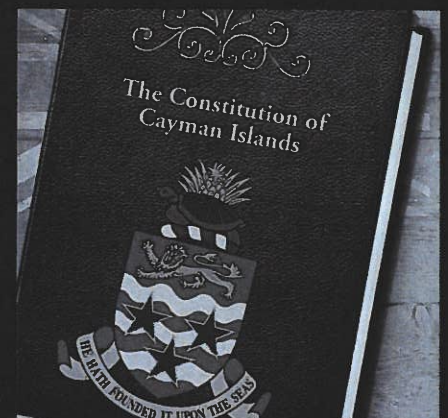
On Friday 8th November the Premier delivered the 2020/2021 Budget Statement in the Legislative Assembly.



November



On Wednesday 13th November the Premier confirmed in the Legislative Assembly that he had received a letter from Lord Ahmad of Wimbledon, The Minister of State for the Overseas Territories on the final package of Constitutional modernisation changes that were approved by Her Majesty's Government.



December

Premier recorded the 2019 Christmas message shared on Christmas Day across the media.



**Highlights from
January to
December 2019**

Our Management Structure

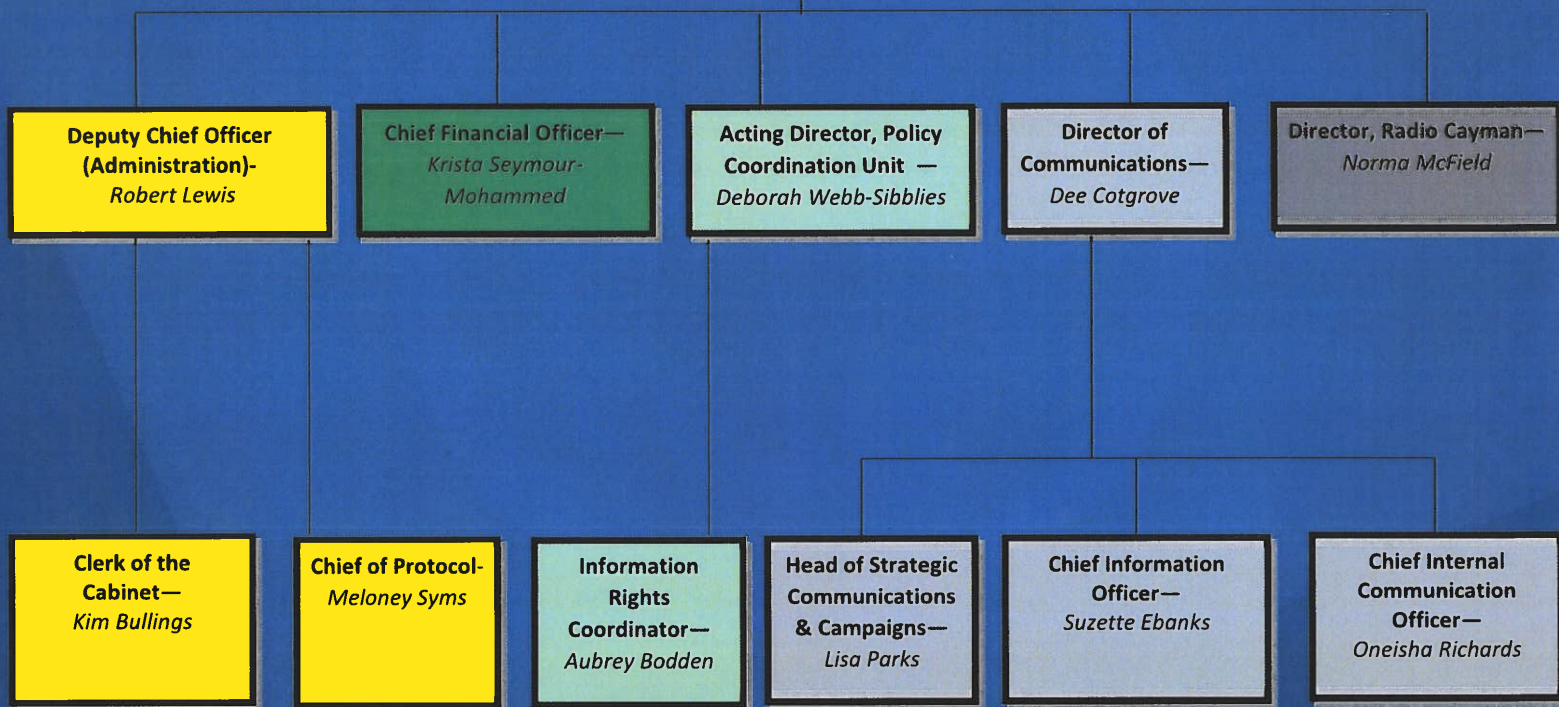


Hon. Alden McLaughlin -
MBE, JP, Premier

Senior Political Advisor -
Roy Tatum



Cabinet Secretary & Chief
Officer – Samuel Rose



Strategic Overview

The Key Strategic Ownership Goals for the Cabinet Office in the 2019 financial year were as follows:

- The establishment of mechanisms to **improve the development & coordination of Government Policy**, encourage innovation and creativity in policymaking, and identify and oversee policy which encompasses a number of ministries and portfolios.
- **Implement the immediate priorities in the Older Persons' Policy**, informed by the Older Persons Law.
- **Administer Freedom of Information** and Data Protection across Government departments.
- Advance the changes required under the Disabilities (Solomon Webster) Law in order to **improve the lives of people with disabilities**.
- **Improve the effectiveness of government communication** by developing and implementing an overall Communications Strategy and Plan for the civil service which is informed by and will support agreed business objectives for the Cayman Islands Government.
- **Improve Radio Cayman's competitiveness** in the market and eventually become self-funded. Actively contribute to the community's development by providing opportunities for members of the community to become more involved and informed. Accordingly: improve market share and financial position by developing and marketing engaging multi-channel content that drives audience growth, sales and sponsorships; increase reporting on all aspects of government, by working in tandem with our partner Government Information Services; enhance community engagement by increasing opportunities for audience interaction at a district level; and increase production of historical and current affairs material.
- Enhancement of internal communication channels and content as a tool to **facilitate employee engagement**.
- Support for effective **implementation of the 5-Year Strategic Plan** for the Civil Service.
- Support the **vision of the Utility Regulation and Competition Office**, which is: 'To be a leader in regulatory excellence, demonstrating our commitment to the public, to the companies we regulate, and our colleagues by building an environment of mutual respect, professionalism and diversity, while promoting competition and innovation.'

Overview

The following overview highlights the Cabinet Office's achievements in advancing Government policy outcomes through the delivery of high-quality support to the Premier and Cabinet.

The Cabinet Office plays an important role in welcoming Heads of Government and Elected Representatives to Cayman, and supporting the Premier's schedule of international visits. Both are vitally important in promoting Cayman's interests internationally, and securing understanding and agreements to ensure a safe and prosperous Cayman.

We were honoured to have their Royal Highnesses Prince Charles and his wife Camilla, Duchess of Cornwall, visit our Islands. Upon arrival HRH Prince Charles opened our modernized and expanded Owen Roberts International Airport. What followed was a whirlwind trip including a visit to Little Cayman and Cayman Brac where he opened the newly completed 25-metre swimming pool. The Royal visit concluded with a reception at Pedro St. James.

The Cayman Islands celebrated the 60th Anniversary of our first written constitution. Fittingly, in 2019, the Cabinet Office was also busy supporting the Premier as he travelled to the UK to continue talks on constitutional reform with the UK Government.

In June 2019, we welcomed Lord Ahmad of Wimbledon, Secretary of State for the Overseas Territories, as well as heads of Government from Anguilla, Bermuda, British Virgin Islands, the Falkland Islands, Gibraltar, Montserrat, St. Helena, Tristan da Cunha and Turks and Caicos.

The visiting dignitaries were on Island to attend the Pre-Joint Ministerial Council meeting which was chaired by the Premier.

Following the Pre-Joint Ministerial Council, the Cayman Islands and the UK Government jointly hosted the inaugural UK/OT International Trade Summit. Our Policy Coordination Unit assisted with logistical matters and the successful execution of both events.

The Trade Summit coincided with the start of a year of celebration for the 60th Anniversary of the first written Cayman Islands Constitution, and many of the delegates remained on Island to join in the celebrations.

Festivities also included a Cayman Cultural Celebration at Pedro St James, a special breakfast attended by Lord Ahmad of Wimbledon, and Jamaica's Prime Minister, the Most Honourable Andrew Holness.

Our George Town, Town Hall played an important role in the forming of our Constitution six decades ago. In recognition of this historical context, the building was officially renamed Constitution Hall during events to mark Constitution Day in 2019.

The constitutional reform talks in the UK culminated in the receipt of a letter from Lord Ahmad, on the final package of Constitutional modernisation changes approved by Her Majesty's Government.

Our Policy Coordination Unit provided research and analytical support to the Premier for the constitutional reform presentation to the Legislative Assembly. Following consideration and debate, the reform changes were unanimously passed by the Legislative Assembly.

The approved changes will give our citizens greater control over what happens in the Cayman Islands.

In early September the Bahamas suffered significant damage from Hurricane Dorian. Our RCIPS helicopter was deployed to the Bahamas to support the hurricane relief efforts including evacuation flights and aerial surveillance to aid in the immediate aftermath.

Our support package also included a Cayman Airways flight with medical supplies. The Premier accompanied the shipment of those supplies to offer support and solidarity to the hurricane- hit islands.

High-quality advice remains critical to effective decision-making. In 2019, our Policy Coordination Unit established a Community of Practice for Policy Practitioners ('CPPP'). The CPPP will provide a platform for policy practitioners within the Public Service to exchange knowledge and skills; address or identify best practices, tools and resources throughout the policy

cycle; and maximize talent and resources while creating opportunities to improve trust. The initiative will also enhance communication and collaboration among policy practitioners, while promoting opportunities to create sustainable change in the delivery of public policy.

Deputy Chief Officer (Administration) Robert Lewis facilitated policy workshops in Montserrat, which were well received.

Our Data Protection Unit had a very active year delivering 18 proactive training and awareness sessions for public servants, including the provision of intensive four-day training in data protection and privacy programme management for 74 public officers.

Advancing our Communication

A Strategic Communications Unit was established within the Communications directorate to deliver cross-government campaigns.

Successes in communication during 2019 included the launch of a Communications Improvement Programme for People, Process, Channels and Content. Additionally, over 40 communicators attended a 3-day training course entitled 'Communicating with Excellence'.

Through a Public Communicators Forum, communicators in central Government, and Statutory Authorities and Government Owned Companies will be able to share knowledge and best practices.

The Cayman Islands Government Communications plan was approved in May 2019, and the first progress report was provided to Cabinet in Autumn 2019.

Radio Cayman has been reliably serving our community since 1976. In 2019, our national radio station continued to expand its broadcast platform by streaming contents and events using social media platforms. The Sports Xtra talk show was also added during the year, joining our other Talk Shows, which include For the Record, Business Buzz and Talk Today.

The station also continued to provide quality cultural and educational programmes, highlighting significant achievements and milestones in our community.

Staff Acknowledgements

Our staff achieved some proud milestones in 2019, and were formally recognised for outstanding contributions and for exemplifying a World Class Civil Service.

The Secretary of the Appeals Tribunal Secretariat, Trisha Cuffy, was the recipient of the "Chief Officer's Choice, Employee of the Month" award for February 2019, for compassionate and exceptional customer service.

Freedom of Information Analyst, Nadira Lord, was the recipient of the Deputy Governor's Awards "Chief Officer's Choice, Employee of the Month" for July 2019 for delivering an outstanding customer service experience by being an exceptional team player.

The Cabinet Secretary recognized Chief Financial Officer, Krista Seymour-Mohammed, with the "Chief Officer's Choice, Employee of the Month" award for December 2019 earned for excellence in governance practices.

Departments and Sections

The Cabinet Office is responsible for the delivery of some 23 outputs which focus mainly on the development, coordination and implementation of policy; support and advice to the Premier and his Cabinet; support for Tribunals; International tax undertakings; protocol services; marketing and communication; Freedom of Information and data protection; and support for the Cayman Islands Government Office in the UK (London Office).

The London Office was transferred to the new Ministry of International Trade, Investment, Aviation and Maritime Affairs (MITIAMA) effective 30th April 2019. Accordingly, reporting on that Office for the 2019 year is via that Ministry.

Our 11 Departments and Units are primarily responsible for the efficient and timely provisions of administrative and logistic support for the subject matters they cover. The following section highlights some of their achievements in 2019.

Office of the Premier

Members of the Team include:

- **Roy Tatum,**
Senior Political Advisor & Head of the
Office of the Premier
- **Kieran Stigant**
Special Advisor to the Premier
- **Julie Hutton**
Communications Manager,
Office of the Premier
- **Tammie C. Chisholm**
Press Secretary to the Premier
- **Frank Cornwall Jr.**
Political Assistant to the Premier
- **Jana Pouchie-Bush**
Personal Assistant to the Premier



Nature & Scope of Activities

The Office of the Premier provides administrative and political support to the Premier of the Cayman Islands and by extension to the Members of the Government Caucus.

Overview of Key Achievements and Highlights during 2019

In January a Cayman Islands delegation, led by the Premier travelled, to London, Brussels, Paris, and Berlin to continue engagement centered around our Financial Services industry with the European Union on tax co-operation and “Economic Substance”.

The delegation travelled on from Europe to New York to attend the 6th Annual Cayman Finance breakfast briefing with member firms and associates. The Premier and Minister of Financial Services updated the delegates on the latest developments in the Cayman Islands Financial Services Industry.

The Premier attended the Cayman Alternative Investment Summit in February, and spoke about the strong economic performance of the country, and how Government will continue to support innovation and diversification whilst maintaining our successful financial service and tourism businesses.

Later in the month, the Premier gave a welcome address at the Chamber of Commerce Legislative luncheon where he updated delegates on topics such as the economy, jobs, and major infrastructure projects.

His final speaking engagement for February was at the Cayman Economic Outlook 2019 where he talked about Cayman's future prospects for growth and development, including the work Government is doing in partnership with businesses and the wider community to revitalize George Town.



In March we were honoured to have their Royal Highnesses Prince Charles and his wife Camilla, Duchess of Cornwall visit our Islands. Upon arrival HRH Prince Charles opened our modernized and expanded Owen Roberts International Airport. What followed was a whirlwind trip including a visit to Little Cayman and Cayman Brac where he opened the newly completed 25-metre swimming pool. The Royal visit concluded with a reception at Pedro St.

James. Everyone agreed that the Royal Visit had been a huge success.

In April the Premier travelled to the UK to continue talks on constitutional reform with the UK Government. He continued on to Monaco for a series of meetings with key stakeholders in the Maritime and Super Yacht sector as part of ongoing efforts to maintain the significant market share for our shipping registry.

In May the Premier delivered welcome remarks to the 34th Annual Association of Caribbean Commissioners of Police. The conference brings together senior law enforcement policymakers, security professionals, government officials and industry partners to discuss crime and security challenges across the region.

During the same month the Premier chaired the Pre-Joint Ministerial Council meeting that was held in Cayman. He welcomed heads of

Government from Anguilla, Bermuda, British Virgin Islands, the Falkland Islands, Gibraltar, Montserrat, St. Helena, Tristan da Cunha and

Turks and Caicos, as well as Lord Ahmad of Wimbledon, Secretary of state for the Overseas Territories.

Following the Pre-Joint Ministerial Council, the Cayman Islands and the UK Government jointly hosted the inaugural UK/OT International Trade Summit.

The Trade Summit coincided with the start of a year of celebration for the 60th Anniversary of the first written Cayman Islands Constitution and many of the delegates remained on Island to join in the celebrations.

Over the Constitution Day long weekend, the Premier hosted a series of events which began with a Cayman Cultural Celebration at Pedro St James to celebrate our 60th Anniversary of the first written Cayman Islands Constitution.

On Saturday the Premier hosted a breakfast and shared the stage with Lord Ahmad of Wimbledon, UK Minister of State for the Overseas Territories and Jamaica's Prime Minister, Most Honourable Andrew Holness.

Saturday afternoon included an All-Star Football match featuring 60 legends of football from the English Premier Leagues and Cayman Islands National Team greats. On Sunday a church service was held at Elmslie Memorial, and on Monday, Constitution Day an event was held at George Town, Town Hall where the Town Hall was renamed Constitution Hall in recognition of the role that the Hall has played in the forming of the Constitution.



Following the Constitution weekend celebrations, The Premier led a delegation to the 40th Regular Meeting of the Conference of Heads of Government of the Caribbean Community (CARICOM) in St. Lucia where discussions took place around issues such as sargassum, EU blacklisting, and the potential to increase regional trade and security matters, including border control.

In September the Premier delivered the Government Tribute at the late John McLean's official funeral as he honoured the statesman who served his country, community and family well.

On Friday 8th November the Premier delivered the 2020/2021 Budget Statement in the Legislative Assembly.

The budget gave another much needed boost to older persons, and the vulnerable in our society. It was a budget that focused on building for the future while taking care of the needs of today.

On Wednesday 13th November the Premier confirmed in the Legislative Assembly that he had received a letter from Lord Ahmad of Wimbledon, The Minister of State for the Overseas Territories, on the final package of Constitutional modernisation changes that were approved by Her Majesty's Government. The changes will give the people of the Cayman Islands greater control over what happens here, and following debate in the Legislative Assembly the changes were passed unanimously in the Legislative Assembly.

Cabinet Secretariat

Members of the Cabinet Secretariat Team include:

Administration

- **Robert Lewis**, Deputy Chief Officer (Administration)
- **Kim Bullings**, Clerk of the Cabinet
- **Davina Wilson**, Deputy Clerk of the Cabinet
- **Kristy Water**, Personal Assistant to the Cabinet Secretary
- **Michelle Connolly-Rivers**, Administrative Assistant (Assistant Clerk of the Cabinet)
- **Nohely Comrie**, Executive Officer

Financial Administration

- **Krista Seymour-Mohammed**, Chief Financial Officer
- **Rochelle Holness**, Deputy Chief Financial Officer
- **Donna Barrett**, Accounts Officer I

Appeals Tribunal

- **Jonina Frederick**, Coordinator, Immigration/ Cabinet Appeals Tribunal
- **Trisha Cuffy**, Secretary, Immigration Appeals Tribunal
- **Sheena Bush**, Secretary, Immigration Appeals Tribunal
- **Kathy Tibbetts**, Administrative Assistant

Nature & Scope of Activities

The Cabinet Secretariat serves at the heart of the Cabinet Office leading on the provision of secretarial and support services to the Cabinet and National Security Council.

Core functions include:

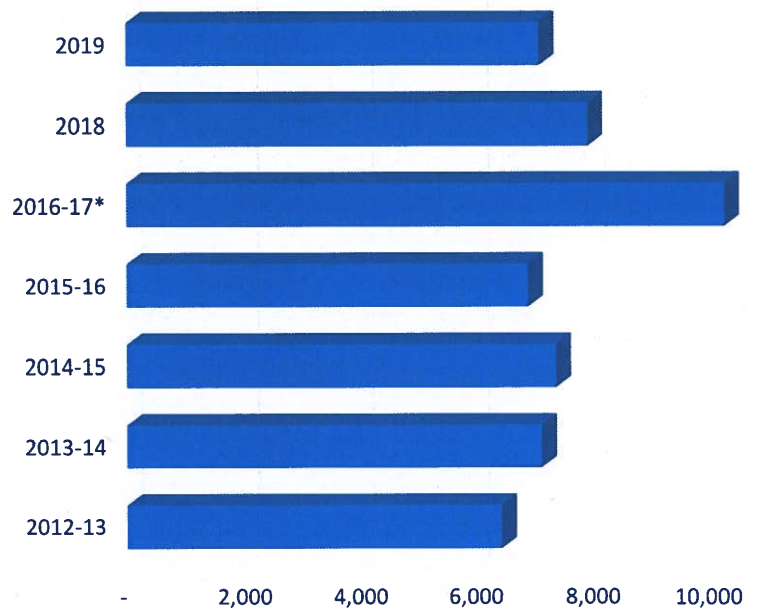
- Preparation and dissemination of Cabinet Agendas, Papers, Minutes and Decisions
- Issuance of Tax Exemption Certificates
- Provides secretarial/ support services for the Appeals Tribunal and the Refugee Protection Appeals Tribunal, receiving and managing appeals lodged, receipting payment, documenting and recording all submissions in support of the appeal, responses, decisions, and any legal matters presented per appeal.
- Processing appeals to Cabinet under the Firearms Law and National Conservation Law.
- The Finance section provides policy advice, governance and administrative services relating to financial, budgeting and reporting matters of the Portfolio. It also monitors the performance of the departments and units under the Cabinet Office and provides administrative support to the finance personnel across the Portfolio as needed.

Overview of Key Achievements and Highlights during 2019

The Cabinet Secretariat plays a key role in supporting the Cabinet and the National Security Council. Information produced, recorded, and disseminated by the Secretariat must be timely, accurate and concise.

Forty-two (42) Cabinet meetings were held in 2019. These meetings included numerous proposals to the Cabinet for their consideration and subsequent decision. Deliberations and subsequent decisions have the potential for significant impact on our Islands; therefore, any errors in recording and or communicating decisions could potentially have a major consequence. The Cabinet Secretariat therefore takes pride in the diligent execution of its work.

Number of Tax Undertaking Certificates Issued



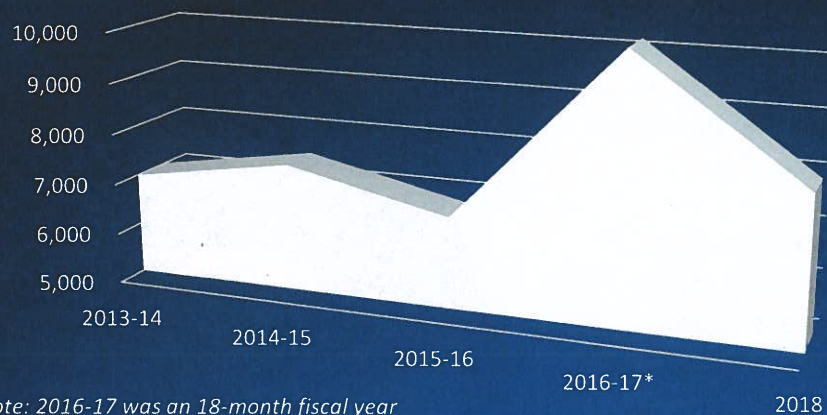
**Note: 2016-17 was an 18-month fiscal year*

Total Revenue Collected for Tax Undertakings by Year



**Note: 2016-17 was an 18-month fiscal year*

Tax Exemption- Certificates Issued



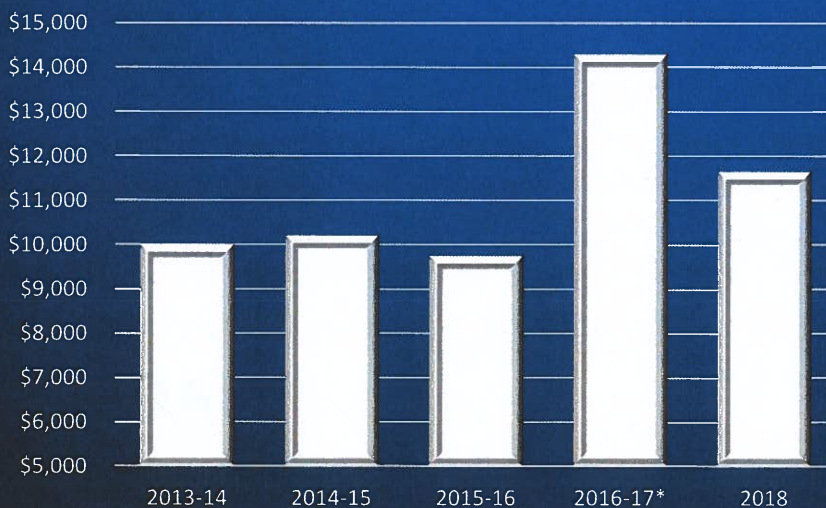
**Note: 2016-17 was an 18-month fiscal year*

The Cabinet Secretariat also facilitates the issuance of Tax and Trust undertakings by way of Tax exemption certificates. Tax exemption certificates protect Exempted Companies, Limited Partnerships and Trusts in the event that taxation is introduced to the Cayman Islands. In 2019, some 7,118 Tax Undertaking applications were processed which earned the Government some \$9.9 million.

Secretariat provide administrative and secretarial support to the IAT with the processing of appeals against the decision of the Director of WORC or the Director's designate. This includes receiving and managing appeals lodged, receipting payments, documenting and recording all the submissions in support of appeal, responses, decisions, and any legal matters presented per appeal.

In 2019 the Secretariat dealt with appeals for some 120 Permanent Residence applications, 17 applications for the Right to be Caymanian, 4 appeals relating to Business Staffing Plans, and 19 relating to Work Permit Applications. Some five appeals relating to Asylum seekers were also processed in 2019.

Tax Exemption- Revenue Earned



**Note: 2016-17 was an 18-month fiscal*

The Coordinator and the Secretaries of the Immigration Appeals Tribunal (IAT)

and any legal matters presented per appeal. There were no matters dealt with in 2019.

Communications

The Communications Department is headed up by the Director of Communications who leads on communications strategy, reputation management, and improvement. She is Head of Profession for all public communicators, and line manages three units:

The Internal Communication & Engagement Unit who partners with leaders and business teams to engage staff in delivering on Government priorities and support organisational and cultural change.

The Strategic Communications Unit who delivers cross-government priority campaigns, and improvement of government channels and social media management.

Government Information Services (GIS) who supports reputation management and disseminate information so as to promote engagement with Government priorities. GIS also manages the Gazette which is the official public sector newspaper.



Overview of Key Achievements and Highlights during 2019

The first Cayman Islands Government Communications Plan was approved by Cabinet in May 2019.

We continue to operate the weekly cross government PR planning process supported by the Government Communications Calendar. The Deputy Governor approved PR guidance for Freedom of Information and Audits which has been shared with policy and communications colleagues.

Campaigns for Strong Public Finances and for Safer Cleaner Greener communities were launched. Community Public Relations campaigns included the NICE work programme and Older Persons Month.

Notable Media Highlights include the Royal Visit of HRHs Prince of Wales and Duchess of Cornwall, extensive PR activity for the Trade Summit, and Celebrating 60 years of our Constitution.

The Cayman Islands Coat of Arms Guidelines (2019) ("the Guidelines") was developed and approved by Cabinet to promote consistent and effective use of this National Symbol.



Our Gazette team of three also had a phenomenal year and helped the Department to bring in revenue of some \$833K.

We supported public information around hurricane awareness, aid to the Bahamas, and dengue fever prevention, and the proposed port and associated referendum.

Issues management included sargassum response, traffic management, and various public service audits.

Our media monitoring continued in 2019, and a lawyer was procured to support defensive reputation management – particularly to challenge inaccurate coverage & advertising. A Global Perceptions Forum was created to co-ordinate and manage strategy and global reputation opportunities and challenges.

Regular updates were provided to the Civil Service, along with support for World Class Civil Service leadership training and events, the Civil Service Engagement Survey, and engagement with Government priorities such as announcements and Budgets.

Assistance was provided to the Deputy Governor, Portfolio of the Civil Service and Wellness Committee to engage staff in various internal and external events and initiatives relating to health and wellness.



The Communications Department worked with Computer Services to develop and test a new gov.ky. We also provided micro sites for

campaigns linked from the home page of gov.ky.

All channels experienced growth during the year. There were 4,183,310 page views on www.gov.ky during 2019. The Cayman Islands Government Facebook page ended the year with 34,519 likes, Twitter 5,803 followers, Instagram 2,534 followers and LinkedIn 837 followers.

CIGTV news partnered with the National Weather Service to provide weekday weather; Radio Cayman to provide community news; and Cayman Compass on a community feature insert. The team also continued support for national events, including the annual National Heroes Day live-broadcast.



People

The Public Communicators Forum for central Government and SAGCs seeks to share knowledge and best practice, in order to improve ways of working. The group met eight times in 2019 for keynote presentations, including a 3-day training course delivered by the UK Government Communications Service covering Reputation Management, Campaign Planning and Crisis Communications.

Edition II of the Communications Skills and Training Guide was developed and published in 2019.

Radio Cayman

Members of the Radio Cayman Team include:

Paul Akal, Announcer II

Dionne Anglin, News Reporter II

Dean Bremmer, Service Technician/Engineer

Jarrold Coe, Announcer/Remote Operations

Paulette Conolly-Bailey, Deputy Director Broadcasting

April Cummings, News Director

Kadie Ebanks, Accounts Officer I

Sterling Ebanks, Talk Show Host

Lindbern Eden, Announcer I/Traffic Assistant

Carsley Fuller, News Reporter II

Shanda Gallego, News Reporter II

Ava Jaggernath, Clerical Officer I

Anita Khan, Account Executive

Norma McField, Director of Broadcasting

Katherine Miller, Account Executive

Felicia Rankin, News Reporter II

Raymond Singh, Account Executive

Martha Watler, Traffic Officer/Librarian & Information Manager

Susan Watson, Announcer/Producer

Joel Wilson, Announcer/Music Automation



Nature & Scope of Activities

Radio Cayman provides educational, cultural, entertainment and religious programming to the public of the Cayman Islands.

Radio Cayman's scope of activities include, the broadcasting of government bulletins, commercials, news, public affairs programmes, entertainment and public service announcements as well as educational, cultural and religious programmes.

Nature & Scope of Activities (continued)

Radio Cayman is also a revenue earning entity. The business objective is to sell commercial time to increase its revenue while also increasing its listenership.

The station is also committed to providing continuous high-quality service to Cayman Brac and Little Cayman.

Radio Cayman plays an integral role in providing full scale emergency broadcasts before, during, and after times of national emergencies such as storms or hurricanes.

Radio Cayman continues to increase its engagement with listeners via social media, live streaming of all broadcasts, creative programming and community outreach.

As a broadcaster, now in its 44th year of continuous service to the people of the Cayman Islands, Radio Cayman is regulated by the Cayman Islands Utility and Competition Office (OfReg), and the station remains in compliance with all aspects of the law.

Overview of Key Achievements and Highlights during 2019

In 2019, Radio Cayman celebrated its 43rd year of continuous service to the people of the Cayman Islands.

Through a series of public/ private partnerships, Radio Cayman partnered with charities and non-profit organizations to promote their events and in turn received promotion for Radio Cayman as the community station.

The Station also hosted the annual Breeze Fusion 5k and 10k walk/ run in November 2019, with proceeds from the event going to the NCVO and the Central Scranton Community Park as community donations.

Growing and evolving with the needs of its listeners, Radio Cayman also expanded its broadcast platform in 2019 by occasionally offering social media streaming of some events using FaceBook Live and You Tube.

The Sports Xtra talk show was added during the year to augment other popular shows including For the Record, Business Buzz and Talk Today.

As part of its community outreach, staff at Radio Cayman was pleased to offer a work experience opportunity to one student from the Cayman Islands Further Education Centre (CIFEC).

Our talk show content provides a further source of community outreach, by allowing callers to voice their concerns, give ideas and other feedback on local activities.

Policy Coordination Unit

Members of the Policy Coordination Unit:

The Policy Coordination Unit consists of 6 members of staff:

- **Deborah Webb-Sibblies**, Acting Director
- **Jason Webster**, Acting Deputy Director
- **Garfield Ellison**, Policy Analyst
- **Tammy Ebanks**, Policy Analyst
- **Jamaal Anderson**, International Affairs Analyst
- **Jamie Stewart**, Administrative Assistant



Governance:

Pursuant to sections 48 and 55(4) of the Constitution, the Policy Coordination Unit ('PCU') supports the Cabinet Secretary in carrying out his responsibilities to the Premier, Governor and Cabinet by providing frank and politically neutral advice on the development, coordination and implementation of Cabinet approved public policies within the civil service and the wider public sector, as well as supporting the conduct of external affairs delegated to the Premier.

Nature & Scope of Activities

The PCU contributes significantly to the development and implementation of public policy, and provides objective and politically neutral advice to the Cabinet and the Honorable Premier. It coordinates and monitors policy implementation between Ministries/Portfolios and other Government Sector Agencies (promoting policy synergy and resources to maximize cross-ministerial policies, including effective communication, developing guidelines for implementation, monitoring and evaluating policies). Additionally, the PCU provides strategic analysis of the documents to Ministries/Portfolios to ensure consistency and quality prior to their submission to the Cabinet.

In 2019 the PCU took steps to establish a Community of Practice for Policy Practitioners ('CPPP'). The CPPP will provide a platform for policy practitioners within the Public Service to exchange knowledge and skills; address or identify best practices, tools and resources throughout the policy cycle; maximize talent and resources while creating opportunities to improve trust, communication and collaboration among policy practitioners; and promote opportunities to create sustainable change in the delivery of public policy. Additionally, the PCU facilitates training and capacity building for senior and mid-management across the public servants on policy development workshops, and Cabinet Paper template training.

International Affairs

The International Affairs Secretariat ('IAS') is also housed within the PCU. The key purpose of the IAS is to assist in analyzing international issues, treaties, multilateral agreements, providing diplomatic responses, and maintaining current knowledge of procedures and developments within the EU, the Caribbean Community (CARICOM), the Association of Caribbean states (OCTA), the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), and United Kingdom Overseas Territories Association ('UKOTA'). The Premier (via Section 55 (a) of the Constitution) plays a key role in the external affairs of the Cayman Islands, and as such the IAS provides the necessary support.

The PCU also coordinates policy development, and reports on progress of the commitments made during Joint Ministerial Council meetings, including coordinating with Ministries and collating data and assisting with relevant UKOTA matters.

Secretariat Support to the Council for Older Persons and the Council for Persons with Disabilities

The PCU provides executive administrative support services to the Council of Older Persons in accordance with the Older Persons Law 2017, and the Council for Persons with Disabilities in accordance with the Older Persons Law, 2017 and the Disabilities (Solomon Webster) Law 2016.

Overview of Key Achievements and Highlights during 2019

- The PCU assisted with the coordination of the Pre-Joint Ministerial Council meeting and inaugural International Trade Summit that was hosted by the Cayman Islands in June 2019.
- The PCU assisted with the coordination of the visit by the All-Party Parliamentary Group ('APPG') in June 2019. This coordination comprised of developing an itinerary and organising logistical matters for the visiting APPG members.
- The PCU comprised part of the working group of civil servants established to engage with the International Labour Organisation ('ILO') in order to develop and implement a work plan for key labour policy areas. The participation included co-coordinating one of the four work areas, specifically work towards the minimum wage review, and attending the ILO facilitated Skills Anticipation and Matching Workshop in Guyana.
- During the 40th CARICOM Heads of Government Conference in St. Lucia, the PCU provided support to the Cayman Islands delegation, which was led by the Premier.
- The PCU coordinated with CIG stakeholders on the assessment of Marine Bio-diversity, Sustainable energy and Climate Resilience in anticipation of implementing aspects of the EU - RESEMBID programme.
- Over the summer of 2019, the PCU hosted two interns who are pursuing degrees in policy and international affairs. The interns were able to get practical experience on the coordinating role that the PCU carries out daily.



Freedom of Information and Data Protection Coordination

Members of the Information Rights team:

- Information Rights Coordinator Aubrey Bodden
- Freedom of Information Analyst Nadira Lord

Nature & Scope of Activities

The Cabinet Office leads and coordinates Freedom of Information (FOI) and Data Protection (collectively, “Information Rights”) across government, developing internal capacity for compliance by raising awareness in the entire public sector, developing tools and procedures for effective implementation and administration of relevant legislation and policies, and organising and conducting training for public servants.

In 2019, a new legal framework was introduced to give further effect to the constitutional right to private and family life, considerably increasing the scope of these functions. The Cayman Islands Data Protection Law came into force on 30 September and provides for a comprehensive, principle-based approach to data protection that requires very deliberate attention to how personal data are collected, kept secure, and ethically used in public policies, programmes and services.

This new legislation also disrupted FOI practice, as new disclosure requirements must be considered in reviewing requests for third party personal data or proactively publishing information containing personal data in order to carefully balance competing rights and interests.

Overview of Key Achievements and Highlights during 2019

After becoming fully operational in August 2019 following the internal secondment of an experienced Information Rights Coordinator, a strategy was launched to effectively support a large number of diverse teams with a range of needs. Developed in consultation with the Senior Leadership Team and key stakeholders, this strategy focused on activities that would have the greatest impact on public sector capacity to promote individual rights, reduce costs and risk, and increase our efficiency and effectiveness.

Policy Analysis & Standards Development

- Consulted senior leaders and heads of professional and functional areas across the entire public service in order to identify priority areas for support, discuss requirements, and highlight synergies with Information Rights coordination as well as possible partnerships.



- Issued an Interim Guidance Note on handling requests, notices and orders under the Data Protection Law; notification of personal data breaches; enforcement activities; consultation on administrative measures or rules; and updated FOI practice.
- Procured a handbook on Handling Subject Access Requests to train and support public servants who will assist members of the public in exercising this new right.
- Supported the Honourable Attorney General to steer final amendments to the FOI Law through the Legislative Assembly and begin reviewing the Freedom of Information (General) Regulations, 2008 – updating these provisions to align to the primary Law and reflect current best practice.

Training & Capacity Building

- Conducted **19** sensitisation sessions to introduce public servants to Information Rights.
- Delivered **3** Information Manager Basic Training courses and **1** practical training course on the FOI tracking and monitoring system for requests.
- Partnered with the International Association of Privacy Professionals to tailor and deliver two separate four-day intensive training sessions on data protection and privacy programme management. **74** participants were drawn from **51** different Ministries, Portfolios, Departments, Statutory Authorities and Government Companies. **98%** of feedback forms indicated the course improved the participant's understanding and knowledge.
- Partnered with Privacy & Data Protection (PDP) Training to deliver **8** days of tailored training. Sessions on processing Data Subject Access Requests and how FOI and Data Protection work together drew **173** participants. **99%** of feedback forms indicated the courses improved the participant's understanding and knowledge.
- Worked with the Chief Information Security Officer for the Cayman Islands Government to include a basic data

protection module within the Cyber Awareness Baseline Training online course, with a particular focus on identifying and responding to personal data breaches.

Targeted Assistance to Public Authorities

- Hosted or participated in **34** meetings and workshops to discuss practical considerations for teams seeking to ensure compliance with relevant legislation and/or to provide support on a particular matter of concern or opportunity to improve policies or practices.
- Responded to **369** inquiries about procedural requirements and best practice.

Internal Communication & Engagement

- Presented to the Senior Leadership Team (Deputy Governor and Chief Officers), Heads of Statutory Authorities and Government Companies, and Heads of Department to engage senior leaders in development of the implementation strategy for the Data Protection Law.
- Hosted various sessions to engage Information Managers and other public servants in how implementation of the Data Protection Law impacts FOI practice.
- Secured a group membership with the International Association of Privacy Professionals. By the end of the year, **200** public servants, including the most senior leader of each Data Controller, had received full access to a wide range of online resources and discounted or no-cost opportunities for intensive training as well as continuing privacy education.

Staff Development & Recognition

- The Information Rights Coordinator obtained the accredited Certified Information Privacy Professional / Europe (CIPP/E) qualification from the International Association of Privacy Professionals, which is an ISO 17024:2012 certification.
- Under the Deputy Governor's Award Programme, the FOI Analyst was named Employee of the Month for July 2019 for delivering an outstanding customer service experience.



Protocol Office

Members of the Protocol Office Team:

The Protocol Office Team consists of three (3) hard working Staff:

- **Meloney Syms**, Chief of Protocol
- **Byron Derrick Ebanks**, Protocol Officer
- **Renita Barnes**, Protocol Assistant

The Team is supported by dedicated co-opted staff members within the Cabinet Office, such as the International Affairs Secretariat, as needed.

Nature & Scope of Activities

The Protocol Office has responsibility for an extensive range of protocol matters including:

- Planning, organising and facilitating official diplomatic visits to the Cayman Islands;
- Facilitating visits by Heads of State, Heads of Government and senior Ministers;
- Administering the Cayman Islands Flag Scheme; organising various official occasions and ceremonies;
- Administering honours and awards within the Cayman Islands honours system; and
- Organising ceremonial events and official funerals.

The Protocol Office also provides expert advice to the Premier, Cabinet, Government departments and members of the community.

Overview of Key Achievements and Highlights during 2019

Our Protocol Office is responsible for facilitating official and diplomatic visits, administering the Cayman Islands Flag Scheme, honours and awards, and for organizing ceremonial events including official funerals.

2019 kicked off in January with our National Heroes Day Celebrations - honouring the Coat of Arms pioneers, in collaboration with Celebrate Cayman.

This was followed by the annual Parliamentary Prayer Breakfast in February where the Unit provided advice and support to the Legislative Assembly.

The following month, staff provided a range of support services during the Royal Visit of TRH The Prince of Wales and Duchess of Cornwall. Assistance rendered included preparation, direction and support in areas such as airport courtesies, protocol advice, and “royalty etiquette” briefings to all stakeholders involved in the visit.

The Carifta Games were held in Cayman in April 2019. The games included visits by several VIPs, liaisons and support staff from participating countries. Our Protocol team was again involved in providing etiquette briefings; airport courtesies and VIP transport.

Other notable achievements and events assisted during the year included the Queen’s Birthday celebrations; the hiring of a new Protocol Assistant; Remembrance Sunday Ceremony; and the soft re-opening of the Diplomatic Lounge at the Owen Robert’s International Airport which allowed the Unit to facilitate over 460 diplomatic airport courtesies.

Official Visits, Conferences, Meetings and Funerals assisted

Our Islands’ first Governor Mr. Athelstan C E Long, CMG passed away in August 2019. The Protocol Unit supported the Official Funeral arrangements for Governor Long, and also assisted with the official Funeral arrangements including Flag Lowering Ceremony, Lying in state and Official Funeral, for Mr. John Bonwell McLean Sr, OBE, JP.

Courtesies, coordination and assistance were also provided for the Pre-JMC, UK/OT International Trade Summit; the visit of the Duchess of York for the Breast Cancer Awareness Gala; and for various Ministers, Ambassadors and Consular Generals who visited the Cayman Islands during the year.



Celebrate Cayman Project Team

Members of the Celebrate Cayman Project Team:

The Celebrate Cayman Project Team consists of:

- **Alfonso Wright**, Executive Chairman
- **Marzeta Boddén**, Deputy Executive Chairman

Nature & Scope of Activities

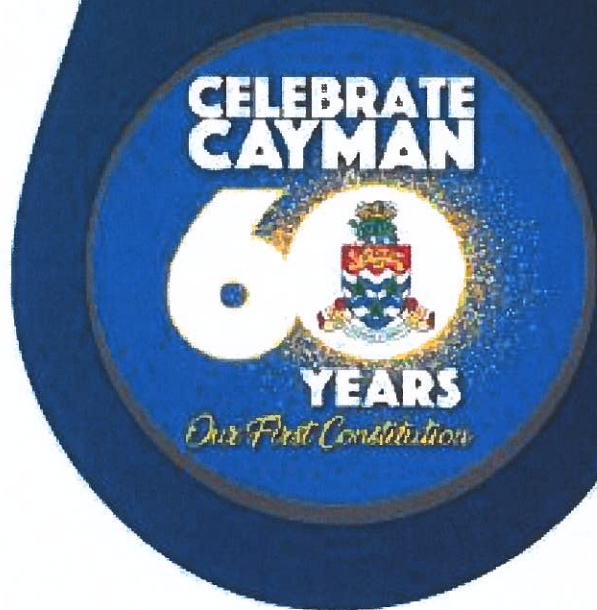
The Celebrate Cayman team was created in March 2018 to organise initiatives, campaigns, events, and experiences that not only educate the public but also provide an opportunity to celebrate the country's diversity and inspire national pride around two major milestones – the 60th Anniversary of the conferral of the Cayman Islands' Coat of Arms and the 60th Anniversary of the first written Constitution.

These activities will take place over a two-year period from May 2018 – July 2020.

Overview of Key Achievements and Highlights during 2019

In 2019, we continued with the celebration of the 60th anniversary of the Cayman Islands first written Constitution.

This milestone in our history also culminates the era when women petitioned for and won the right to vote in elections and hold public office.



In January, the Vestrymen and Justices of the Peace who were instrumental in the creation of the Coat of Arms were honoured at the 2019 National Heroes Day ceremony, as the national event's theme was "Celebrating the Creation of our Coat of Arms." In addition, a diverse group of organisations and bodies that have been doing business in and serving the Cayman Islands for 50 plus years were recognised for their contributions to the development of our islands.

In April, schoolchildren across the Cayman Islands received the first issue of "The Thatch Rope Times", a special publication which educates children across the Cayman Islands about matters related to our Constitution while also giving them a space to express their perspectives in creative ways. This first issue was a special publication whereby the Coat of Arms was interpreted through the eyes, minds and hearts of our students.

The second issue was published in June and focused on the Royal Visit. Submissions from students about their personal experiences during the visit by Their Royal Highnesses were highlighted.

In June, charities, non-profits, colleagues, and individuals came together for the 60 Acts of Service weekend. Each low-cost, simple project was within a particular area of focus, inspired by the elements of the Coat of Arms, such as stars (community engagement), turtle (animal welfare), pineapple (public space recovery), and lion (health and wellness). Over 300 people participated in the active citizenship initiative.

The Celebrate Cayman team accepted invitations from several schools to be a part of culture days and special events. During each visit, students were engaged through a video presentation, show-and-tell-style discussions, and question and answer segments, all while keeping the Cayman Islands flag and the Coat of Arms central to the discussions.

In private schools and public schools across all age groups, the students were interested in the role the Coat of Arms plays in our identity, and were excited

to share their own learning and knowledge about the national symbol, which made the Celebrate Cayman team proud to see the fantastic results of social studies and civics in our schools.

Celebrate Cayman also visited Her Majesty's Prison to take the message to a very excited and engaged prison population.

Constitution Anniversary Celebration

On Monday 1 July, the building where our first written Constitution was enacted was renamed Constitution Hall ensuring that this historic place and moment in time is always remembered.

On Thursday 4 July, on the anniversary date of our first written Constitution, a radio roundtable discussion amongst Constitutional experts gave the panel and listeners the opportunity to explore the evolution of our journey to the modern Constitution.

On Monday 23 September, the date of the first general election in the Cayman Islands, Celebrate Cayman organised a second roundtable discussion including one of the first women to run for political office as our featured guest.

On Wednesday 6 November, the date of the first Legislative Assembly meeting under the first written Constitution, a third roundtable took place and the Honourable Premier was a guest on this occasion.

In the subsequent months and weeks, we continued to engage with the community – particularly our students through the Thatch Rope Times.

Celebrate Cayman has again partnered with the Cayman Islands National Museum to curate an exhibit which takes a closer look at our Constitution and its history. The exhibit will be on display at the 2020 National Heroes Day celebrations.

Legal Framework

The Specific Laws which govern the Departments and Units under the Cabinet Office are:

- Immigration Law
- Immigration Regulations (various)
- Customs and Border Control Law, 2018
- Tax Concessions Law, Trusts Law, Exempted Limited Partnerships Law and Limited Liability Companies Law
- Firearms Law
- National Conservation Law
- Public Management and Finance Law
- Public Service Management Law
- The Procurement Law
- Freedom of Information Law
- Data Protection Law
- Cayman Islands Constitution
- Coat of Arms, Flag and National Song Law
- Older Persons Law
- Disability (Solomon Webster) Law
- Public Authorities Law

Key Bills Passed During 2019

The Referendum (People-initiated Referendum Regarding the Port) Bill, 2019 was passed by the Legislative Assembly on 28th October 2019. This bill was for a law to provide for the holding of a people-initiated referendum on the issue of whether the islands should continue to move forward with the building of the cruise berthing and enhanced cargo port facility.

In December the Customs and Border Control (Amendment) Law, 2019 was passed in the Legislative Assembly. The Bill amended certain definitions to allow for the imposition and regulation of administrative penalties.

Internal & External Audit Updates

The Portfolio is compliant and has submitted and met all relevant Legislative deadlines.

Cabinet Office Contact Information

Cabinet Secretariat & Appeals Secretariat

Box 105, 133 Elgin Avenue, George Town
4th Floor Government Administration Bldg
Grand Cayman KY1-9000
Tel: (345) 244-2208
Email: CabinetOffice@gov.ky
Emails: Appeals Tribunal matters IAT@gov.ky
Website: www.cabinetoffice.gov.ky

Government Information Service

2nd Floor, Government Admin Bldg,
Elgin Avenue, George Town, Grand Cayman
Cayman Islands
Tel: (345) 925-7738

Strategic Communications

Box 105, 133 Elgin Avenue, George Town
4th Floor Government Administration Bldg
Grand Cayman KY1-9000
Tel: (345) 244-2254
Email: communications@gov.ky

Freedom of Information Unit

Box 105, 133 Elgin Avenue, George Town
4th Floor Government Administration Bldg
Grand Cayman KY1-9000
Tel: (345) 244-3609
Emails: foi@gov.ky

Protocol Office

Box 105, 133 Elgin Avenue, George Town
4th Floor Government Administration Bldg
Grand Cayman KY1-9000
Tel: (345) 244-3612
Email: protocol@gov.ky
Website: www.cabinetoffice.gov.ky

Policy Coordination Unit

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Grand Cayman KY1-9000
Tel: (345) 244-2206
Email: deborah.webb-sibblies@gov.ky
Website: www.cabinetoffice.gov.ky

Internal Communications

Box 105, 133 Elgin Avenue, George Town
4th Floor Government Administration Bldg
Grand Cayman KY1-9000
Tel: (345) 244-3605
Email: internal.communications@gov.ky

Radio Cayman

P.O. Box 1110, Broadcasting House, 71B
Elgin Avenue,
Grand Cayman KY1-1102 Cayman Islands
Emails: rcsales@gov.ky
Emails: rcnews@gov.ky

Data Protection Unit

Box 105, 133 Elgin Avenue, George Town
4th Floor Government Administration Bldg
Grand Cayman KY1-9000
Tel: (345) 244-3607
Email: informationrights@gov.ky

Celebrate Cayman Project Team

Box 105, 133 Elgin Avenue, George Town
4th Floor Government Administration Bldg
Grand Cayman KY1-9000
Emails: celebratecayman@gov.ky
Website: www.celebratecayman.ky/contact



GOVERNMENT OF THE CAYMAN ISLANDS

CABINET OFFICE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2019

CABINET OFFICE

Financial Statements for the year ended 31 December 2019

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CABINET OFFICE

Cayman Islands Government
Government Administration Building
Grand Cayman, Cayman Islands

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the CABINET OFFICE in accordance with the provisions of the *Public Management and Finance Law (2018 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Law (2018 Revision)*.

As Chief Officer I am responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly recorded the financial transactions of the CABINET OFFICE.

As Chief Officer and Chief Financial Officer we are responsible for the preparation of the CABINET OFFICE financial statements, representation and judgements made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows of the CABINET OFFICE for the financial year ended 31 December 2019.

To the best of our knowledge we represent that these financial statements:

- (a) Completely and reliably reflect the financial transactions of the CABINET OFFICE for the year ended 31 December 2019;
- (b) fairly reflect the financial position as at 31 December 2019 and performance for the year ended 31 December 2019;
- (c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board. Where guidance is not available, the financial statements comply with International Accounting Standards issued by the International Accounting Standards Committee or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.

Samuel Rose JP
Cabinet Secretary & Chief Officer

Date 24 April 2020

Krista Seymour-Mohammed
Chief Financial Officer

Date 24 April 2020

AUDITOR GENERAL'S REPORT

To the Members of the Legislative Assembly and the Cabinet Secretary

Opinion

I have audited the financial statements of the Cabinet Office (the "Office"), which comprise the statement of financial position as at 31 December 2019 and the statement of financial performance, statement of changes in net worth and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 11 to 36.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Office as at 31 December 2019 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Office in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Office's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDITOR GENERAL'S REPORT (continued)

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Office to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of section 60(1) (a) of the Public Management and Finance Law (2018 revision). I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sue Winspear, CPFA
Auditor General

24 April 2020
Cayman Islands

CABINET OFFICE
STATEMENT OF FINANCIAL POSITION
AS AT 31 December 2019
(Expressed in Cayman Islands Dollars)

Prior Year Actual CI\$000		Note	Current Year Actual CI\$000	Original Budget CI\$000	Final Budget CI\$000	Variance (Original vs Actual) CI\$000
Current Assets						
3,548	Cash and cash equivalents	2	5,189	5,367	5,367	178
4,167	Trade Receivables	3	2,959	963	963	(1,996)
310	Other Receivables	3	379	9	9	(370)
12	Prepayments		23	3	3	(20)
8,037	Total Current Assets		8,550	6,343	6,343	(2,207)
Non-Current Assets						
1,243	Property, plant and equipment	1(g), 4	936	1,132	1,192	196
18	Intangible Assets	5	15	(25)	(25)	(39)
1,261	Total Non-Current Assets		951	1,107	1,167	156
9,298	Total Assets		9,501	7,450	7,510	(2,051)
Current Liabilities						
2	Trade Payables	6	-	182	182	182
550	Accruals and other liabilities	6	451	157	157	(294)
5	Unearned revenue		9	5	5	(4)
288	Employee entitlements	7	302	205	205	(97)
30	Provisions	20	15	-	-	(15)
1,296	Repayment of surplus	8	1,610	-	-	(1,610)
2,171	Total Current Liabilities		2,387	549	549	(1,838)
2,171	Total Liabilities		2,387	549	549	(1,838)
7,127	Net Assets		7,114	6,901	6,961	(213)
Equity						
6,941	Contributed Capital		6,928	6,715	6,775	(213)
186	Revaluation reserve		186	186	186	-
-	Current year surplus/(deficit)		-	-	-	-
7,127	Total net assets/equity		7,114	6,901	6,961	(213)

The accounting policies and notes on pages 11-36 form an integral part of these financial statements.

CABINET OFFICE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Prior Year Actual CI\$000		Note	Current Year Actual CI\$000	Original Budget CI\$000	Final Budget CI\$000	Variance (Original vs Actual) CI\$000
Revenue						
9,378	Sales of goods & services	9	9,680	8,245	9,454	(1,435)
32	Investment revenue	10	56	-	-	(56)
9,410	Total Revenue		9,736	8,245	9,454	(1,491)
Expenses						
5,644	Personnel costs	11	5,930	5,474	5,786	(455)
2,879	Supplies and consumables	12	3,223	2,384	3,362	(839)
155	Leases	12	83	171	93	88
189	Depreciation and amortization	4 & 5	191	215	215	24
39	Litigation costs		(7)	-	-	7
8,906	Total Expenses		9,420	8,245	9,454	(1,175)
Other Gains/(Losses)						
13	Net gains on financial and non-financial instruments	13	(7)	-	-	7
517	Surplus for the year		309	-	-	(309)

The accounting policies and notes on pages 11-36 form an integral part of these financial statements.

CABINET OFFICE
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs Actual)
Balance at 31 December 2017	6,874	186	-	7,060	9,821	9,016	2,761
Prior Year Adjustments		-	(42)	(42)	(3,005)	(2,200)	(2,963)
Restated balance	6,874	186	(42)	7,018	6,816	6,816	(202)
Changes in net worth for 2018							
Equity Investment from Cabinet	67	-	-	67	85	85	18
Repayment of Surplus to Cabinet	-	-	(475)	(475)	-	-	475
Surplus for the year	-	-	517	517	-	-	(517)
Balance at 31 December 2018	6,941	186	-	7,127	6,901	6,901	(226)

The accounting policies and notes on pages 11-36 form an integral part of these financial statements.

CABINET OFFICE
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

(continued)

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs Actual)
Balance at 31 December 2018	6,941	186	-	7,127	6,816	6,816	(311)
Prior Year Adjustments	-	-	5	5	-	-	(5)
Restated balance	6,941	186	5	7,132	6,816	6,816	(316)
Changes in net worth for 2019							
Equity Investment from Cabinet	125	-	-	125	85	145	(40)
Ministry Reorganization_1 May 2019	(138)	-	-	(138)	-	-	138
Repayment of Surplus to Cabinet	-	-	(314)	(314)	-	-	314
Surplus for the year	-	-	309	309	-	-	(309)
Balance at 31 December 2019	6,928	186	-	7,114	6,901	6,961	(213)

The accounting policies and notes on pages 11-36 form an integral part of these financial statements.

CABINET OFFICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Prior Year Actual Gross		Actual Current Year 2019	Original Budget	Final Budget	Variance (Original vs Actual)
CI\$000		CI \$'000	CI \$'000	CI \$'000	CI \$'000
	Cash flows managed on behalf of Cabinet				
	Operating Activities				
	<i>Cash received</i>				
979	Sale of goods and services - third party	2,970	1,201	1,201	(1,769)
7,348	Outputs to Cabinet	9,957	7,044	8,768	(2,913)
29	Interest received	58	-	-	(58)
8,356	Total cash received	12,985	8,245	9,969	(4,740)
	<i>Cash used</i>				
(5,766)	Personnel costs	(7,726)	(5,474)	(5,896)	2,252
(3,090)	Supplies and consumables	(3,552)	(2,555)	(3,858)	997
(8)	Financing/interest expense	(3)	-	-	3
(17)	Other payments	-	-	-	-
(8,881)	Total cash used	(11,281)	(8,030)	(9,754)	3,251
(525)	Net cash flows (used)/ from operating activities	1,704	215	215	(1,489)
	Investing activities				
	<i>Cash used</i>				
(67)	Purchase of property, plant and equipment	(118)	(85)	(145)	33
(67)	Total cash used	(118)	(85)	(145)	33
(67)	Net cash flow used by investing activities	(118)	(85)	(145)	33
	Financing activities				
	<i>Cash received</i>				
-	Equity Investment from Org 40	143	85	145	(58)
-	Total cash received	143	85	145	(58)
	<i>Cash used</i>				
-	Ministry Reorganization_1 May 2019	(88)	-	-	88
-	Total cash used	(88)	-	-	88
-	Net cash flows from financing activities	55	85	145	30
(592)	Net (decrease)/ increase in cash and cash equivalents held	1,641	215	215	(1,426)
4,140	Cash and cash equivalents at beginning of the year	3,548	5,152	5,152	1,604
3,548	Cash and cash equivalents at the end of the year	5,189	5,367	5,367	178

The accounting policies and notes on pages 11-36 form an integral part of these financial statements.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Description and principal activities

The Cabinet Office ("the Office") is a Government owned entity as defined by section 2 of the Public Management and Finance Law (2018 Revision) ("PMFL") and it is domiciled in the Cayman Islands.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Premier as defined in the Plan and Estimates for the Government of Cayman Islands for the fiscal year ending 31 December 2019.

The Cabinet Office has reported the activities and trust monies that it administers on behalf of Cabinet.

Note 1: Significant Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board (IPSASB) using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

Certain new accounting standards have been published that are not mandatory for the 31 December 2019 reporting period and have not been early adopted by the Office. The Office's assessment of the impact of these new standards is set out below:

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Office's financial statements. This will be assessed more fully closer to the effective date of adoption.

Segment reporting has been included in accordance with IPSAS 18. During the financial year a new Strategic Communications Unit was created within the Cabinet Portfolio which changed the composition of the segments from how they were previously reported.

The financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented. The financial statements are presented in Cayman Islands dollars using the historical cost basis of accounting, except the revaluation method adopted for buildings. The figures used in the presentations have been rounded to the nearest thousand.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(b) Reporting Period

The reporting period is the year ended 31 December 2019.

(c) Budget amounts

The original budget amounts for the fiscal year are as presented in the 2018 -19 Budget Statements and approved by the Legislative Assembly on the 27 November 2017. The Final Budget is adjusted for the budget amounts approved in Supplementary Budgets during 2019 as highlighted in Note 17.

(d) Judgments and Estimates

The preparation of financial statements in conformity with International Public Sector Accounting Standards requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in-transit and bank accounts with a maturity of no more than three months at the date of acquisition.

When there is objective evidence that a financial asset or group of financial assets is impaired the losses are recognised as a loss in the Statement of Financial Performance.

(f) Prepayments

The portion of recognised expenditure paid in advance of receiving goods and/or services has been recognised as a prepayment.

(g) Property, Plant and Equipment

Property, plant and equipment except land and buildings, is stated at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

**CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)**

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment (continued)

Asset Revaluation

In accordance with IPSAS 17, when an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Property (land, buildings and structures) were revalued as at the 30 June 2016 by in-house professionals with the exception of specialized buildings which were contracted to independent evaluators and are stated at revalued amounts less accumulated depreciation.

Valuation methods

The property valuations have been prepared in accordance with the standards and the guidance notes provided by the Royal Institute of Chartered Surveyors (RICS). Particular regard should be paid to the following definitions and methodology having been adopted in the assessment of value:

- Fair Value (Market Value) defined in accordance with IFRS 13 Fair Value Measurement as follows: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."
- Fair Value (Existing Use Value) extends the definition of Fair Value (Market Value) in "assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost."
- Specialized Assets: specialized assets are those for which no market exists for the current use. Specialized assets are valued using the Depreciated Replacement Cost method (DRC valuation). The definition of 'Depreciated Replacement Cost', as contained in The Standards, is as follows: "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

Valuation assumptions

Plant and machinery have only been included in the valuation of building assets where these form an integral part of the fabric of the building (e.g. lifts or air conditioning equipment) or where it performs a

**CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)**

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment (continued)

task crucial to the continuation of the existing use (e.g. swimming pools). Unless specifically stated otherwise, it is assumed that such items are reflected in the unit building cost.

It is assumed that all properties have the required planning consents and certificates for use and construction. Where Fair Value (or land value in a DRC valuation) relies on obtaining an alternative planning consent the alternative use has been derived from consideration of prevailing land uses in the immediate area and Local Planning Policies and practice.

Where an asset has been valued by Depreciated Replacement Cost (DRC) it is subject to the prospect and viability of the asset continuing to be used for the existing use. These valuations do not take into account any form of selling or purchase costs, tax (including Stamp Duty), inflation or finance costs. In Cayman, there is no tax on property except for Stamp Duty which is ordinarily required to be paid by a purchaser.

Valuations of each 'specialized building' state their total asset value and the (depreciated) value of the respective building. Those with a depreciated building value greater than \$500,000 also state figures for their 'component' parts. Buildings valued by the investment or comparison methods of valuation also state figures for their respective land values. These do not compute to reflect actual building values but indicate the inherent value attributing to the land only.

Where applicable, the remaining economic life of the building and/or building components has been indicated. This is the period during which the building element is anticipated to have a future useful economic life for its existing purpose.

In preparing the valuations, information has been obtained from the following sources:

- Cayman Islands Government 2001 Asset Register.
- Cayman Islands Government Land Registry Database
- Caymanlandinfo System (Mapping, aerial photography, evidence of comparable sales and lettings).
- Copies of and extracts from leases.
- Architect scaled floor plans.
- Ministries and users / occupiers of operational property assets.

Land areas (where stated) are provided for guidance only and are quoted from the Land Registers or otherwise from Caymanlandinfo database. Any building floor areas supplied have been obtained from one of the following sources:

- Measurements taken on site.
- Measurements extracted from Cayman Islands Government property records.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment (continued)

- Land and Buildings were revalued as entire classes of asset.

Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment (other than land); less any estimated residual value, over its estimated useful life.

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Buildings and structures	10 – 60 years
• Building fit-out (when accounted for separately)	5 – 25 years
• Leasehold Improvement	shorter of the unexpired period of the lease or the useful life improvement
• Computer Equipment	3 – 10 years
• Office equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 years
• Other equipment	5 - 20 years

Disposals

Gains and losses on disposals of property, plant and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the period are included in the Statement of Financial Performance.

(h) Employee Benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the Cabinet Office are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the “Board”). Contributions of 12% - employer 6% and employee 6% - on basic salary, acting allowance or duty allowance are made to the fund by the Cabinet Office.

Prior to 1 January 2000 the Board operated a defined benefit scheme. With effect from 1 January 2000, the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees. Obligations for contribution to defined contribution retirement plans are recognised in the Statement of Financial Performance as they are earned by employees. Obligations for defined benefit retirement plans are excluded from these financial

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(h) Employee Benefits (continued)

statements as they are centralized and therefore, reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

(i) Revenue

Revenue is recognised in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is recognised as a liability (unearned revenue).

The Cabinet Office derives its revenue through the provision of services to Cabinet, to other agencies in government and to third parties. Revenue is recognised at fair value of services provided.

(j) Expenses

Expenses are recognised in the accounting period in which they are incurred.

(k) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases are recognised as expenses on a straight-line basis over the lease term.

(l) Financial Instruments

The Cabinet Office is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and other accounts receivables and trade and accounts payable, all of which are recognised in the Statement of Financial Position.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial instruments comprise of accounts payable, accrued expenses and surplus payable.

Recognition

The Cabinet Office recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the Statements of Financial Performance.

**CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)**

Note 1: Significant Accounting Policies (continued)

(l) Financial Instruments (continued)

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

De-recognition

A financial asset is de-recognized when the Cabinet Office realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

(m) Contingent Liabilities and Assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realised.

(n) Foreign Currency

Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from settlement of such transactions are recognised in the Statement of Financial Performance.

At the end of the reporting period the following exchange rates are to be used to translate foreign currency balances

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at period-end date;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rates that existed when the fair values were determined.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(o) Revenue from Non-Exchange Transactions

The Cabinet Office receives various services from other government entities for which payment is made by the Cayman Islands Government. The Cabinet Office has designated these non-exchange transactions as Services in-Kind as defined under IPSAS 23- Revenue from non-exchange transactions. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of property, plant and equipment (PP&E), such service in-kind is recognized in the cost of the PP&E.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank accounts in the name of the Cabinet Office maintained at Royal Bank of Canada and short term deposits invested with the Cayman Islands Government Treasury. As at 31 December 2019, the Cabinet Office's cash balances were as presented below. No restricted cash balances were held by the Cabinet Office at 31 December 2019 (2018: Nil).

Prior Year CI\$'000	Description	Current Year CI\$'000	Budget CI\$'000	Variance CI\$'000
591	Operational Current Account - KYD	2,489	1,927	(562)
188	Cash in Transit	35	51	16
9	Payroll Current Account	46	66	20
2,548	Deposits held with Treasury	2,606	2,500	(106)
119	Operational Current Account - USD	7	687	680
38	Cash in Transit - USD	6	-	(6)
55	Other Bank Accounts	-	137	137
3,548	Cash and cash equivalents	5,189	5,367	178

Note 3: Trade receivables and other receivables

Prior Year CI \$'000	Trade Receivables	Current Year CI \$'000	Budget CI\$'000	Variance CI\$'000
2,619	Sale of goods and services	2,942	1,788	(1,154)
2,357	Receivables from Cabinet	657	-	(657)
(809)	Less: provision for doubtful debts	(640)	(824)	(184)
4,167	Net Trade receivables	2,959	963	(1,996)

Included in Sale of goods and services receivables is \$189k arising from cash advances to another Ministry.

Prior Year CI \$'000	Maturity Profile	Current Year CI \$'000	Budget CI\$'000	Variance CI\$'000
2,740	Current	2,792	963	(1,829)
218	Past due 1-30 days	20	-	(20)
22	Past due 31-60 days	13	-	(13)
2	Past due 61-90 days	64	-	(64)
1,185	Past due 90 and above	70	-	(70)
4,167	Total Trade Receivables	2,959	963	(1,996)

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 3: Trade receivables and other receivables (continued)

Movements in the provision for doubtful debts are as follows:

Prior Year CI \$'000	Description	Current Year CI \$'000	Budget CI\$'000	Variance CI\$'000
987	Balance at 1 January	809	824	15
(178)	Additional provisions made during the year	141	-	(141)
-	Receivables written off during the year	(310)	-	310
809	Provision for Doubtful Debts	640	824	184

At year end, all overdue trade receivables have been assessed and appropriate provisions made.

Prior Year CI\$'000	Description	Current Year CI\$'000	Budget CI\$'000	Variance CI\$'000
51	Advances	75	2	(73)
12	Dishonoured cheques	12	7	(5)
4	Interest receivable	2	-	(2)
243	Other	290	-	(290)
310	Total Other Receivables	379	9	(370)

Included in other receivables is \$49k due from Cabinet relating to equity injections for the current fiscal year.

Prior Year CI \$'000	Maturity Profile	Current Year CI \$'000	Budget CI\$'000	Variance CI\$'000
310	Trade Receipts due in one year	379	9	(370)
310	Net Total Other Receivables	379	9	(370)

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 4: Property, plant and equipment

Cost of Property, plant & equipment	Plant and equipment	Buildings	Furniture and Office Equipment	Computer Hardware	Office Equipment	Leasehold Improvements	Other assets	Infrastructure	Motor Vehicles	Assets under construction or development	Total Property Plant and Equipment	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 January 2018	287	885	93	166	18	218	1	121	202	131	2,122	1,918	1,918	(204)
Additions	1	-	-	35	3	-	-	-	-	19	58	85	85	27
Capitalized from WIP	-	-	-	18	-	-	-	-	104	(122)	-	-	-	-
Disposal / Derecognition	(57)	-	-	(11)	-	-	-	(2)	-	-	(70)	-	-	70
Transfers to intangible assets	-	-	-	-	-	-	-	-	-	(9)	(9)	-	-	9
Balance as at 31 December 2018	231	885	93	208	21	218	1	119	306	19	2,101	2,003	2,003	(98)

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 4: Property, plant and equipment (continued)

Cost of Property, plant & equipment	Plant and equipment	Buildings	Furniture and Other Equipment	Computer Hardware	Office Equipment	Leasehold Improvements	Other assets	Infrastructure	Motor Vehicles	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 January 2019	231	885	93	208	21	218	1	119	306	19	2,101	2,003	2,003	(98)
Additions	19	-	34	26	-	-	-	36	-	-	115	85	145	(30)
Capitalized from WIP	19	-	-	-	-	-	-	-	-	(19)	-	-	-	-
Disposal/ Derecognition	-	-	-	(4)	-	-	-	-	-	-	(4)	-	-	4
Transfers (Ministry Reorganization)*	-	-	(58)	(17)	(8)	(218)	-	-	-	-	(301)	-	-	301
Balance as at 31 December 2019	269	885	69	213	13	-	1	155	306	-	1,911	2,088	2,148	177

* - "Transfers (Ministry reorganization) relate to transfers of property, plant and equipment from Cabinet Office to the Ministry of International Trade, Investment, Aviation and Maritime Affairs ("MITIAMA") following the transfer of the Cayman Islands' Government London Office ("UKO") from Cabinet Office to MITIAMA effective 1 May 2019.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 4: Property, plant and equipment (continued)

Accumulated Depreciation and impairment losses	Plant and equipment	Buildings	Furniture and Other Equipment	Computer Hardware	Office Equipment	Leasehold Improvements	Other assets	Infrastructure	Motor Vehicles	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 January 2018	287	93	27	113	13	13	1	115	83	-	745	566	566	(179)
Eliminate on Disposal/Derecognition	(57)	-	-	(11)	-	-	-	(2)	-	-	(70)	-	-	70
Depreciation Expense	1	62	8	35	2	16	-	6	53	-	183	195	195	12
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	231	155	35	137	15	29	1	119	136	-	858	761	761	(97)

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 4: Property, plant and equipment (continued)

Accumulated Depreciation and impairment losses	Plant and equipment	Buildings	Furniture and Other Equipment	Computer Hardware	Office Equipment	Leasehold Improvements	Other assets	Infrastructure	Motor Vehicles	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Original vs Actual)
Balance as at 1 January 2019	231	155	35	137	15	29	1	119	136	-	858	761	761	(97)
Eliminate on Disposal/Derecognition	-	-	-	(4)	-	-	-	-	-	-	(4)	-	-	4
Depreciation Expense	9	61	7	40	1	5	-	5	55	-	183	195	195	12
Transfers (Ministry Reorganization)	-	-	(9)	(14)	(5)	(34)	-	-	-	-	(62)	-	-	62
Balance as at 31 December 2019	240	216	33	159	11	-	1	124	191	-	975	956	956	(19)
Net Book value 31 December 2018	-	730	58	71	6	189	-	-	170	19	1,243	1,242	1,242	(1)
Net Book value 31 December 2019	29	669	36	54	2	-	-	31	115	-	936	1,132	1,192	196

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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Note 5: Intangible Assets

Cost of Intangible Asset	Computer Software	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 January 2018	28	28	27	27	(1)
Additions	8	8	-	-	(8)
Disposal/ Derecognition	(1)	(1)	-	-	1
Transfers from WIP	9	9	-	-	(9)
Balance as at 31 December 2018	44	44	27	27	(17)

Cost of Intangible Asset	Computer Software	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 January 2019	44	44	27	27	(17)
Additions	3	3	-	-	(3)
Balance as at 31 December 2019	47	47	27	27	(20)

Accumulated amortization and impairment losses	Computer Software	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 January 2018	21	21	11	11	(10)
Eliminate on Disposal/Derecognition	(1)	(1)	-	-	1
Amortization Expense	6	6	20	20	14
Balance as at 31 December 2018	26	26	31	31	5

Accumulated amortization and impairment losses	Computer Software	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 January 2019	26	26	31	31	5
Amortization Expense	6	6	20	20	14
Balance as at 31 December 2019	32	32	51	51	19
Net Book value 31 December 2018	18	18	(4)	(4)	(22)
Net Book value 31 December 2019	15	15	(25)	(25)	(40)

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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Note 6: Trade payables, accruals and other liabilities

Prior Year CI\$'000	Description	Current Year CI\$'000	Budget CI\$'000	Variance CI\$'000
2	Trade Payables	-	-	-
47	Payroll Deductions	105	15	(90)
432	Accruals	272	129	(143)
47	Core government trade with other public entities	47	182	135
24	Other	27	12	(15)
552	Total Trade Payables, Accruals and Other Liabilities	451	339	(112)

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

Note 7: Employee entitlements

Prior Year CI\$'000	Details	Current Year CI\$'000	Budget CI\$'000	Variance CI\$'000
	<i>Employee entitlements are represented by:</i>			
217	Annual leave	231	60	(171)
-	Retirement and long service leave	-	145	145
71	Other	71	-	(71)
288	Total employee entitlements	302	205	(97)

The annual leave, retirement and long-service leave and other employee entitlements are calculated based on current salary paid to those employees who are eligible for this benefit.

Note 8: Surplus Payable

As at 31 December 2019, the Cabinet Office is reporting a total surplus payable in the amount of \$1.61M. This amount is a combination of unpaid surplus from the prior year (\$1.30M) and the current year surplus of \$0.31M. The Ministry is required to repay the surplus generated to date to the Ministry of Finance in accordance with the requirements of section 39 (3) of The Public Management and Finance Law (2018 Revision).

CABINET OFFICE
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Note 9: Revenue

Prior Year CI\$'000	Description	Current Year CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance (Original vs Actual) CI\$'000
7,814	Outputs to Cabinet	8,256	7,044	8,253	(1,212)
1,263	General sales	1,296	1,127	1,127	(169)
296	Fees and charges	119	74	74	(45)
5	Other	9	-	-	(9)
9,378	Total Sale of Goods & Services	9,680	8,245	9,454	(1,435)

Outputs to Cabinet

Outputs to Cabinet comprise of goods delivered to and services performed on behalf of the Cayman Islands Government.

Fees and charges, General sales, and Other revenue is made up of advertising revenues; gazette fees; administrative fees and user charges levied on the public for the delivery of government services. Certain respective rates and fee structures are gazetted and governed by the relevant revenue laws and regulations.

Note 10: Investment Revenue

Prior Year CI\$'000	Description	Current Year CI\$'000	Budget CI\$'000	Variance CI\$'000
32	Interest on Deposits held with Cabinet	56	-	(56)
32	Total Investment Revenue	56	-	(56)

At 31 December 2019, the Office held \$2.6M on an internal Treasury Fixed deposit (2018: \$2.5M) and interest earned during the year was \$56k (2018: \$32k).

CABINET OFFICE
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Note 11: Personnel costs

Prior Year	Description	Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
CI\$'000		CI\$'000	CI\$'000	CI\$'000	CI\$'000
4,574	Salaries, wages and allowances	4,751	4,508	4,708	(243)
730	Health care	897	720	820	(177)
247	Pension	253	245	257	(8)
60	Leave	19	-	-	(19)
33	Other Personnel related costs	10	2	2	(8)
5,644	Total Personnel Cost	5,930	5,474	5,786	(455)

Note 12: Supplies and consumables

Prior Year	Description	Current Year	Budget	Final Budget	Variance (Original vs Actual)
CI\$'000		CI\$'000	CI\$'000	CI\$'000	CI\$'000
386	Supplies and Materials	396	278	274	(118)
1,752	Purchase of services	2,007	1,378	2,300	(629)
155	Lease of Property and Equipment	83	171	93	88
173	Utilities	156	168	152	12
(8)	General Insurance	2	7	5	5
399	Travel and Subsistence	221	217	360	(4)
45	Recruitment & Training	85	106	75	21
56	Interdepartmental expenses	65	66	43	1
(178)	Doubtful debt expense	141	-	-	(141)
254	Other	150	166	153	16
3,034	Total Supplies & Consumables	3,306	2,555	3,455	(751)

Note 13: Gains and Losses on Foreign Exchange Transactions

Prior Year	Description	Current Year	Budget	Variance
CI\$'000		CI\$'000	CI\$'000	CI\$'000
-	Net Loss on disposal of property, plant & equipment	-	-	-
13	Net gain/ (loss) on foreign exchange transactions	(7)	-	7
13	Total Gain/(Losses)	(7)	-	7

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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Note 14: Revenue from Non- Exchange Transactions

During the year ended 31 December 2019, the Cabinet Office received services in-kind in the form of accommodation in the central government building, computer repairs and software maintenance by the computer services department. The fair value of these services cannot be determined and therefore no expense has been recognized in these financial statements.

Note 15: Reconciliation of net cash flows from operating activities to surplus

Actual Prior Year	Reconciliation of Surplus to Net Operating Cash	Actual Current Year 2019	Original Budget	Final Budget	Variance (Original vs Actual)
CI \$'000		CI \$'000	CI \$'000	CI \$'000	CI \$'000
517	Surplus/(deficit) from ordinary activities	309	-	-	(309)
42	Prior Period Adjustment	5	-	-	(5)
	Non-cash movements				
189	Depreciation	191	215	215	24
(13)	(Gain) on Foreign Exchange	7	-	-	(7)
(178)	(Decrease)/ Increase in provision for bad debt	141	-	-	(141)
30	Other provisions	(15)	-	-	15
	Changes in current assets and liabilities:				
(1,159)	(Increase)/decrease in receivable	1,160	-	-	(1,160)
33	(Increase)/decrease in other current assets	(11)	-	-	11
(45)	Increase/(decrease) in payables and other accruals	(101)	-	-	101
(1)	Increase/(decrease) in other current liabilities	4	-	-	(4)
60	Increase/(decrease) in provisions relating to employee costs	14	-	-	(14)
(525)	Net cash flows from operating activities	1,704	215	215	(1,489)

CABINET OFFICE
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Note 16: Related party and key management personnel disclosures

Related party disclosure

The Cabinet Office is a wholly owned entity of the Government from which it derives a major source of its revenue. The Cabinet Office and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the year ended 31 December 2019 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Key management personnel are considered to be related parties. There are ten (10) members of staff at the senior management level as at December 2019 (2018: 10).

Prior Year CI\$'000	Description	Current Year CI\$'000
1,291	Salaries & other short term employee benefits	1,437
1,291	Total Remuneration	1,437

No loans were granted to key management personnel or their close relatives during the fiscal year.

Note 17: Explanation of major variances against budget

Explanations for major variances for the Cabinet Office's performance against the original budget are as follows:

Statement of financial performance

Revenue

Output revenue

The original output revenue budget for the fiscal year ending December 31, 2019 was CI\$7.0M. In April 2019, the Legislative Assembly's Finance Committee granted approval for additional outputs in the amount of \$1.37M to assist with additional costs for the Office with Section 12 of the *Public Management and Finance Law (2018 Revision)* ("PMFL"). Additionally, in 2019, the Office was allocated an increase of \$83k in output funding to cover increases in Civil Servant health care premiums.

In December 2019, the Cabinet of Ministers authorized a reallocation of \$350k from the Portfolio of Legal Affairs to Cabinet Office under section 11(5) Public Management and Finance Law (2018 Revision) ("PMFL") to reimburse the Office for additional costs incurred in respect of celebrations of the 60th Anniversary of the First Constitution, the Royal Visit to the Cayman Islands by Their Royal Highnesses the Prince of Wales and Duchess of Cornwall, upgrade of the National Heroes Square and other Protocol related matters. The Cabinet of Ministers also approved a transfer of \$75k from Cabinet Office to the Ministry of District Administration, Tourism and Transport under Section 11(5) of the *PMFL*. The funds were earmarked for expenditure on the Cruise Berthing Facility Public Education Campaign leading up to the Cruise Port Referendum originally scheduled for December 2019.

**CABINET OFFICE
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Note 17: Explanation of major variances against budget (continued)

A supplementary Appropriation Bill with the proposed changes had not been introduced in the Legislative Assembly at the date the financial statements were authorized for issuance.

As disclosed in Note 4, the UKO was transferred from Cabinet Office to MITIAMA" effective 1 May 2019. \$515k in unbilled budgeted output revenue at that date was transferred to MITIAMA.

The final revised Output revenue budget for the year ending 31 December 2019 was \$8.3M. During the fiscal year, 100% of the total budgeted revenue was billed.

General Sales revenue

General Sales of \$1.29M exceeded the budgeted amount of \$1.13M by \$169k for the fiscal year ending 31 December 2019. Sale of Gazettes represents 63% of total general sales and had an increase of \$106k over budget, while sale of advertising revenue from Radio Cayman was \$45k over budget. General sales are customer demand driven and the increase in revenue resulted from higher private sector placement of commercial notices (GIS). The revenue for 2019 is comparable to the actual amount of \$1.26M for 2018.

Fees and Charges

Fees and charges for the fiscal year ending December 31, 2019 was \$119k, and exceeded the budget of \$74k by \$45k. This resulted from higher than budgeted Immigration Appeals Tribunal fees.

Supplies and Consumables

During the year, the Office exceeded the original budget for supplies and consumables by \$751k. Supplementary budgets had a positive impact on supplies and consumables and offset the increase in this area during the year.

The budget variances were mainly attributed to purchase of services (-\$629k); supplies and materials (-\$118k) and provision for doubtful debts expense (-\$141k). These costs were partially offset by leases of property and equipment (+\$88k).

Purchase of Services

The entity budgeted \$1.38M for purchase of services in the 2019 financial year, however the actual expense in this area totaled \$2M (-629k). This was mainly due to costs relating to special conferences (\$694k) which exceeded the budget by (-\$429k). Other higher than budgeted costs included marketing services (-\$115k); transportation costs (-\$80k); and attendance allowance (-\$46k). Areas contributing to this position were higher than budgeted costs for the celebrations of the 60th Anniversary of the First Constitution; the Royal Visit by Their Royal Highnesses the Prince of Wales and Duchess of Cornwall, hosting of the pre-Joint Ministerial Council and other Protocol related activities. This was partially offset by savings from professional services (\$93k).

CABINET OFFICE
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Note 17: Explanation of major variances against budget (continued)

Supplies and Materials

The entity budgeted \$278k for supplies and materials during the 2019 financial year, however actual expense in this area totalled \$396k (-118k). This deficit position was a result of higher printing costs (-58k); expensed attractive assets (-34k), and higher food and dietary supplies (-13k).

Doubtful debt expense

The variance in the doubtful debt expense is mainly attributed to \$136k in new provisions for unbilled/ uncollected receivables from other government ministries/ departments that were not budgeted for.

Leases of property and equipment

The expense relates to rental of office premises by the UKO. The UKO was transferred from Cabinet Office to MITIAMA effective 1 May 2019 hence the favorable budget variance.

Personnel Costs

At the financial year end, personnel costs exceeded the original budget by \$454k. The greatest impact to the increase related to the 5% Cost of Living Adjustment to all civil servants initially granted in 2018 and further by the approved increase of CINICO health insurance premiums for all civil servants effective January 2019. These items were not approved in the original budget and no supplementary appropriations were approved by Cabinet to finance the increase.

Statement of financial position

Cash and cash equivalents

The actual year end cash balances were \$178k below budget. This variance is significantly lower than the prior year end budget variance of \$1.6M and resulted from better collections of Cabinet Revenue billed during the year.

At December 31, 2019, the total outstanding Cabinet Billing was in the amount of \$657k (2018: \$2.4M), of which the full amount had been received at the date of the audit opinion.

Trade and other receivables

The actual year end trade and other receivable balances net of provisions for doubtful debts were \$2.0M greater than the budget. Outstanding executive salary reimbursement to entity in the amount of \$1.9M had a large impact on this variance.

CABINET OFFICE
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Note 17: Explanation of major variances against budget (continued)

Other receivables

Other receivables were \$370k higher than budget at 31 December 2019. The budget did not anticipate significant uncollected amounts of receivables arising from expenses incurred on behalf of other Ministries.

Property, plant and equipment

Property, plant and equipment was \$196k less than budget. The difference is mainly attributed to transfers of assets with a net book value of \$239k to MITIAMA following the transfer of the UKO from Cabinet Office to MITIAMA.

Trade payables, accruals and other liabilities

Other Payables and Accruals were \$112k greater than the budgeted amount of \$339k. Accrued expenses was again the largest contributing factor this year and was higher than the budget of \$129k by \$143k; however notably lower than the prior year variance (-303k).

In addition to accrued expenses, unpaid payroll entitlements contributed to a budget variance of -\$90k. This was largely due to the December 2019 pension contribution, which was paid over in the subsequent year. The amount due to other government entities was also significantly lower than budget (+135k) and was due to early settlement of outstanding balances. This had a net positive impact on the variance.

Surplus payable

The surplus payable grew by \$314k to \$1.61M during the fiscal year ending 31 December 2019. This was lower than the budget by the same amount as the Portfolio does not budget for a surplus or any change in the surplus payable. The accumulated surplus payable will be paid back over to Cabinet during the 2020 fiscal year.

Note 18: Financial instrument risks

The Cabinet Office is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, accounts receivable, debtor-Cabinet and creditors and other payables. The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

As at 31 December 2019, the forecasted carrying value of cash and cash equivalents, trade and other receivable, trade and other payable and employee entitlements approximate their fair values due to their relative short-term maturities. Fair values estimates are made at a specific point in time, based on market conditions and the information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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Note 18: Financial instrument risks (continued)

Credit risk

In the normal course of its business the Cabinet Office is subject to credit risk from cash held with its banker, RBC Royal Bank (Cayman Islands) and debtors other than the Government. The Cabinet Office does not have significant concentrations of credit risk for its other financial instruments.

Currency and interest rate risk

The Cabinet Office has no significant exposure to currency exchange loss risk and interest rate risk.

Liquidity risk

In meeting its liquidity requirements, the Cabinet Office closely monitors its forecast cash requirements with expected cash drawdowns from Cabinet and receipts from third parties. The Cabinet Office maintains a target level of available cash to meet liquidity requirements.

Note 19: Segment reporting

	Policy Advice and Support		Broadcasting		Communications		Grand Totals	
	2018	2019	2018	2019	2018	2019	2018	2019
Revenue	5,599	5,486	1,762	1,782	2,049	2,468	9,410	9,736
<i>Cabinet Revenue</i>	<i>5,268</i>	<i>5,303</i>	<i>1,343</i>	<i>1,310</i>	<i>1,203</i>	<i>1,643</i>	<i>7,814</i>	<i>8,256</i>
<i>Third Party Revenue</i>	<i>331</i>	<i>183</i>	<i>419</i>	<i>472</i>	<i>846</i>	<i>825</i>	<i>1,596</i>	<i>1,480</i>
Expenses	5,440	5,279	1,745	1,835	1,708	2,313	8,893	9,427
<i>Depreciation</i>	<i>86</i>	<i>74</i>	<i>91</i>	<i>92</i>	<i>12</i>	<i>25</i>	<i>189</i>	<i>191</i>
<i>Personnel Costs</i>	<i>2,876</i>	<i>2,670</i>	<i>1,339</i>	<i>1,415</i>	<i>1,429</i>	<i>1,845</i>	<i>5,644</i>	<i>5,930</i>
<i>Supplies & Consumables</i>	<i>2,478</i>	<i>2,535</i>	<i>315</i>	<i>328</i>	<i>267</i>	<i>443</i>	<i>3,060</i>	<i>3,306</i>
Surplus/ (Deficit)	159	207	17	(53)	341	155	517	309
Assets	7,938	8,070	900	888	460	543	9,298	9,501
<i>Non-Current Assets</i>	<i>281</i>	<i>(10)</i>	<i>905</i>	<i>905</i>	<i>75</i>	<i>56</i>	<i>1,261</i>	<i>951</i>
<i>Current Assets</i>	<i>7,657</i>	<i>8,080</i>	<i>(5)</i>	<i>(17)</i>	<i>385</i>	<i>487</i>	<i>8,037</i>	<i>8,550</i>
Liability	(1,967)	(2,191)	(137)	(71)	(67)	(125)	(2,171)	(2,387)
<i>Liabilities</i>	<i>(1,967)</i>	<i>(2,191)</i>	<i>(137)</i>	<i>(71)</i>	<i>(67)</i>	<i>(125)</i>	<i>(2,171)</i>	<i>(2,387)</i>

The segments of the Cabinet Office and their respective functions are:

Policy Advice and Support – Office of the Premier; Cabinet Secretariat; Policy Coordination Unit; Protocol Unit; London Office (April 30)

- Support for the Cabinet in coordinating the collection and dissemination of information regarding the decisions of the Cabinet.

**CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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Note 19: Segment reporting (continued)

- Developing, coordinating and monitoring the policy initiatives of the Government and providing secretarial, administrative and policy support for The Premier.
- Providing advice, training and coordination of services through the management of formal and informal Government ceremonial, protocol and diplomatic events and activities.
- Facilitating the further administration of freedom of information and data protection coordination.
- Facilitating policy training for senior and mid-management civil servants, Statutory Authorities and Government Companies
- Gather information about the political and economic environment in the UK and EU to advise the Cabinet Office on relevant developments;

Communications – Strategic Communications; Internal Communications; Government Informations Services

- Providing for the support of Government agencies in communicating proactively and responsively with the public, utilising the mass media as primary partners.

Broadcasting – Radio Cayman

- Providing on air broadcasting of government bulletins, commercials, news, public affairs programmes, entertainment and public service announcements as well as educational, cultural and religious programmes.

Note 20: Provisions and contingent Liabilities

Provisions are recognized in the financial statement in relation to pending litigations against the Office where legal advice received from the Attorney General's office indicates that the plaintiff is more likely than not to succeed in the matter. At 31 December 2019, provisions of \$15k (2018: \$30k) have been recognized in the financial statements. The resulting expense is included in legal fees in the statement of financial performance.

At 31 December 2019, legal advice indicates that it is not probable that plaintiffs will succeed in some pending litigations against the Office. As such, potential damages/ cost of \$67k arising from these cases have not been recorded in the financial statement.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 21: Events Occurring After Reporting Date (31 December 2019)

1. Conditions existing at reporting date

Management is not aware of any events existing at the reporting date which will have an impact on the financial statements at 31 December 2019.

2. Conditions after reporting date

The Cayman Islands economy has been adversely affected by measures enacted by the Government to minimise the impact of the global COVID-19 outbreak in the Cayman Islands. As a result, some of the Office's debtors at year end may not be able to meet their obligations to the Office as and when they fall due. The potential impact on the current and future provisions for doubtful debts could not be readily determined at the date of the audit opinion hence no additional adjustments have been made in these financial statements. At the reporting date, trade receivables (net of provisions for doubtful debts) worth \$380k were outstanding from entities not related to the Cayman Islands Government.

In addition, on the basis of management assessment and forecasts, management believes that the risk that the Office would not be able to meet its obligations as they become due is low and that the Office will continue as going concern for the foreseeable future.

Management is not aware of any other occurrences subsequent to the reporting date which will have an impact on the financial statements at 31 December 2019.

Note 22: Commitments

Prior Year CI\$'000	Type of Operating commitments	One Year CI\$000	One to Five Years CI\$000	Five to Fifteen Years CI\$000
2,653	Other Operating Commitments	-	-	-
2,653	Total Operating Commitments	-	-	-

The UKO has a long term accommodation lease relating to the premises at Fourth Floor, 34 Dover Street, London, England. The lease is for a term of fifteen (15) years and expires on 16 May 2031 with an option to break (by Tenant or Landlord) on May 17, 2022 and May 17, 2027 respectively. With the transfer of the UKO to the Ministry of International Trade, Aviation and Maritime Affairs, Cabinet Office does not have any future lease commitments.



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