

Cabinet Office
Cayman Islands Government

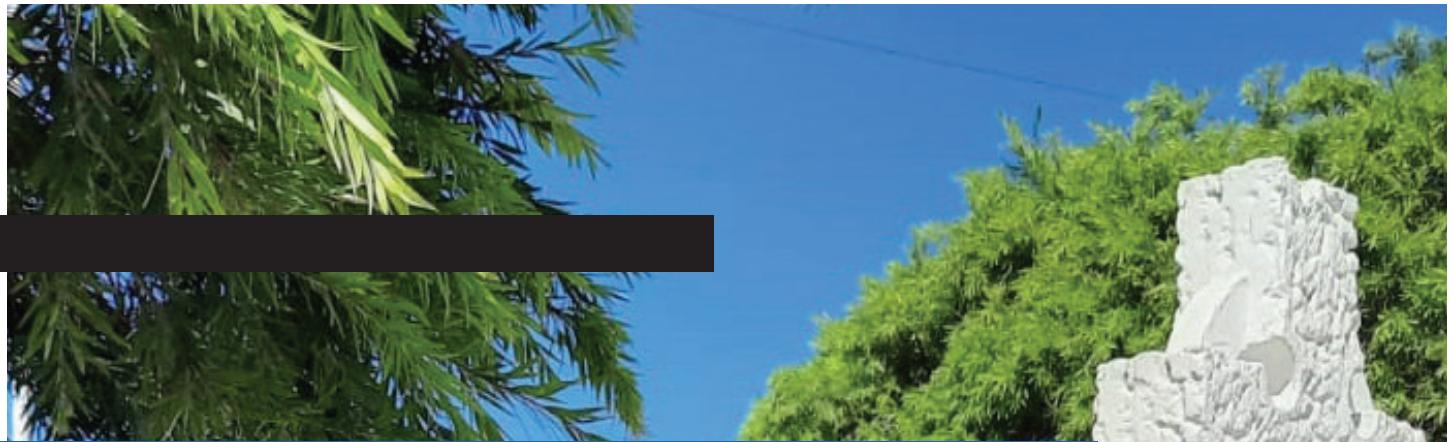
ANNUAL REPORT 2020

JANUARY - DECEMBER 2020

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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 1, 2020 to December 31, 2020 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 Act (2020 Revision) ("PMFA").

In particular, Section 44 (2) states:

(2) The report shall –

- state details of the entity's activities during the year;

- include a statement reporting all executive financial transactions that the entity administered;
- include the entity's financial statements for the year; and
- 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.



MESSAGE FROM THE PREMIER



The workings of Government may seem rote to many, but at the very core of what we do is the heart and soul of Government – the Cabinet Office; the men and women who help keep our mission in focus.

In addition to the support provided to Government Ministers and other members of the Cabinet in facilitating weekly Cabinet

meetings, the Cabinet Office also plays an important coordinating role within Government and helps ensure that all of government works efficiently and effectively.

There have been a number of significant achievements over 2020, including the following:

- Met with a cross ministerial team including the Chief Medical Officer, Health Ministry, Health Services Authority, Customs and Border Control, Port Authority and others to discuss readiness for the possible arrival of COVID-19 to the Cayman Islands and our response to control and suppress COVID-19 when it did arrive.
- Travelled to London to meet with Baroness Sugg, Sir Edwards Lister and HRH Prince Charles.
- A virtual meeting of the Legislative Assembly was held in April so Government could pass several pieces of legislation to support the Cayman Islands' response to the COVID-19 pandemic,

- including changing the National Pensions Act to allow for persons in need to access a portion of their pension.
- The Immigration Law was amended to permit persons to continue working and living in the Cayman Islands while work permit applications were not able to be processed.
 - The first cohort of the Cayman Islands Regiment graduated.
 - The Order of the Cayman Islands Society of Honours was instituted.
 - Renaming of the Cayman Islands Legislative Assembly to Parliament.
 - Amendments to the Cayman Islands Constitution were approved by the United Kingdom Government assure that the Cayman Islands has the ability to make its own decisions about key issues affecting our Islands.
 - Cabinet approved a National COVID-19 vaccination plan.
 - Passed amendments to legislation to help ensure that the Cayman Islands remain at the forefront of compliance with global standards to prevent and detect money laundering and terrorist financing.
- As always, none of this could be done without this professional, diligent, and outstanding group of people who make up the Cabinet Office and I'm grateful for their effort and dedication in delivering the very best for the people we serve.
- I encourage you to read this report, which provides a wealth of information about the work carried out by the Cayman Islands Cabinet Office.

**HON. ALDEN MCLAUGHLIN,
MBE, JP, MLA**

PREMIER

MESSAGE FROM THE CABINET SECRETARY



I am pleased to join the Honourable Premier in providing the Annual Report for the Cabinet Office for the year ending 31 December, 2019. 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 departments, offices, and units within the Cabinet Office play an essential role in the effective development,

coordination, implementation, and communication of the Government's policies through the provision of support and advice to our decision-makers to enable them to work on behalf of the country.

Every year, the work of the Cabinet Office has a tremendous impact domestically, regionally, and internationally. In 2020, we began the year with one plan; however, life as we all knew it would change forever within a matter of weeks. When faced with the greatest public health threat to our islands and the world in over a century, our dedicated staff, appointed bodies and volunteers, together with our partners across the public sector demonstrated remarkable agility and adeptness as our response to COVID-19 pandemic became the national priority.

During my 17-year career in the public service, I have witnessed many shining, unforgettable moments for our team and the proudest moment to date lasted for days, weeks, and months on end as we tirelessly worked to deliver on the Government's

priority: protect the lives of the people of the Cayman Islands from the ravages of COVID-19. By being positioned in the beating heart of Government, every team within the Cabinet Office was required to be involved in the COVID-19 response and our staff made incredible sacrifices, adapted to challenging circumstances, and were innovative in the ways we worked and served. The unwavering commitment and absolute dedication shown by the Cabinet Office team undoubtedly impacted the lives of every person in the Cayman Islands and many around the region and the world.

Over the past two years, we have made several strategic investments including in the modernisation of Government's communications. During the height of the pandemic, the immeasurable value of our robust communications engine was evident and proved to be mission-critical in saving lives, and the efficient, digital delivery of customer-centric operations was crucial to the continuity of Government services.

In 2019, the Cabinet Office established mechanisms for the development and coordination of

Government Policy, encouragement of innovative policymaking and creativity, and the provision of policy oversight. The constantly evolving circumstances in the middle of a crisis necessitated quality support in this regard, and the nexus of policy and communications was indeed vital to success of our overall response to the COVID-19 pandemic.

2020 was an extraordinary year and our team worked tirelessly to respond to the global crisis that stood before us. We faced the challenge together and resolved to serve the people of the Cayman Islands. I am truly blessed to lead a team of talented, committed professionals and take this opportunity to thank each of them and their families for their contribution, service, sacrifice and dedication to our beloved Isles Cayman.

SAMUEL ROSE, CERT. HON., 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 National Council for Persons with Disabilities and the National Council of Older Persons, the Council for the Order of the Cayman Islands, along with administrative support to the Utility Regulation and Competition Office URCO / OFREG, a statutory authority) in accordance with the Utility Regulation and Competition Act.





THE DEPARTMENTS AND UNITS WITHIN ITS REMIT INCLUDE:

- Office of the Premier
- Cabinet Secretariat & Appeals Secretariat
- Department of Communications
 - Strategic Communications
 - Government Information Services
 - Internal Communications
- Radio Cayman
- Policy Coordination Unit
- Information Rights 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
- Council for the Order of the Cayman Islands

WHAT WE DO

1. Support for the Cabinet by coordinating the collection and dissemination of information regarding the decisions of the Cabinet.
2. Develop, coordinate and monitor the policy initiatives of the Government (such as the Cayman Islands Disability Policy and Cayman Islands Older Persons Policy).
3. Provide secretarial, administrative and policy support for The Premier.
4. Provide for the support of Government agencies in communicating proactively and responsively with the public, utilising the mass media as primary partners.
5. Develop and manage internal communication and engagement campaigns and channels to keep civil servants informed, drive high performance, support organisational change, and to help achieve Government's and departmental objectives.
6. Provide leaders with high quality, relevant internal communication and engagement advice and interventions based on audience insight.
7. Facilitate training and capacity building for managers across the civil service so they are confident communicating with staff.
8. Connect people, promote collaboration and build Civil Service morale by sharing a strong strategic narrative about the Cayman Islands Government and





its purpose, embed values, solicit feedback, and promote organisational integrity.

9. Provide advice, training and coordination of services through the management of formal and informal Government ceremonial, protocol and diplomatic events and activities.
10. Facilitate the further administration of freedom of information and data protection coordination.
11. Provide 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.
12. Facilitate policy training and networking for senior and mid-management civil servants, Statutory Authorities and Government Companies through a community of practice in order to advance
13. Enhance the reputation of the Cayman Islands through the promotion of Cayman Islands policies and businesses to governments, individuals, international agencies, organisations and the media.
14. Gather information about the political and economic environment in the region and internationally to advise the Premier on relevant developments.
15. Provide secretariat support to the Immigration Appeals Tribunal and the Refugee Protection Appeals Tribunal pursuant to the Immigration Act and the Customs and Border Control Act.
16. Provide secretariat services to the Council of Older Persons and the Council for Persons with Disabilities in accordance with the relevant legislation and policies.
17. Provide administrative support to the Utility Regulation and Competition Office (OFREG) in accordance with the Utility Regulation and Competition Act.

the profession of policy practitioners and the delivery of effective public policies.

STRATEGIC OVERVIEW

THE KEY STRATEGIC OWNERSHIP GOALS FOR THE CABINET OFFICE IN THE 2020 FINANCIAL YEAR WERE AS FOLLOWS:

1. The establishment of mechanisms to improve the development, implementation and monitoring Government Policy, encourage innovation and creativity in policymaking, and identify and oversee policy which encompasses a number of Ministries and Portfolios.
2. Facilitate the completion of any further constitutional review exercises in accordance with the timetable set by the Government.
3. Create greater administrative efficiency to ensure that all services to Government agencies are provided in a timely, quality-oriented, customer focused, efficient and effective manner.
4. Administer Freedom of Information and Data Protection across Government departments.
5. Improve Radio Cayman's competitiveness in the market and eventually become self-funded.
6. Actively contribute to the community's development by providing opportunities for members of the community to become more involved and informed. Accordingly, improve Radio Cayman's 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.
7. Advance the changes required under the Disabilities (Solomon Webster) Act in order to improve the lives of people with disabilities.
8. Implement the immediate priorities in the Older Persons' Policy, informed by the Older Persons
9. Improve the effectiveness of Government communication by implementing the Communications Strategy and Plan for the Civil Service which is informed by and supports agreed policy objectives for the Cayman Islands Government.
10. Actively contribute to the community's development by providing opportunities for members of the community to become more involved and informed as to public sector policies, programmes and services.
11. Enhancement of internal communication channels and content as a tool to facilitate employee engagement.
12. Support for effective implementation of the 5-Year Strategic Plan for the Civil Service.

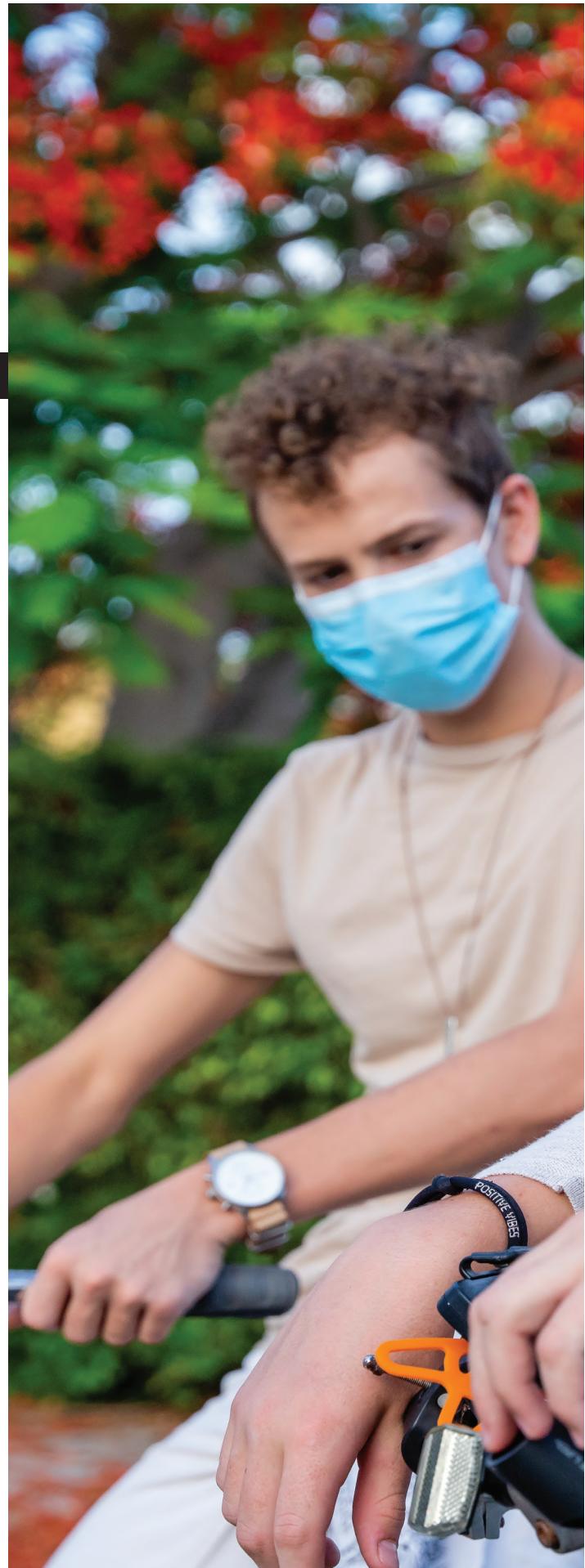
13. Support the vision of the Utility Regulation and Competition Office, which is: 'To be a leader in regulatory excellence, demonstrating our commitment to the public, to the companies we regulate, and our colleagues by building an environment of mutual respect, professionalism and diversity, while 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.

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



STAFF ACKNOWLEDGEMENTS

Our staff achieved some proud milestones in 2020, and were formally recognised for outstanding contributions and for exemplifying a World Class Civil Service.

The Cabinet Secretary was awarded a Certificate and Badge of Honour for meritorious services rendered during the COVID Pandemic and for services rendered to the Government and people of the Cayman Islands. The Governor also awarded Kristy Watler (Personal Assistant to the Cabinet Secretary) and Roy Tatum (Head of the Office of the Premier) a Certificate and Badge of Honour for meritorious service rendered during the COVID pandemic.

During 2020, the Cabinet Secretary recognized a number of staff for their long public service within the Cabinet Office. Paulette Larris Connelly-Bailey (Radio Cayman), Norma Rosemary McField (Radio Cayman), Martha Watler (Radio Cayman), and Jarrod Lawrence Coe (Radio Cayman) were all recognized for thirty-plus years of public service. Michelle Ann Connolly-Rivers (Cabinet Secretariat), Kim Ann Bullings (Cabinet Secretariat), and Susan Patricia Watson (Radio Cayman) were recognized for twenty-five-plus years

of public service. Lula Suzette Ebanks (Government Information Services), Donnalee Elizabeth Walton (Government Information Services), and Joel Wilson (Radio Cayman) were recognized for twenty-plus years of public service. Lastly, Jana Delina Pouchie-Bush (Office of the Premier), Jamie Dionne Stewart (Policy Coordination Unit), Donna Elizabeth Barrett (Cabinet Secretariat), Dionne Coryse Anglin (Radio Cayman), and Bhanumathi (Bina) Mani (Government Information Services) were all recognized for fifteen-plus years of public service.

DEPARTMENTS AND SECTIONS

The Cabinet Office is responsible for the delivery of some 19 outputs which focus mainly on the development, coordination and implementation of policy; support and advice to the Premier and the Cabinet; support for Tribunals; International tax undertakings; protocol services; marketing and communication; and Freedom of Information and data protection.

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 2020.

- On the 30th January the Premier, Deputy Premier and Minister of Health met with a cross ministerial team including the Chief Medical Officer, Health Ministry, Health Services Authority, Customs and Border Control, Port Authority and others to discuss readiness for the possible arrival of COVID-19 to the Cayman Islands.
- The Premier and a delegation travelled to London in February for a series of meetings. The group met with Baroness Sugg, the new Minister with Responsibility for the Overseas Territories and Sustainable Development in the Foreign and Commonwealth Office. They also met with Sir Edward Lister, Chief of Staff to the Prime Minister. Whilst in England, the group travelled to Highgrove to meet with HRH Prince Charles. The meeting focused on a Cayman Islands based “Blue/Green Fund” Initiative that was introduced to the Prince when he visited the Cayman Islands in 2019. The fund is aimed at providing financing to Blue/Green projects in the Caribbean.
- The Premier delivered a “state of the nation” address at the annual Royal Fidelity Cayman Economic Outlook at the beginning of March. Already the warning signs of the impact of COVID-19 on the tourism sector were beginning to be felt with a few planned visits from cruise ships cancelled as the Cayman Islands tried to remain infection free. The Premier confirmed that Cabinet had agreed to a duty waiver on all hand sanitisers, protective facial masks and surgical gloves. He also confirmed that the National Emergency Response Operation Centre had been activated to co-ordinate all the necessary planning and activities.
- With confirmation of the first COVID-19 infected person and subsequently his death and the impact on Health City Cayman Islands, on 13th March, Government banned cruise ships for 60 days, closed educational facilities, cancelled the final day of the inter-primary sports day, and implemented a ban of not more than 50 persons at places other than supermarkets, medical facilities and pharmacies. Everyone was encouraged to work from home if possible. From the 22nd March, Cayman’s airports were closed for international passenger flights, excepting cargo, air ambulances and repatriation flights.
- On 24th March, the Premier announced that the Cayman Islands would go into lockdown for 58 hours. No-one was to leave their home except the most essential people. The Government decided to take this drastic measure to try to prevent any further community transmission of COVID-19. This full lockdown was followed by a curfew from 7:00 pm – 5:00 am, as only essential tasks to be carried out during the day; masks were required for supermarkets; and essential travel to public places was restricted by “last name day”.

- On 27th April, the Legislative Assembly met with some MLA's participating virtually. The sitting was necessary to enable Government to pass several pieces of legislation to support the Cayman Islands response to COVID-19 including changing the National Pensions Law to allow for persons in need to access a portion of their pension. The Immigration Law was also amended to permit persons to continue working and living in the Cayman Islands while work permit applications were not able to be processed.
- From the 15th May, restrictions began to be lifted- boating was permitted for the purpose of fishing; beaches reopened on the 16th May; and the construction sector began to slowly return to work; and curfew was shortened from 8:00 pm to 5:00 am. At the beginning of June, bars and restaurants re-opened, public transport resumed, and going to the beach and boating were allowed without restrictions. On the 21st June, curfew was lifted and the emphasis shifts from Stay Home Cayman to Stay Safe Cayman.
- At the end of July, the Premier brought the Domestic Partnership Bill 2020 before the Legislative Assembly, noting this was the most contentious issue that he had known since he arrived in the House almost 20 years earlier. Unfortunately the Bill didn't succeed, and in August HE the Governor utilised the Governor's Reserve Power under Section 81 of the Constitution. The result was that in early September (after a 21 day consultation period) the Domestic Partnership Bill became law.
- In August, the Premier attended the Regiment Passing out Parade, he welcomed 51 men and women as the first official members of the Cayman Islands Regiment. The Regiment is something that the Premier has been lobbying for since 2005 after seeing the support provided by the Bermuda Regiment following the passage of Hurricane Ivan in September 2004. The aim of the regiment is to provide humanitarian assistance and disaster relief both in the Cayman Islands and the region.
- In October, the Premier announced in the Legislative Assembly the revival and relaunch of the Order of the Cayman Islands Society of Honours. The granting of Honours is a lasting and tangible way for a Country to pay tribute to those who exemplify the greatest qualities of citizenship and whose contributions enrich the lives of their community. The nomination period was open until the 27th November, 2020, with the first recipients to receive their awards at National Heroes Day 2021.
- On the 2nd November, the Cayman Islands became the third overseas territory to have a Parliament, as the Legislative Assembly was formally renamed. The Premier had successfully negotiated the constitutional changes that led to the renaming. Legislators are now referred to as Members of Parliament and Councillors as Parliamentary Secretaries.
- At the end of November, the Premier attended the UK and British Overseas Territories Joint Ministerial Council (JMC) virtually. JMC is the highest forum for political dialogue and consultation between the UK and elected leaders and representatives of the Overseas Territories for the purpose of providing leadership and promoting cooperation in areas of mutual interest.
- The Cayman Islands Constitution (Amendment) Order 2020, which the Privy

Council approved on 11th November 2020, came into effect on 3rd December, 2020.

- These amendments ensure that the Cayman Islands has the ability to take its own decisions about the key issues affecting our Islands. However, the amendments do not change anything in the fundamental relationship between the Cayman Islands and the United Kingdom.
- On the 5th December, the Premier attended an event of national significance as the Cayman Islands Parliament was opened. The change of the Legislative Assembly to become The House of Parliament is symbolic of the United Kingdom's recognition of Cayman's growing maturity.
- On the 10th December, the Premier announced that Cabinet approved a National COVID-19 vaccination plan that would begin once the vaccines began to arrive from the UK early in January 2021.

KEY BILLS PASSED DURING 2020

- During 2020, several bills were passed which implemented recommendations arising from the Caribbean Financial Action Task Force's Mutual Evaluation Report. These amendments are intended to ensure that the Cayman Islands remains at the forefront of compliance with global standards to prevent and detect money laundering and terrorist financing. Bills included Banks and Trust Companies (Amendment) Bill, 2020, Companies (Amendment) (No 2) Bill 2020, Limited Liability Companies (Amendment) (No 2) Bill 2020, Monetary Authority (Amendment) (No 2) Bill 2020, Mutual Funds (Amendment) (No 2) Bill 2020, Securities Investment Business (Amendment) Bill 2020, Trusts (Amendment) Bill, 2020 to name a few.
- Legislative Assembly (Management) Bill 2020- a bill for a law to provide for the independent management of the administrative functions of the Legislative Assembly.
- Domestic Partnership Bill 2020- a bill for a law to provide for domestic partnerships and for incidental and connected purposes.
- Defence Bill 2020- the bill provides for the governance and management of the newly established Regiment.
- The Cayman Islands Constitution (Amendment) Order 2020- amendments include changing the name of the Legislative Assembly to the Parliament, and strengthens the autonomy of the Cayman Islands legislative body.
- Legal Services Act 2020 - repeals and replaces the Legal Practitioners Law (2015 Revision); to establish the Cayman Islands Legal Services Board; to regulate the practice of Cayman Islands law; to provide for a system of legal education and to provide for a mechanism to deal with professional misconduct.

CABINET SECRETARIAT AND APPEALS SECRETARIAT

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.

Core functions include:

- Preparation and dissemination of Cabinet Agendas, Papers, Minutes and Decisions
- Issuance of Tax Exemption Certificates
- 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 Act and National Conservation Act.
- 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.

The Coordinator and the Secretaries of the Appeals Tribunal Secretariat provide administrative and secretarial support to the Immigration Appeals Tribunal (IAT) and the Refugee Protection Appeals Tribunal (RPAT) with the processing of appeals against the decision of the Director of WORC or the Director's designate and the Director of Customs and Border Control 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.

OVERVIEW OF KEY ACHIEVEMENTS AND HIGHLIGHTS DURING 2020

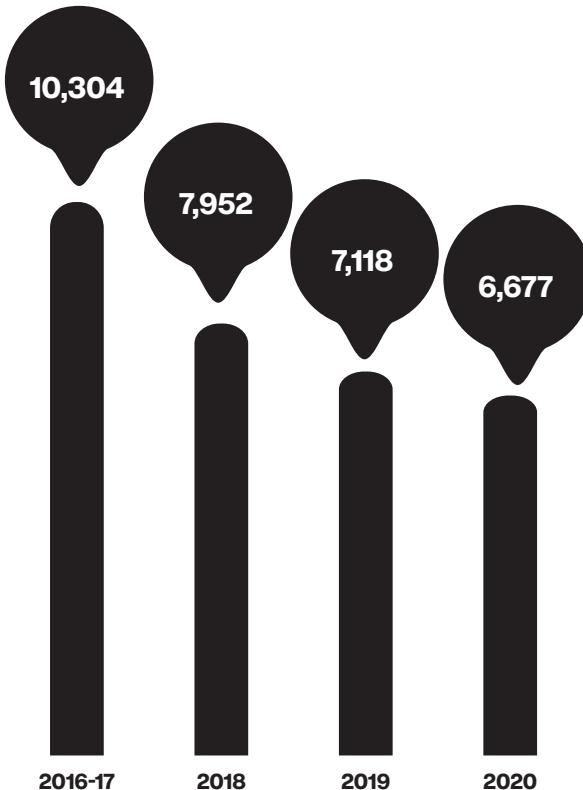
Forty-five (45) Cabinet meetings and five (5) National Security Council meetings were held in 2020. These meetings included numerous proposals to the Cabinet for their consideration and subsequent decision.

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.

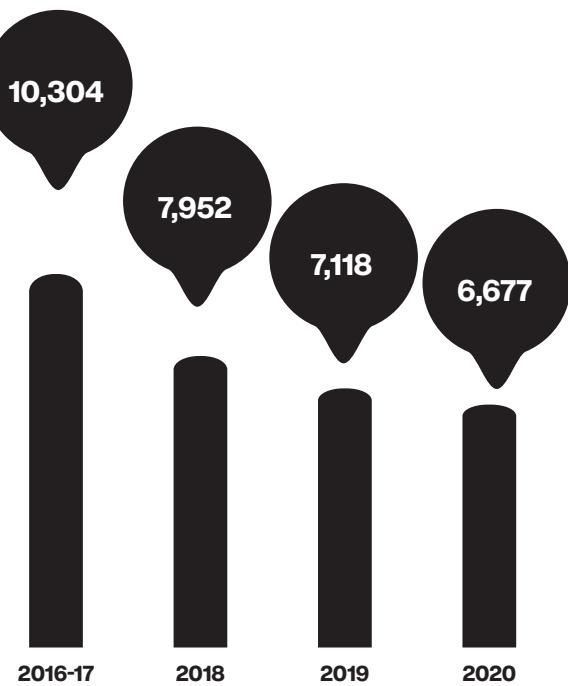
The Cabinet Secretariat also facilitates the issuance of Tax and Trust undertakings by way of Tax exemption certificates.

Tax exemption certificates protect Exempted Companies, Exempted Limited Partnerships, Exempted Trusts and Limited Liability Companies in the event that taxation is introduced to the Cayman Islands. In 2020, some 6,677 Tax Undertaking applications were processed which earned the Government some \$9.2 million.

NUMBER OF TAX UNDERTAKINGS PROCESSED BY YEAR



TOTAL REVENUE COLLECTED BY YEAR



In 2020, the Appeals Secretariat processed 308 Permanent Residence appeals, 13 Right to be Caymanian appeals, 1 Business Staffing Plans appeal, and 32 Work Permit appeals. The Secretariat also processed 18 Asylum appeals. Secretarial support was provided for 70 IAT meetings at which the Tribunal made final decisions on 175 appeals and deferred 26 appeals for further information. The Secretariat also organised training for the newly appointed members of the Refugee Protection Appeals Tribunal and proved secretarial support for 3 meetings.

Information about the Tribunals and the various appeals process can be found on the Cabinet Office website at www.cabinetoffice.gov.ky

IMMIGRATION APPEALS TRIBUNAL	2018	2019	2020
Awaiting Appeal Statement	93	56	16
Awaiting Detailed Grounds from Appellant	97	29	55
Awaiting Change of Circumstance from Appellant	26	0	17
To be Scheduled	129	167	65
Deferred awaiting response	30	28	26
TOTAL ACTIVE APPEALS:	375	280	179

COMMUNICATIONS

The Director for Communications within Cabinet Office worked with Chief Officers and Communications Leads across Ministries and Portfolios to develop the Government Communications Plan 2020-2021.



GOVERNANCE AND SCOPE OF ACTIVITIES

THE DIRECTOR OF COMMUNICATIONS

for the Cayman Islands Government (CIG) leads on communications strategy, reputation management, and communications improvement, and acts as Head of Profession for all public communicators.

The Government Information Service, Internal Communications and the Strategic Communications Unit report into the Director of Communications.

GOVERNMENT INFORMATION SERVICES (GIS) supports reputation management for the Cayman Islands Government and disseminates information about the work of Government so as to promote engagement with Government

priorities and maintain Government's relationships with its various audiences. GIS also manages the Gazette which is the official public sector newspaper, and the department's major revenue earner. The Official Gazette Act (1997 revision) and Gazette Regulations (1995 revision) detail the governance of the Cayman Islands Gazette.

THE INTERNAL COMMUNICATION & ENGAGEMENT UNIT works in partnership with leaders and business teams to engage staff in delivering on Government priorities and support organisational and cultural change. Its remit includes developing and managing campaigns, channels and content; providing relevant advice and interventions; and building capacity for effective internal communication across the entire Civil Service in other ways.

THE STRATEGIC COMMUNICATIONS UNIT leads and delivers on cross-government priority campaigns identified in the Cayman Islands Government Communications Plan. It also manages improvement of government channels and social media policy, and provides best practice guidance and support.

KEY ACHIEVEMENTS AND HIGHLIGHTS DURING 2020

STRATEGY DEVELOPMENT & IMPROVEMENT

The Director for Communications within Cabinet Office worked with Chief Officers and Communications Leads across Ministries and Portfolios to develop the Government Communications Plan 2020-2021. Approved in August 2020, a progress report on the plan was provided to Cabinet in December 2020.

A 2020 Communications Tracker public survey was commissioned and a COVID-19 Vaccine survey was launched on GOV.KY in order to inform government communications strategies and tactics. These surveys pointed to high levels of public satisfaction with communications outputs, and gave insight as to where further improvements could be targeted. The performance of social media and other channels were tracked throughout the year and this analysis contributed

towards a better understanding of the 18-24 audience segment. The department is continuing to improve its content across all outputs with "lessons learned" reviews after major events.

CRISIS COMMUNICATIONS

2020 was an extraordinary year for crisis communication with an earthquake in January, a severe landfill fire in February, and then the Covid-19 pandemic in tandem a very active Hurricane season.

▪ **Covid-19**

The Joint Communications Service (JCS) was activated in February 2020 in light of COVID-19 in order to raise awareness of government policy; encourage public action; and to share measures for economic and social continuity. Chaired by the Director of Communications, the Chief of

Government Information Services /and or the Chief of Internal Communication & Engagement, JCS met daily for 3.5 months.

CIGTV produced over 65 COVID-19 live press conferences across various channels in 2020 – with viewers of over 40,000 people for many of these conferences. The produced 1.25 minute shareable filmed video and animations, and the graphics team provided world-class engaging content to support critical public information. The team also managed SMS messages to the public along with external signs such as bus shelters, road side electronic signage, and traditional advertising and printed material.

The Department of Communications worked closely with Radio Cayman to deliver Public Service Announcements using local relatable voices.

The Strategic Communications Unit built the www.exploregov.ky/coronavirus for COVID-19 from scratch. Starting out as one page, the website now has over 70 pages. Using search engine optimisation (SEO) and the latest end-to-end digital marketing techniques, the team made sure the website ranks #1 for searches for COVID-19 in the Cayman Islands. The website receives around 200,000-500,000 visits a month. To date, this is the highest traffic CIG site.

Organic (the entire social media schedule) and paid digital, deploying programmatic ads on Facebook and Google Ads were activated, coupled with live-tweeting COVID-19, these updates increased transparency.

The Internal Communications unit assisted with policy, signage and engagement activities for Civil Servants re-entry to the physical workplace as

well as the CIG Cares Initiative. The unit implemented a COVID-19 resource section on the Hub, introducing live video of press conferences to the Hub and led the on-going COVID-19 documentary and photography project. The unit revamped the Hubdate newsletter for a new-look which features government priorities and increased its frequency of publication during the COVID-19 emergency period.

As part of the crisis response, a Rapid Response unit was established to dispel rumours, fake news, misinformation and disinformation. This function continues now beyond Coronavirus.

The work of the Communications Department was praised by the Government and Opposition at the Public Accounts Committee held in October 2020.

▪ **Hurricane Delta & Eta**

JCS also provided 24/7 communications support for Hurricanes Delta & Eta and integrated weather bulletins through Facebook and Gov.ky channels, and updated content to begin to provide more impacts based advice to citizens.

CAMPAIGNS

The Safer Cleaner Greener campaign continues to showcase government investments, raise awareness and encourage participation in initiatives that drive positive behaviours to continuously make the Cayman Islands the best it can be. Partners include - Ministries of Health, Environment, Housing and Culture (HECH), Education, Youth, Sports, Agriculture and Lands (EYSAL) Commerce Planning and Investment (CPI), and the RCIPS.

The Skills4Life campaign launched in 2020 supports Employment Opportunities for Caymanians to learn new skills so as to

improve job choices and provide rewarding careers and make a strong contribution to our society. Partners include - Ministry of Education (EYSAL), Employment and Border Control (E&BC) District Administration Tourism and Transport (DATT) and the Portfolio of the Civil Service (POCS).

The department supported a range of other initiatives Waste Management, Cyber Security, Experience Cayman, CI Regiment, NiCE, Older Persons Centre, Parliament Bills and activities, and constitutional reform.

REPUTATION MANAGEMENT AND ENGAGEMENT

The weekly communications planning meeting ('Grid' meetings) is chaired by the Director of Communications and attended by communications leads for Office of the Premier, Internal Communications, Strategic Communications, GIS, Ministry of District Administration, Tourism, and Transport, Ministry of Financial Services and Home Affairs, Workforce Opportunities and Residency Cayman, Ministry of Education, Youth, Sports, Agriculture, and Land, and Ministry of Commerce, Planning and Infrastructure, continues to manage short term PR opportunities and challenges, with a summary of PR activity and issues provided to Ministers on a weekly basis.

In partnership with the Computer Services Department, the department launched GOV.KY as the official source of Cayman Islands Government news and information. A new announcement bar on the site allows for site-wide notices. User insights are collected from the feedback button and "Contact Us" form. There were 5,668,463 page views on www.gov.ky in 2020, making it the highest trafficked gov.ky site.

Bi-weekly stand up meetings were established in 2020 to improve content

scheduling. The Department procured a monitoring tool to provide comprehensive media monitoring and alerts across all print, broadcasting, and online media.

The use of a social media scheduling platform and engaging content in 2020 saw an increase of followers, engagement, clicks, shares and comments across the board (22,000 fans on Facebook (7,000+ increase), 8,100 followers on Twitter (2,300 increase), 5,100 followers on LinkedIn (a 4,100 increase).

There were a record number of further channel improvements including:

- Frequently Asked Questions (FAQs) on the Coronavirus website;
- An intro/outro segment for CIGTV;
- A sign language moderator;
- Closed captions on live TV (previously only available on YouTube/FaceBook);
- Loud speaker announcements;
- Front-end submission of events via Time.ly;
- The use of SMS to promote key messages;
- Frequent press conferences;
- What's App voice notes;
- The use of influencers to promote key messages;
- Direct links to Radio Cayman and CIGTV on www.gov.ky newsroom;
- Happy or Not (Hotjar) Feedback on websites;
- The curation of top stories on the news overlay;

The Internal Communications Unit strives to engage staff in delivering on Government priorities and support organisational and cultural change. This year, the unit supported the 2020 CIG engagement survey which resulted in a 9% increase in participation and a 2% increase in engagement. Projects led by the team include CIG branding and CIG Giving Tree initiatives. The Unit also supported 6 Senior Leadership Town halls and 3 All Civil Service Meetings as well as the Innovation and Cyber Safe initiatives.

KEY ACHIEVEMENTS AND HIGHLIGHTS DURING 2020

STAFF PROFILE

The Department of Communications is headed up by a Communications Director (seconded from the UK Government Communication Service). She is supported by a Director's Assistant. 3 teams report into the Director.

The Strategic Communications Team consists of a Head of Campaigns, Channel Development Manager, and a Social Media Expert. This year, Cabinet gave approval to increase the headcount of this team to 7 people. Recruitment for a Junior Digital Marketing Officer, an Assistant Channels Marketer, an Insights Manager and a Campaigns Project Manager will commence in 2021.

The Internal Communications & Engagement Unit consists of a Chief Internal Communications Officer, with a team of two support officers.

Government Information Services has a staff count of 16, which includes the Chief Information Officer, three employees in the administrative/Gazette unit, three in graphics, five communications specialists and five in video unit. Cabinet gave approval to add two additional positions to this team including a Senior Communications Specialist and a Junior Graphic Designer.

TRAINING

All public communications staff were offered the following training opportunities:

- Social Media & Disinformation (Feb 2020);
- Disinformation Online Panel (Feb, 2020);
- Reaching the 18-24 Audience Group (May 2020);
- Social Media (Policy, tips & tricks) (June 2020);
- Activating Influencers to drive Key Messages (Sept 2020);
- Increasing Engagement on Social Media (October 2020); and
- How to create a productive client-agency relationship Panel (November 2020).



RADIO CAYMAN

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

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. The station

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 45th 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 relevant legislation.

OVERVIEW OF KEY ACHIEVEMENTS AND HIGHLIGHTS IN 2020

In 2020, Radio Cayman celebrated its 44th 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.

Due to the COVID-19 pandemic, the way of delivering some programmes changed from in person to remote. The host of the daytime Talk Show delivered the programme from his home via an IP broadcast link and guests were interviewed via telephone.

Radio Cayman increased its output of critical information related to COVID-19 in the form of extended newscasts; public service announcements; interviews with government and medical personnel; and airing the daily press briefings during the period of lockdown, as the COVID-19 suppression plan was executed.

Radio Cayman's talk shows continue to give members of the public an opportunity to voice their concerns, feel connected and give feedback especially during the period of lockdown during 2020.

POLICY COORDINATION UNIT

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.

OVERVIEW OF KEY ACHIEVEMENTS AND HIGHLIGHTS DURING 2020

In 2020, the PCU continued to coordinate and manage the Community of Practice for Policy Practitioners ('CPPP'). Based on the ongoing experiences with the global pandemic of COVID-19, the CPPP provided webinar training opportunities for public servants to develop the mindset and capability of working in the uncertainty and ambiguity of a crisis in order to provide key-decision makers with impartial advice. Additionally, the PCU facilitates training, capacity building and networking opportunities for senior and mid-management across the public servants on policy development 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 Act 2017, and the National Council for Persons with Disabilities in accordance with the Older Persons Act, 2017 and the Disabilities (Solomon Webster) Act 2016.

INFORMATION RIGHTS UNIT

NATURE & SCOPE OF ACTIVITIES

This Unit leads on Freedom of Information 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 our work, we partner with senior leaders and teams across the public sector to champion and support:

- appropriate and balanced disclosure of government information to promote transparency, accountability and public

OVERVIEW OF KEY ACHIEVEMENTS AND HIGHLIGHTS DURING 2020

While the COVID-19 pandemic significantly disrupted planned activities - not least because both team members were redeployed to critical response efforts for a significant portion of the year – the Unit rose to the challenge and advanced or completed a number of critical projects while continuing to provide a high level of service to internal customers.

The Unit's capacity building programme was most impacted by public health measures that restricted gathering in person and made it impossible to deliver the planned number of proactive training and awareness sessions. However, public sector colleagues requested support and assistance at a much higher rate this year, significantly increasing that deliverable compared to last year and leveraging the qualified personnel in our central team to advise public servants on key considerations.

- participation in national decision making; and
- the ethical use of personal data by public sector entities to build and maintain public trust and to promote efficiency and effectiveness in public policies, programmes and services.

This central coordination effort provides critical support to Chief Officers, Heads of Department and Heads of Statutory Authorities and Government Companies as they seek to continuously improve operations and demonstrate accountability to the people they serve. The Unit also work closely with Information Managers, process owners, managers of teams, and heads of professional or functional areas that also have inter-ministerial responsibilities.

With a focus on Government priorities and supporting colleagues across the public service to be more effective in their Information Rights practice, the key policy and standard reviews were as follows:

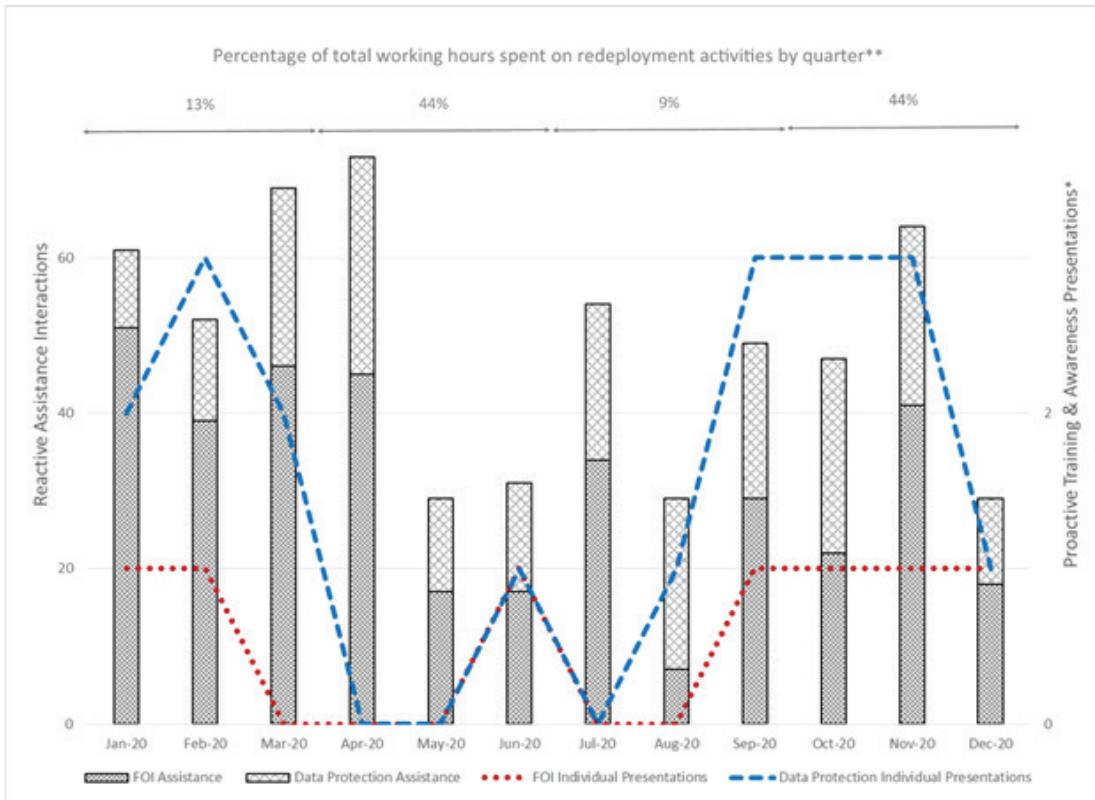
- Supported the Ministry of Health and Health Services Authority by collaborating with key stakeholders to complete a Data Protection Impact Assessment and develop a Data Protection Policy and comprehensive Privacy Notice for the use of innovative monitoring technology for travellers arriving during the COVID-19 pandemic. The Quarantine at Residence Programme was piloted in September 2020 and rolled out to arriving travellers the next month as part of a multi-layered solution to support a cautious, phased opening of the borders. The

thorough and transparent approach sought to ensure compliance with the Data Protection Act, identified operational efficiencies, and boosted traveller confidence in the CIG's privacy practices.

- Supported the Honourable Attorney General to bring amendments to Regulations under the FOI Act for affirmative resolution in the Parliament. The Government Motion was unanimously approved on 16 December 2020 and an updated guidance note

to Information Managers was issued to describe the changes when they were implemented on 30 December 2020.

- Reviewed the FOI tracking and monitoring system used across the public sector to log requests and support workflows, collaborating with the Computer Services Department on a new release that would improve the user experience and provide functional improvements. At the end of the year, this version of the system was in the User Acceptance Testing phase of project delivery.



- *This graph shows all individual presentations that were personally delivered by staff of the Information Rights Unit throughout the year. The total (26 presentations) will not match output billing (16 sessions), which groups a series of the same presentation as one "session" for awareness activities. Output billing will also include self-paced online learning opportunities developed by the Information Rights Unit, which are also available to civil servants throughout the year but are not illustrated above.

- **These percentages have been calculated based on the total hours worked each quarter by the two employees of the Information Rights Unit, i.e. after deducting public holidays and time spent on leave. A significant proportion of annual leave was taken in the third quarter of the year, when redeployment hours plunged and Information Rights outputs were also relatively low compared to other quarters.

PROTOCOL OFFICE

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



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;
- Organising ceremonial events and official funerals;
- Offering airport and transport courtesies to Government officials;
- Providing Protocol and Etiquette training for Government entities and community groups;
- Managing Quincentennial Square; and
- Managing the National Symbols permissions process.

OVERVIEW OF KEY ACHIEVEMENTS AND HIGHLIGHTS IN 2020

The year commenced with the annual National Heroes Day Celebration in January – honouring the pioneers of the first written Constitution in collaboration with Celebrate Cayman in which Mr. AJ Miller, the last living Vestryman, was recognised and awarded. February followed with the annual Agricultural Show where airport and transport courtesies were provided for a delegation of dignitaries from Jamaica.

HANDLING PROTOCOL MATTERS THROUGH COVID-19

As the country went into the lockdown period from March to June, the Protocol Office had to evaluate how to deliver services and organise ceremonial events and proceedings. The National Symbols permissions process became a key focus throughout the lockdown period and a working group consisting of persons from Internal Communications and GIS was formalised to assist with the review of applications.

In May, the Flag Lowering, Lying in state and official Funeral for Mrs. L Esterleen Ebanks was held during the lockdown period and procedures were amended to coincide with the Covid-19 regulations at that time. However, in December the procedures and arrangements were not heavily affected for the ceremonial proceedings for the passing of Mr. John Jefferson Sr.

Conversely, parades and ceremonial events were impacted by the global pandemic. For the first time the Queen's Birthday parade and celebration were not held and instead substituted with a rebroadcasting of the Queen's visit to the Cayman Islands in 1994, made possible through the assistance of GIS and the National Archives. The Remembrance Sunday ceremony and parade were also affected due to the vulnerability of the Veterans; an intimate wreath laying ceremony and moment of silence was shared by the Veterans Association, dignitaries and special guests.

PROTOCOL GUIDANCE AND ASSISTANCE GIVEN

Though it has been an interesting year there were triumphs in the services offered and assistance given despite the ongoing pandemic. The Protocol Office was able to provide several trainings sessions to a range of community groups, Government entities,

Protocol drivers and volunteers, as well as Protocol liaisons and drivers in Cayman Brac. Assistance was also given to the Cayman Islands Regiment who held their very first Passing Out ceremony in August. Support continues to be provided to the relaunching of the Order of the Cayman Islands and its appointed Council members. Even though the year did not have many Official visits, conferences or meetings, the Protocol Team utilised this year for training, support and guidance in order to strengthen the understanding of Protocol for all of its customers.



CELEBRATE CAYMAN

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 took place over a two year period from May 2018 – July 2020.

KEY ACHIEVEMENTS

CONSTITUTION ANNIVERSARY CELEBRATIONS CONTINUE

In January, the Vestrymen and Justices of the Peace who were instrumental in the creation of the Cayman Islands' first written constitution were honoured at the 2020 National Heroes Day ceremony, as the national event's theme was "Celebrating our first written Constitution." In addition, the women who petitioned for the right to vote in the Cayman Islands – a right that was granted 60 years ago in December 1959- were recognised and celebrated. In particular, the first four women who stood for public office, dubbed "The Phenomenal Four", were recognised for their contributions to the advancement of women in the Cayman Islands, politically and otherwise. Celebrate Cayman again partnered with the Cayman Islands National Museum to curate an exhibit which took a closer look at our Constitution and its history. The exhibit was on display at the 2020 National Heroes Day celebrations.

CELEBRATE CAYMAN PIVOTS IN RESPONSE TO COVID-19*

In March, Celebrate Cayman, in partnership with the Ministry of Culture, launched the COVID-19 Jingle Open Call – an opportunity for musicians (of all levels) to be creative in the time of the coronavirus crisis. During times of crisis, beyond the concerning headlines, bright spots often emerge through bursts of artistic activity. In an effort to stimulate local creativity and talent while planting seeds of financial support during this very difficult period, this initiative encouraged musicians to engage their talents to produce a jingle which will help to connect the Cayman Islands Government with the local community in a creative and uplifting manner as we

prepared for COVID-19. The submitted jingles covered many genres, displayed collaboration, and were a fine example of the creativity to be found here in the Cayman Islands. A total of 101 submissions were received.

In June, Celebrate Cayman, in partnership with the Department of Children and Family Services, launched "Come Catch Up!", a programme that would allow facilitated and managed video chat sessions with seniors (that are able) so that they can engage with, see each other, and virtually get together every so often. The COVID-19 pandemic has affected the mental health and well-being of many. Over the first few months of the pandemic and with related restrictions in force, it became apparent that some of our seniors were beginning to experience a period of depression and were feeling quite isolated. It also became clear that, for their own health and protection, seniors would need to limit physical interactions with others for an extended period. In light of this and in the spirit of celebrating and building community, Celebrate Cayman and the Department of Children and Family Services teamed up to develop a program that supported our seniors through positive, shared, online experiences. Topics of discussion for each session were predetermined and mostly of a historical nature - a subject seniors particularly enjoy. Session topics included: traditional foods, memories from school days, Caymanian sayings, and handling the realities of the pandemic. The sessions were recorded for posterity.

LOOKING AHEAD TO 2021

In September and October, the Celebrate Cayman team provided support in establishing the framework for the 2021 National Heroes Day awards categories.

Together with the Ministry of Culture and the Protocol Office, Celebrate Cayman engaged with representatives of the Cayman Islands Seafarers Association to identify and outline the areas of recognition that would truly capture the most exceptional contributors to seafaring. During this time, the early foundation for the 2021 year of celebrations was laid and dialogue with the seafaring community was critical to this.

A HOUSE RETITLED PURSUANT TO THE CAYMAN ISLANDS CONSTITUTION (AMENDMENT) ORDER 2020

Celebrate Cayman in collaboration with the Office of the Premier and the Parliamentary Offices, organised the State Opening and Inaugural Activities of the Parliament of the Cayman Islands and Legislative Assembly Retitling celebrations. Pursuant to the Cayman Islands Constitution (Amendment) Order 2020, the Legislative Assembly was retitled as Parliament on Friday, 4 December 2020. The celebration was held to commemorate this milestone in our democracy. Due to COVID-19 restrictions and venue capacity, the event was largely attended by invited guests including representatives from the local business, non-profit, and religious communities; senior civil servants; and family and friends of the Members of Parliament. Highlights of the celebration included congratulatory messages from overseas territories and regional leaders, the unveiling of the new building signage and plaques, and reclassification of Members of the Legislative Assembly to Members of Parliament and the formal constitutional recognition of ministerial Councillors as Parliamentary Secretaries. The proceedings were streamed live on CIGTV, CIG YouTube and CIG Facebook channels as well as on Radio Cayman Breeze for the general public to tune in.

LEGAL FRAMEWORK

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

- Immigration Act
- Immigration Regulations (various)
- Customs and Border Control Act, 2018
- Tax Concessions Act, Trusts Act, Exempted Limited Partnerships Act and Limited
- Liability Companies Act
- Firearms Act
- National Conservation Act
- Public Management and Finance Act
- Public Service Management Act
- The Procurement Act
- Freedom of Information Law
- Data Protection Act
- Cayman Islands Constitution Orders 2009 to 2020
- Coat of Arms, Flag and National Song Act
- Older Persons Act
- Disability (Solomon Webster) Act
- Public Authorities Act

INTERNAL & EXTERNAL AUDIT UPDATES

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

CONTACT INFORMATION

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Emails: Appeals Tribunal matters IAT@gov.ky
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Tel: (345) 244-2254
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Grand Cayman KY1-9000
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RADIO CAYMAN

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GOVERNMENT INFORMATION SERVICE

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CELEBRATE CAYMAN PROJECT TEAM

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Grand Cayman KY1-9000
Emails: celebratecayman@gov.ky
Website: www.celebratecayman.ky/contact



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020





GOVERNMENT OF THE CAYMAN ISLANDS

CABINET OFFICE

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2020**

CABINET OFFICE

Financial Statements for the year ended 31 December 2020

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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 Act (2020 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 Act (2020 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 2020.

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 2020;
- (b) fairly reflect the financial position as at 31 December 2020 and performance for the year ended 31 December 2020;
- (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
Cabinet Secretary & Chief Officer, JP

Date 28 April 2021

Krista Seymour-Mohammed
Chief Financial Officer

Date 28 April 2021

AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of Cabinet Office

Opinion

I have audited the financial statements of Cabinet Office (the "Office"), which comprise the statement of financial position as at 31 December 2020 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year ended 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 11 to 37.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Office as at 31 December 2020 and its financial performance and its cash flows for the year ended 31 December 2020 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

AUDITOR GENERAL'S REPORT (continued)

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.

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 Act (2020 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

28 April 2021
Cayman Islands

CABINET OFFICE
STATEMENT OF FINANCIAL POSITION
AS AT 31 December 2020
(Expressed in Cayman Islands Dollars)

GOVERNMENT OF THE CAYMAN ISLANDS STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020						
Prior Year Actua l CI\$000		Curren t Year Note	Original Budget CI\$000	Final Budget CI\$000	Variance (Original vs Actual) CI\$000	
	Current Assets					
5,189	Cash and cash equivalents	2	4,755	5,385	5,294	630
2,959	Trade Receivables	3	2,168	3,254	3,254	1,086
379	Other Receivables	3	379	9	9	(370)
23	Prepayments		48	3	3	(45)
8,550	Total Current Assets		7,350	8,651	8,560	1,301
	Non-Current Assets					
-	Trade Receivables			66	66	66
936	Property, plant and equipment	1(g)4	851	817	843	(34)
15	Intangible Assets	5	10	59	59	49
951	Total Non-Current Assets		861	942	968	81
9,501	Total Assets		8,211	9,593	9,528	1,382
	Current Liabilities					
0	Trade Payables	6	6	182	182	176
451	Accruals and other liabilities	6	516	142	142	(374)
9	Unearned revenue		51	5	5	(46)
302	Employee entitlements	7	362	75	75	(287)
15	Provisions	20	2	-	-	(2)
1,610	Repayment of surplus	8	203	2,194	2,194	1,990
2,387	Total Current Liabilities		1,140	2,598	2,598	1,458
	Non Current Liabilities					
-	Employee entitlements	7	-	145	145	145
-	Total Non Current Liabilities		-	145	145	145
2,387	Total Liabilities		1,140	2,743	2,743	1,603
7,114	Net Assets		7,071	6,850	6,785	(221)
	Equity					
6,928	Contributed Capital		6,885	6,664	6,599	(221)
186	Revaluation reserve		186	186	186	-
7,114	Total net assets/equity		7,071	6,850	6,785	(221)

The accounting policies and notes on pages 11-37 form an integral part of these financial statements.

CABINET OFFICE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 December 2020
(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						
9,680	Sales of goods & services	9	10,014	10,155	11,163	141
56	Investment revenue	10	6	-	-	(6)
9,736	Total Revenue		10,020	10,155	11,163	135
Expenses						
5,930	Personnel costs	11	6,748	6,317	7,065	(431)
3,223	Supplies and consumables	12	2,892	3,551	3,811	659
83	Leases	12	5	17	17	12
191	Depreciation and amortization	4 & 5	187	270	270	83
(7)	Litigation costs		(13)	-	-	13
9,420	Total Expenses		9,819	10,155	11,163	336
Other Gains/(Losses)						
(7)	Net gains on financial and non-financial instruments	13	2	-	-	(2)
309	Surplus for the year		203	-	-	(203)

The accounting policies and notes on pages 11-37 form an integral part of these financial statements.

CABINET OFFICE
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 December 2020
(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 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 11-37 form an integral part of these financial statements.

CABINET OFFICE
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

(continued)

	Note	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs Actual)
Balance at 31 December 2019		6,928	186	-	7,114	6,653	6,588	(461)
Prior Year Adjustments	1	-	-	(142)	(142)	-	-	(142)
Restated balance		6,928	186	(142)	6,972	6,653	6,588	(319)
Changes in net worth for 2020								
Equity Investment from Cabinet	4	99	-	-	99	197	197	98
Repayment of Surplus to Cabinet		-	-	(203)	(203)	-	-	203
Surplus for the year		-	-	203	203	-	-	(203)
Balance at 31 December 2020		7,027	186	(142)	7,071	6,850	6,785	(221)

Equity investments to the Cabinet Office during the financial year consisted of funds related to the purchase of computer and communications equipment, upgrades to studio equipment and building.

The accounting policies and notes on pages 11-37 form an integral part of these financial statements.

CABINET OFFICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Prior Year Actual		Actual Current Year	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>				
2,970	Sale of goods and services - third party	3,403	1,246	1,246	(2,157)
9,957	Outputs to Cabinet	8,712	8,909	8,909	197
58	Interest received	8	-	-	(8)
12,985	Total cash received	12,123	10,155	10,155	(1,968)
	<i>Cash used</i>				
(7,726)	Personnel costs	(8,611)	(6,317)	(6,317)	2,294
(3,552)	Supplies and consumables	(2,285)	(3,568)	(3,568)	(1,283)
(3)	Financing/interest expense	(2)	-	-	2
(11,281)	Total cash used	(10,898)	(9,885)	(9,885)	1,013
	Net cash flows (used)/ from operating activities	1,225	270	270	(955)
	Investing activities				
	<i>Cash used</i>				
	Purchase of property, plant and equipment	(99)	(197)	(197)	(98)
	Total cash used	(99)	(197)	(197)	(98)
	Net cash flow used by investing activities	(99)	(197)	(197)	(98)
	Financing activities				
	<i>Cash received</i>				
143	Equity Investment from Org 40	49	197	197	148
143	Total cash received	49	197	197	148
	<i>Cash used</i>				
(88)	Ministry Reorganization_1 May 2020	-	-	-	-
-	Repayment of Surplus to Org 40	(1,610)	-	-	1,610
	Total cash used	(1,610)	-	-	1,610
	Net cash flows from financing activities	(1,561)	197	197	1,758
	Net (decrease)/ increase in cash and cash equivalents held	(435)	270	270	705
1,641	Cash and cash equivalents at beginning of the year	5,189	5,114	5,114	(75)
3,548	Cash and cash equivalents at the end of the year	4,755	5,384	5,384	630

The accounting policies and notes on pages 11-37 form an integral part of these financial statements.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(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 Act (2020 Revision) (“the Act”) 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 2020.

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 2020 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 Authority’s financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 42 defined social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured.

Segment reporting has been included in accordance with IPSAS 18.

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

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

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.

(a) Reporting Period

The reporting period is the year ended 31 December 2020.

(b) Budget amounts

The original budget amounts for the fiscal year are as presented in the 2020 -21 Budget Statements and approved by the Legislative Assembly (Parliament) on the 5th December 2019. The Final Budget is adjusted for the budget amounts approved in the Parliament on the 28th October 2020 through a Supplementary Budget. This is highlighted in Note 17.

The budget period is understood to be a two-year period; and in the case of these financials, extends from January 1, 2020 to December 31, 2021. It is understood that any appropriation remaining at the end of fiscal year 2020, will be carried forward to be used in the 2021 financial period. These appropriations will lapse at December 31, 2021.

This is in accordance with the Public Management and Finance Act (2020 Revision) ("PMFA"); "an appropriation lapses at the end of budget period to which the Act by which the appropriation is granted relates".

(c) 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.

(d) 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.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(e) Prepayments

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

(f) 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.

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).

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(f) Property, Plant and Equipment (continued)

- 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

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).

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

- Copies of and extracts from leases.
- Architect scaled floor plans.
- Ministries and users / occupiers of operational property assets.

(f) Property, Plant and Equipment (continued)

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.
- 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.

(g) 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

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

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

(g) Employee Benefits (continued)

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

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

(h) 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.

(i) Expenses

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

(j) 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.

(k) 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.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(k) Financial Instruments (continued)

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.

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

(l) 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.

(m) 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

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(m) Foreign Currency (continued)

- 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.

(n) 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.

(o) Disclosure (Prior Period Adjustment)

The prior period adjustment to the Statement of Changes in Networth is to correct the revenue and expenses originally impacting prior years. These adjustments totalling \$142k reflect an overall increase in the prior period accounts.

Description	(000's)	Nature of adjustment
Revenue	171	Correction in revenue due to subledger reconciliation
Payable	(47)	De-recognition of payable
Expense	18	Correction in accrual
Total Adjustment	142	Net Prior Year Change in Networth

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(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 2020, the Cabinet Office's cash balances were as presented below. No restricted cash balances were held by the Cabinet Office at 31 December 2020 (2019: Nil).

Prior Year CI\$'000	Description	Current Year CI\$'000	Budget CI\$'000	Variance CI\$'000
2,489	Operational Current Account - KYD	2,110	2,052	(58)
35	Cash in Transit	5	51	46
46	Payroll Current Account	15	66	51
2,606	Deposits held with Treasury	2,614	2,548	(66)
7	Operational Current Account - USD	11	668	657
6	Cash in Transit – USD	-	-	-
5,189	Cash and cash equivalents	4,755	5,385	630

Note 3: Trade receivables and other receivables

Prior Year CI \$'000	Trade Receivables	Current Year CI \$'000	Budget CI\$'000	Variance CI\$'000
2,734	Sale of goods and services	3,064	1,787	(1,277)
865	Receivables from Cabinet and other Ministries	418	2,357	1,939
(640)	Less: provision for doubtful debts	(1,314)	(824)	490
2,959	Net Trade receivables	2,168	3,320	1,153

Included in Trade receivables is \$418k relating to output receivables from Cabinet and other Ministries.

Prior Year CI \$'000	Maturity Profile	Current Year CI \$'000	Budget CI\$'000	Variance CI\$'000
2,792	Current	1,744	963	(781)
20	Past due 1-30 days	389	-	(389)
13	Past due 31-60 days	15	-	(15)
64	Past due 61-90 days	20	-	(20)
70	Past due 90 and above	-	-	-
2,959	Total Trade Receivables	2,168	963	(1,205)

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(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
809	Balance at 1 January	640	824	184
141	Additional provisions made during the year	674	-	(674)
(310)	Receivables written off during the year	-	-	-
640	Provision for Doubtful Debts	1,314	824	(490)

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
75	Advances	47	2	(382)
12	Dishonoured cheques	11	7	(4)
2	Interest receivable	1	-	(1)
290	Other	320	-	(306)
379	Total Other Receivables	379	9	(370)

Included in other receivables is \$99k 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
379	Trade Receipts due in one year	379	9	(370)
379	Net Total Other Receivables	379	9	(370)

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Note 4: Property, plant and equipment

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 Property Plant and Equipment	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 January 2019	232	885	93	208	21	218	1	119	306	19	2,101	2,100	2,100	(1)
Additions	19	-	34	26	-	-	-	36	-	-	115	108	145	(7)
Capitalized from WIP	19									(19)	-	-	-	-
Disposal/ Derecognition				(4)							(4)			4
Transfers to intangible assets	-	-	(58)	(17)	(8)	(218)	-	-	-	-	(301)	(320)		(19)
Balance as at 31 December 2019	269	885	69	213	13	-	1	155	306	(0)	1,911	1,888	2,245	(23)

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(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 2020	269	885	69	213	13	-	1	155	306	(0)	1,911	1,888	2,245	(23)
Additions	32	11	9	34	1	-	-	12	-	-	99	162	162	63
Capitalized from WIP														-
Disposal/ Derecognition				(4)	(0)						(4)			4
Transfers	-										-	-	-	-
Balance as at 31 December 2020	301	896	78	243	14	-	1	167	306	(0)	2,005	2,050	2,407	45

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(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 2019	231	155	35	137	15	29	1	119	136	-	858	857	857	(1)
Eliminate on Disposal/Derecognition	-	-	-	(4)	0	-	-	-	-	-	(4)	(66)	(66)	(62)
Depreciation Expense	9	61	7	40	1	5	-	5	55	-	183	214	214	31
Transfers			(9)	(14)	(5)	(34)	-	-	-	-	(62)	(10)	(10)	52
Balance as at 31 December 2019	240	216	33	159	11	(0)	1	124	191	-	975	995	995	21

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Note 4: Property, plant and equipment (continued)

Accumulated Depreciation and impairment losses	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Other assets</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 January 2020	240	216	33	159	11	(0)	1	124	191	-	975	995	995	20
Eliminate on Disposal/Derecognition				(4)							(4)	-	-	4
Depreciation Expense	11	64	6	38	1	-	-	7	55	-	182	238	238	56
Balance as at 31 December 2020	251	280	39	193	11	(0)	1	131	246	-	1,153	1,233	1,233	80
Net Book value 31 December 2019	29	669	36	54	2	0	(1)	31	115	(0)	936	893	1,249	(43)
Net Book value 31 December 2020	50	616	38	49	2	0	(1)	36	60	(0)	851	816	1,173	(36)

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Note 5: Intangible Assets

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)

Cost of Intangible Asset	Computer Software	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 January 2020	47	47	27	27	(20)
Additions	0	-	35	35	35
Balance as at 31 December 2020	47	47	62	62	15

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

Accumulated Amortization and impairment losses	Computer Software	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 January 2020	32	32	51	51	19
Amortization Expense	5	5	32	32	27
Balance as at 31 December 2020	37	37	83	83	46

Net Book value 31 December 2019	15	15	(25)	(25)	(40)
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Net Book value 31 December 2020	10	10	(21)	(21)	(31)
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CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Note 6: Trade payables, accruals and other liabilities

Prior Year CI\$'000	Description	Current Year CI\$'000	Budget CI\$'000	Variance CI\$'000
-	Trade Payables	6	182	176
105	Payroll Deductions	58	16	(42)
272	Accruals	425	129	(296)
47	Core government trade with other public entities	-	2	2
27	Other	33	11	(22)
451	Total Trade Payables, Accruals and Other Liabilities	522	340	(182)

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>			
231	Annual leave	304	60	(244)
-	Retirement and long service leave	-	145	145
71	Other	58	-	(58)
302	Total employee entitlements	362	205	(157)

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

During the 2020 financial year, in accordance with The Public Management and Finance Act (2020 Revision), the Portfolio paid over to the Ministry of Finance a combined surplus from previous years in the amount of \$1.61M.

As at 31 December 2020, the Cabinet Office is reporting a total surplus payable in the amount of \$203k. The Portfolio's original budget was to break even and therefore the change in surplus payable is unaccounted for. In accordance with the requirements of section 39 (3) of aforementioned Act, the Portfolio is required to repay the surplus generated to date to the Ministry of Finance. Permission will be sought from the Minister of Finance to retain the surplus achieved in the 2020 fiscal year.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

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
8,256	Outputs to Cabinet	8,644	8,909	9,917	265
1,296	General sales	1,279	1,180	1,180	(99)
119	Fees and charges	88	66	66	(22)
9	Other	3	-	-	(3)
9,680	Total Sale of Goods & Services	10,014	10,155	11,163	141

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 Acts and regulations.

During the 2020 financial year the Cabinet Office began to process requests to the “Cabinet” for the public use of National Symbols (namely the Coat of Arms). Each application levies a fee of \$500; this is included in “Other” fees collected by the Portfolio.

Note 10: Investment Revenue

Prior Year CI\$'000	Description	Current Year CI\$'000	Budget CI\$'000	Variance CI\$'000
56	Interest on Deposits held with Cabinet	6	-	(6)
56	Total Investment Revenue	6	-	(6)

During the 2018 fiscal year, the Cabinet Office placed \$2.5M on internal Treasury Fixed deposit. At December 31, 2020, the deposit balance was \$2.6M and interest earned during the year was \$6k.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Cayman Islands Dollars)

Note 11: Personnel costs

Prior Year CI\$'000	Description	Current Year CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance (Original vs Actual) CI\$'000
4,751	Salaries, wages and allowances	5,355	5,143	5,695	(212)
897	Health care	989	892	1,051	(97)
253	Pension	289	281	316	(8)
19	Leave	104	-	-	(104)
10	Other Personnel related costs	11	1	3	(10)
5,930	Total Personnel Cost	6,748	6,317	7,065	(431)

Note 12: Supplies and consumables

Prior Year CI\$'000	Description	Current Year CI\$'000	Budget CI\$'000	Final Budget CI\$'000	Variance (Original vs Actual) CI\$'000
396	Supplies and Materials	372	406	406	34
2,007	Purchase of services	1,382	2,209	2,469	827
83	Lease of Property and Equipment	5	17	17	12
156	Utilities	160	161	161	1
2	General Insurance	-	3	3	3
221	Travel and Subsistence	67	408	408	341
85	Recruitment & Training	57	129	129	72
65	Interdepartmental expenses	59	49	49	(10)
141	Doubtful debt expense	674	-	-	(674)
150	Other	116	186	186	70
3,306	Total Supplies & Consumables	2,892	3,568	3,828	676

Note 13: Gains and Losses on Foreign Exchange Transactions

Prior Year CI\$'000	Description	Current Year CI\$'000	Budget CI\$'000	Variance CI\$'000
-	Net Loss on disposal of property, plant & equipment	-	-	-
(7)	Net gain/ (loss) on foreign exchange transactions	2	-	(2)
(7)	Total Gain/(Losses)	2	-	(2)

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

Note 14: Revenue from Non- Exchange Transactions

During the year ended 31 December 2020, 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 2020	Original Budget	Final Budget	Variance (Original vs Actual)
CI \$'000		CI \$'000	CI \$'000	CI \$'000	CI \$'000
309	Surplus/(deficit) from ordinary activities	203	-	-	(204)
5	Prior Period Adjustment	(142)	-	-	142
	Non-cash movements				
191	Depreciation	188	270	270	83
7	(Gain) on Foreign Exchange	(2)	-	-	2
141	(Decrease)/ Increase in provision for bad debt	674	-	-	(674)
(15)	Other provisions	(13)	-	-	13
	Changes in current assets and liabilities:				
1,160	(Increase)/decrease in receivable	169	-	-	(169)
(11)	(Increase)/decrease in other current assets	(25)	-	-	25
(101)	Increase/(decrease) in payables and other accruals	6	-	-	(6)
4	Increase/(decrease) in other current liabilities	107	-	-	(107)
14	Increase/(decrease) in provisions relating to employee costs	60	-	-	(60)
1,704	Net cash flows from operating activities	1,225	270	270	(955)

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Cayman Islands Dollars)

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 2020 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 eleven (11) members of staff at the senior management level as at December 2020 (2019: 10).

Prior Year CI\$'000	Description	Current Year CI\$'000
1,437	Salaries & other short term employee benefits	1,569
1,437	Total Remuneration	1,569

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

Note 17: Explanation of major variances against budget

The Cabinet Office's performance is compared between actual balances as at December 31, 2020 and the original budget for the financial year. These variances will be explained as it relates to the financial statements.

Additionally, it is noted that the actual budget for the financial year was increased and the variance between the original budget and final budget is explained below.

Variance between Original Budget and Final Budget

The original budget for the fiscal year ending December 31, 2020 was CI\$8.9M. On October 28, 2020, the Legislative Assembly's (Parliament) Finance Committee granted approval for additional outputs in the amount of \$358k with the majority of funds being used to cover unbudgeted expenditure related to the COVID-19 pandemic. These costs ranged from the increase in professional services in an effort to raise public awareness and improve crisis communication to additional public communications staff. The approval was granted under Section 25 of the *Public Management and Finance Act (2020 Revision)*.

In September 2020, the Cabinet of Ministers authorized the reallocation of \$750k of funds approved in the 2020-2021 budget. These funds were needed to assist with the implementation of the approved Cayman Islands Government Communications Plan during the 2020 financial year. In accordance with section 11(5) *Public Management and Finance Act (2020 Revision)* authorization was given to reallocate \$650k from the 2021 fiscal year and to rearrange \$100k from within the Portfolio.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

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

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

Statement of financial performance

Sales of goods and services

Sales of goods and services are a combination of revenue from Outputs delivered to the Cabinet, General sales revenue and fees and charges. The variance between the actuals and original budget was \$141k; with 99% of the targeted budget being recognized.

While output revenue was lower than the budget (\$265k) The main contributing factors was lower than budgeted, revenue benefitted from higher than budgeted general sales and fees and charges.

General Sales of \$1.29M exceeded the budgeted amount of \$1.18M by \$99k for the fiscal year ending 31 December 2020. Sale of Gazettes represents 67% of total general sales and had an increase of \$106k over budget, while sale of advertising revenue from Radio Cayman was \$420k; representing \$7k lower than 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 2020 (\$10M) is comparable to prior year, and only three (3%) percent higher than 2019 revenue (\$9.7M).

Fees and charges for the fiscal year ending December 31, 2020 was \$88k, and exceeded the budget of \$66k by \$22k (30%). This resulted from higher than budgeted Immigration Appeals Tribunal fees.

Personnel Costs

At the financial year end, personnel costs exceeded the original budget by \$431k, which was 7% above the budget for this category of expense. Basic salary and pension expense were impacted by a 5% Cost of Living Adjustment (COLA) approved in January 2020. Prior to this, an increase of CINICO health insurance premiums for all civil servants was made effective in January 2019. This impacted the Portfolio's overall health insurance costs. These items were not approved in the original budget and there were no supplementary appropriations approved to finance these adjustments.

Supplies and Consumables

During the year, the Cabinet Office had lower than budgeted supplies and consumables expenditure. The net difference between the original budget and the actual budget was a positive \$659k.

The largest area of savings was represented by the Purchase of Services, which was 37% (\$827k) lower than the anticipated spend.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Cayman Islands Dollars)

Note 17: Explanation of major variances against budget (continued)
Supplies and Consumables (continued)

The second largest positive variance in supplies and consumables was travel and subsistence, which was 83% (\$341k) lower than the budget. This was a direct impact of the restrictions that COVID-19 placed on travel.

These two areas were largely offset by the unbudgeted increase in the provision for doubtful debt expense, which totaled \$674k. A large amount of receivables moved into this category requiring that a provision be recognized at December 31, 2020.

The entity budgeted \$2.2M for the purchase of services in the 2020 financial year, however the actual expense in this area totaled \$1.4M (2019:\$2M); presenting savings of \$810k. These savings were in areas such as professional fees (\$553k), special conferences (\$187k), security services (\$85k) public relations and publicity (\$71k) and stipends relating to the attendance at tribunal meetings (64k), hurricane preparedness (\$34k) and building maintenance (\$30k). This was partially offset by overspend in the category of special projects (\$128k) largely relating to the Heroes Square renovations, advertising, which largely related to COVID-19 awareness (\$49k) and software license fees (\$40k) for applications to enhance the Communications teams.

The positive variance in travel and subsistence was mainly attributed to the impact of travel restrictions levied by the Cayman Islands Government during the COVID-19 pandemic. The airports were closed for incoming and outgoing flights from March 2020; with the exception of “air bridge” flights between the U.K and Grand Cayman. Restrictions were eased in the latter part of 2020; however travel remained restricted and required approval from a local central agency. This resulted in an overall reduction of official travel and saving of \$341k.

The negative variance in the doubtful debt expense is mainly attributed to \$674k in new provisions for uncollected receivables. A large number of these receivables are with other government ministries/ departments and were not budgeted for. Despite the provision, collection efforts will continue into the following year.

Statement of financial position

Cash and cash equivalents

The actual year end cash balances were \$630k below the original budget. This variance is significantly higher than the prior year end budget variance of \$178k and was impacted by the transfer of accumulated surpluses to Cabinet (org 40) in accordance with the PMF Act.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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Note 17: Explanation of major variances against budget (continued)

Trade receivables

The actual year end trade receivable balance (due in one year) net of provisions for doubtful debts were \$1.1M lower than the budget. This balance largely consists of current year executive salary reimbursement to entity in the amount of \$1.95M . Additionally, uncollected receivables from Cabinet and a higher than budgeted provision for doubtful debts also contributes to this variance.

At December 31, 2020, the total outstanding Cabinet Billing was in the amount of \$589k (2019: \$657k), additionally, the entity did not anticipate having significant outstanding executive salary reimbursement due to entity in the amount of \$1.95M. The full amount of each balance had been received at the date of the audit opinion.

Other receivables

Other receivables were \$379k (2019: \$379k) and was unbudgeted for the financial year ending 31 December 2020. These balances largely consist of balances owed from other Ministries with the Government.

Accruals and other liabilities

Accruals and other payables at financial year end was \$516k, being \$374k higher than budget . Accrued expenses was again the largest contributing factor this year and was higher than the budget and includes accruals for audit and professional services rendered.,

Employee Entitlements

The employee entitlement balance as at December 31, 2021 was \$362k; which was \$287k higher than the original budget. This resulted from accrued leave owed to staff, as well as the accrued pension attributed to these balances. While this balance is higher than the previous year (2019: \$302k), the Portfolio made great efforts to manage accumulated leave during the year. Unfortunately, due to our involvement in the response to the COVID-19 pandemic, we did see increases in some areas.

Repayment of Surplus

The surplus payable as at 31 December 2020 was \$203k (2019: \$1.6M) resulting in a significant variance of \$2M when compared to the original budget. During the fiscal year the Cabinet Office Portfolio paid over accumulated surplus of \$1.61M to the Ministry of Finance from prior years.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
(Expressed in Cayman Islands Dollars)

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 2020, 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.

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.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020
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Note 19: Segment reporting

	Policy Advice and Support		Broadcasting		Communications		Grand Totals	
	2019	2020	2019	2020	2019	2020	2019	2020
Revenue	5,486	4,877	1,782	2,053	2,468	3,092	9,736	10,022
<i>Cabinet Revenue</i>	5,303	4,781	1,310	1,631	1,643	2,232	8,256	8,644
<i>Third Party Revenue</i>	183	95	472	422	825	860	1,480	1,378
Expenses	5,279	4,773	1,835	1,988	2,313	3,058	9,427	9,819
<i>Depreciation</i>	74	66	92	86	25	36	191	187
<i>Personnel Costs</i>	2,670	2,829	1,415	1,521	1,845	2,398	5,930	6,748
<i>Supplies and Consumables</i>	2,535	1,879	328	381	443	624	3,306	2,884
Surplus/(Deficit)	207	104	(53)	65	155	35	309	204
Assets	8,070	6,874	888	749	543	588	9,501	8,211
<i>Non-current Assets</i>	(10)	(132)	905	911	56	83	951	862
<i>Current Assets</i>	8,080	7,006	(17)	(161)	487	504	8,550	7,349
	(2,191)	(807)	(71)	(66)	(125)	(267)	(2,387)	(1,140)
Liabilities	(2,191)	(807)	(71)	(66)	(125)	(267)	(2,387)	(1,140)

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

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

CABINET OFFICE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 December 2020(Expressed in Cayman Islands Dollars)****Note 19: Segment reporting (continued)****Communications – Strategic Communications; Internal Communications; Government Information 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 2020, provisions of \$2k (2019: \$15k) have been recognized in the financial statements. The resulting expense is included in legal fees in the statement of financial performance.

At 31 December 2020, legal advice indicates that it is not probable that plaintiffs will succeed in most of the pending litigations against the Office. As such, potential damages/ cost arising from these cases have not been recorded in the financial statement.

Note 21: Events Occurring After Reporting Date (31 December 2020)**1. *Conditions existing at reporting date***

The Cayman Islands economy has been negatively impacted by the COVID-19 pandemic and measures put in place to minimise the impact across the islands. Some of the Portfolio's debtors at year end were not be able to meet their obligations to the Office when they fell due.

2. *Conditions after reporting date*

While there has been a relaxation of some of the measures enacted by the Government to minimise the impact of the global COVID-19 outbreak in the Cayman Islands; overall restrictions are still in place regarding travel. With the introduction of the vaccine and its increased

CABINET OFFICE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 December 2020(Expressed in Cayman Islands Dollars)****Note 21: Events Occurring After Reporting Date (continued)**

availability to residents across these Islands, it is anticipated that the economy will soon return to a “new normal” and that particularly travel will become more accessible.

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 2020.

Note 22: Carry Forward FY 2020 Budget

The Portfolio will carry forward \$1.3M in budgeted entity funding and \$48k in unused capital funding, which represents unused expenditure at the end of financial year 2020.

APPROPRIATION	Actual FY2020	Final Budget	Carry Fwd FY2021	Explanation
	'000	'000	'000	
<i>CBO 17- Information Services Provided to Other Government Agencies</i>	2,232	3,109	877	<i>Funds to be utilized during Q1, 2021 mainly for personnel costs as a part of the approved Communications Plan</i>
<i>CBO 20- Advice and Assistance to the Premier and Administration of the Premier's Office</i>	702	1,097	396	<i>Funds to be utilized in 2021 various supplies and consummables including special conferences and official travel</i>
Total	2,934	4,206	1,273	
EQUITY INJECTION (CAPITAL)				
<i>Equity Injection - EI 36</i>	99	147	48	<i>Balance to be used for General Maintenance & Network upgrades for GIS and Radio Cayman</i>
Total	99	147	48	



STATEMENT OF EXECUTIVE FINANCIALS FOR THE YEAR ENDED 31ST DECEMBER 2020

STATEMENT OF EXECUTIVE FINANCIALS

- Executive Financial Transactions are the financial transactions that do not relate to the operations of a Ministry, Portfolio or Office but to the executive revenue, expenditures and assets of the Cabinet.
- Executive revenue or coercive revenue is revenue earned by the core government and is collected across the Cayman Islands Government entities. It usually takes the form of licenses, fees, duty's etc....
- Executive expenditure includes Outputs delivered by Ministries, Portfolios and Offices, personnel emoluments for the elected member's
- The following Statement of Executive Financial Transactions sets out the executive revenue and expenditure managed by the Cabinet Office Portfolio during the financial year ending December 31, 2020.

Statement of Executive Financial Transactions for the year ended December 31, 2020					
		Actual	Budget	Revised Budget	Actual vs. Budget Variance
Executive Revenue		\$'000	\$'000	\$'000	\$'000
CUC License Fee		2,400	2,400	2,400	-
ICTA Licenses		7,892	7,500	7,500	392
Tax and Trust Undertakings		9,972	10,400	10,400	(428)
Total Executive Revenue		\$ 20,264	\$ 20,300	\$ 20,300	\$ (36)
Executive Expenditure		Actual	Budget	Revised Budget	Actual vs. Budget Variance
		\$'000	\$'000	\$'000	\$'000
CBO 1	Development and Coordination of Government Policy	1,613	1,613	1,613	-
CBO 2	Cabinet Support and Servicing	1,356	1,356	1,356	(0)
CBO 9	Protocol Services	701	701	701	0
CBO 11	Freedom of Information and Data Protection Coordination	410	510	410	(100)
CBO 17	Information Services Provided to Other Government Agencies	2,232	2,143	3,109	89
CBO 20	Advice and Assistance to the Premier and Administration of the Premier's Office	686	1,097	1,097	(411)
CBO 21	Broadcasting of Public Information & On Air Programmes	1,631	1,489	1,631	142
URC 1	Drafting of Legislation and Policy Advice	108	74	74	34
URC 2	Management of KY Internet Domain	25	25	25	-
URC 3	Collection and Verification of Licence Fees	100	100	100	-
URC 5	Education of Local Businesses and the General Public on ICT Issues	8	8	8	-
URC 6	Regional and International Representation	13	50	50	(38)
URC 7	National Cyber Security Initiatives	25	100	100	(75)
URC 10	Compliance Regulation & Enforcement – Monitoring and Controlling the Storage, Handling, Quality and Mensuration of Fuel	761	812	812	(51)
URC 11	Economic Regulations	588	588	588	-
OE 5	Constituency Allowances	1,078	1,086	1,086	(8)
OE 111	Disability Policy	80	125	125	(45)
OE 112	Older Persons Policy	39	125	125	(86)
OE 113	Political Appointees	1,950	1,720	2,078	230
EI 36	Equity Injection Cabinet Office	99	197	197	(98)
Total Executive Expenditure		\$ 13,503	\$ 13,919	\$ 15,285	\$ (416)

EXPLANATION OF MAJOR VARIANCES AGAINST ORIGINAL BUDGET

Explanation of major variances for the Portfolio's performance against the original budget are as follows:

EXECUTIVE REVENUE

- a) Tax and Trust Undertakings** – under budget by \$428 thousand due to a decrease in client demand
- b) ICTA License fees** – over budget by \$392 thousand, as a result of greater efforts to collect fees from clients

EXECUTIVE EXPENDITURE

CBO 11- Freedom of Information and Data Protection under budget by \$100 thousand due to lower than budgeted professional fees.

CBO 20- Advice and Assistance to the Premier and Administration of the Premier's Office- under budget by \$411 thousand due to lower than budgeted purchase of services in areas affected by the COVID-19 pandemic (official travel, special conferences, etc....)

CBO 21- Broadcasting of Public Information & On Air Programmes- over budget by \$142 thousand due to impact of COVID-19 on business

OE 111- Disability Policy- under budget by \$45 thousand due to lower client demand resulting from COVID-19 pandemic

OE 112 – Older Persons Policy – under budget by \$86 thousand due to lower client demand resulting from COVID-19 pandemic

OE 113- Political Appointees- over budget by \$230 thousand due to higher than budgeted personnel costs

EI 36 – Equity Injection Cabinet Office – under budget by \$98 thousand due to capital expenditures being deferred as a result of the COVID-19 pandemic.





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