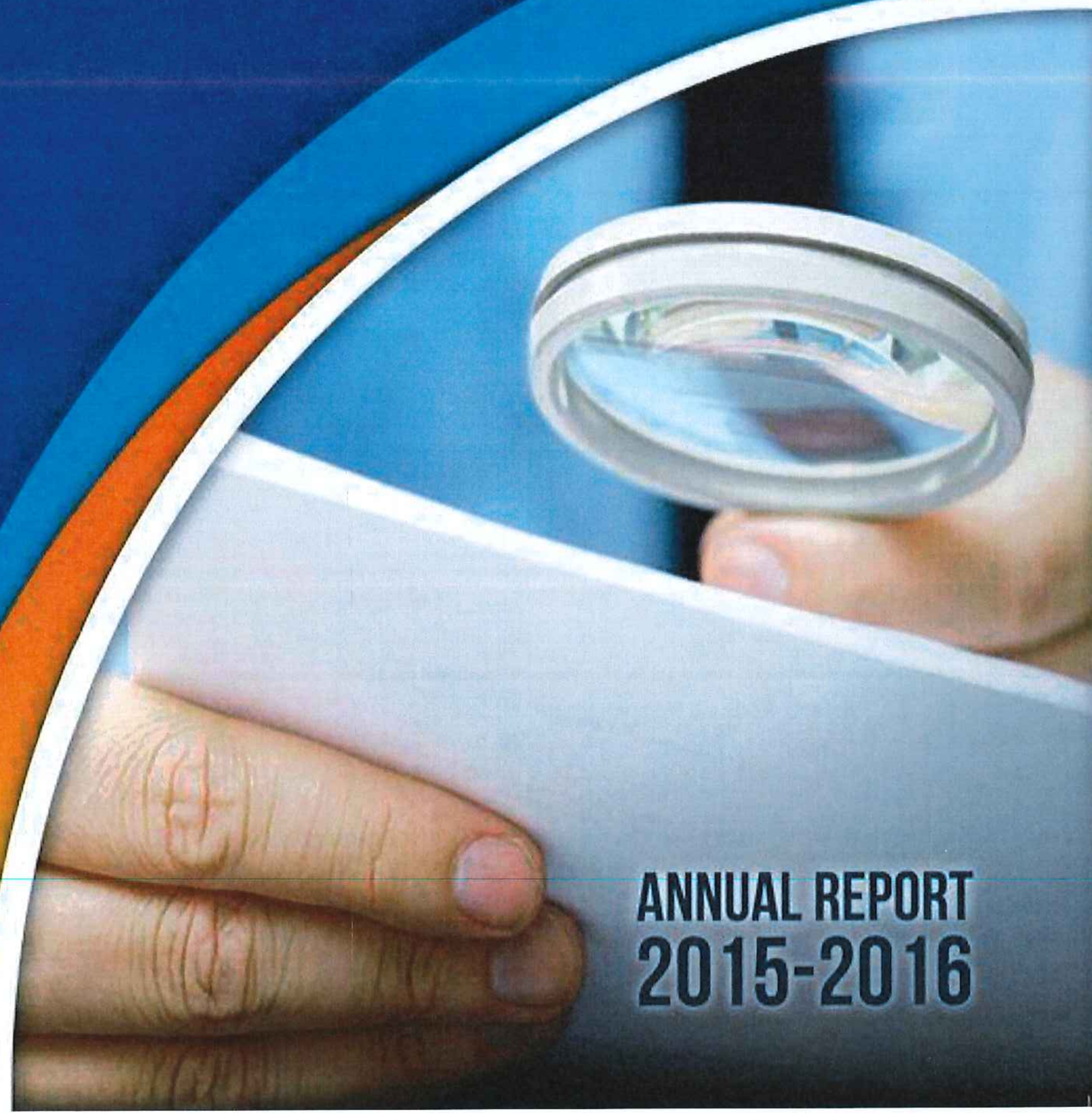
OFFICE OF THE COMPLAINTS COMMISSIONER



ANNUAL REPORT 2015-2016

Office of the Complaints Commissioner

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29 November 2016

By Hand

The Honourable Julianna O'Connor-Connolly
Speaker of the Legislative Assembly
Legislative Assembly
George Town
Grand Cayman

Dear Madam Speaker,

Re: Annual Report 2015-16

I am pleased to submit my Annual Report for the period of 1 July 2015 to 30 June 2016, pursuant to section 20 (1) of the Complaints Commissioner Law (2014 Revision).

Additional copies have been delivered to the Clerk of The Oversight Committee of the Office of the Complaints Commissioner, Miss LeSanneo McLaughlin.

Yours sincerely,

Bridgette Lazzari-von Gerhardt
Acting Complaints Commissioner

Foreword

This Annual Report is for the Office of the Complaints Commissioner (OCC). The report outlines the Office's performance during the 2015-16 fiscal year and compares it to the budgeted performance for the corresponding period.

The requirement for an Annual Report is prescribed under section 44 of the Public Management and Finance Law (PMFL). Section 44 states:

(1) An annual report of a ministry or portfolio shall be presented to the Governor in Cabinet for review within four calendar months after the end of each financial year.

(2) The annual report shall set out the performance of the ministry or portfolio and compare it with that set out in the annual budget statement (including any amendments thereto) for that financial year.

In accordance with section 45(2)(b) of the PMFL, references to "Ministry" are synonymous with "the Office of the Complaints Commissioner" for the purposes of this requirement.

The annual report covers four main areas:

- General Information;
- Service Delivery;
- Financial Performance; and
- Governance.

The service delivery section outlines the interventions carried out by the OCC to meet its legal mandate and in furtherance of the Government's policy outcome goals. It also provides commentary which explains material variances in performance when compared to budget.

The financial performance section shows the financial resources the Office was afforded in the 2015-16 budget and the actual inputs purchased to provide services. The financial performance is presented in the form of financial statements and supporting notes prepared in accordance with International Public Sector Accounting Standards (IPSAS).

The report also includes a section on Governance which outlines the Office's efforts in the areas of risk management.

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Message from the Acting Complaints Commissioner

I am pleased to present the annual report for the Office of the Complaints Commissioner (OCC) for the fiscal year ended June 30th, 2016.

The report highlights the achievements of the Office and explains the steps taken to achieve the policy outcome goals of the Government.

The concept of good governance is a tenet of every well-functioning modern democracy. It speaks to the manner in which public agencies are to conduct their affairs and manage the resources for which they have been granted stewardship.

The OCC is a key policy instrument for the achievement of Government's outcome goals of promoting a culture of good governance and providing equity and justice in a society that values the contributions of all.

Public agencies interact with citizens on a daily basis. The vast majority of those interactions result in positive outcomes where services are delivered in accordance with expectations.

The job of the OCC is to independently and objectively investigate complaints whenever users of public services believe that their interaction with an agency fell short of their expectations and they are not able to resolve their dissatisfaction directly with the agency involved.

In 2015-16, the Office received and processed 81 complaints and made some 15 improvement recommendations to various public sector agencies.

As Acting Complaints Commissioner, I will strive to ensure continued access to independent and objective consideration of complaints made against public bodies. With the support of the dedicated team at the OCC, we will continue to embrace every complaint as an opportunity for positive change, and the overall betterment of our Island's Public Service.

Yours sincerely,

Bridgette Lazzari-von Gerhardt
Acting Complaints Commissioner

General Information

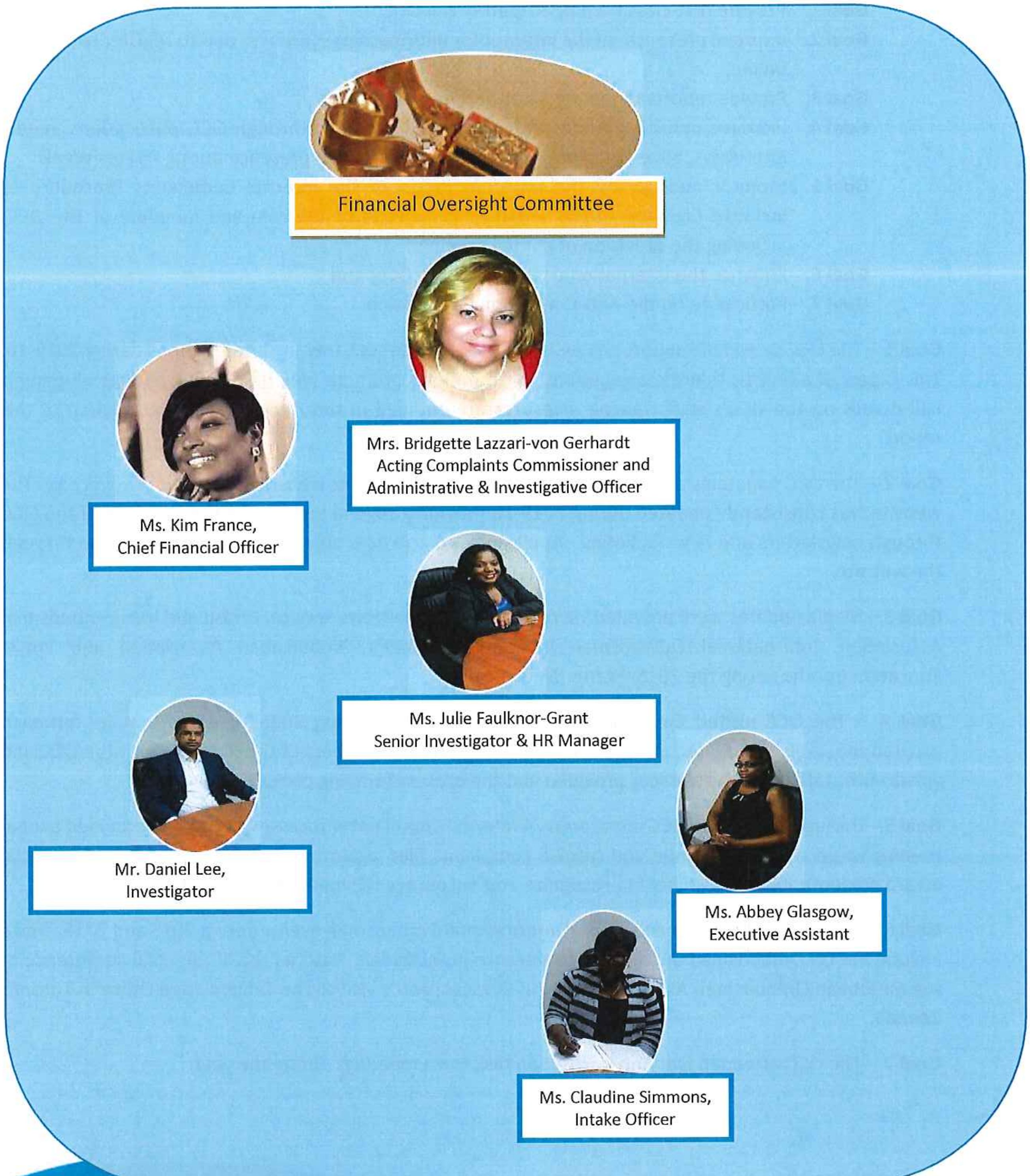
Nature & Scope of Activities

General Nature of Activities	
The Office of the Complaints Commissioner is responsible for undertaking the investigatory functions in respect of complaints against all Government entities as set out in the Complaints Commissioner Law (2014 Revision).	
Scope of Activities	
• Investigating written complaints from the public and reporting to the complainant and Government entity on the results of the investigation	• Making recommendations for actions to be taken where injustice has occurred as a result of maladministration, and monitoring compliance with those recommendations
• Where no adequate action is taken, preparing a special report to the Legislative Assembly in accordance with S.18(3) of the Complaints Commissioners Law	• Conducting investigations of the Commissioner's Own Motion (OMI's) on matters of special importance in the public interest in accordance with S.11 of the Complaints Commissioners Law
• Continuous monitoring of the effectiveness of the Internal Complaints Process (ICP) established by the OCC throughout the civil and public service by means of quarterly reporting and the Annual Meeting / Seminar	• Educating and raising awareness of the role and function of the Office of the Complaints Commissioner amongst Government entities and with the general public

Customers and Location of Activities

Services provided by the Office of the Complaints Commissioner are procured by the Oversight Committee of the Legislative Assembly. Those services are procured on behalf of the general public in the Cayman Islands.

Organizational Chart



Strategic Overview

The following are the seven (7) strategic ownership goals set out by the OCC for the 2015-16 fiscal year:

Goal 1. Provide first-class training to staff of the OCC;

Goal 2. Improve presence on the internet for informational purposes and to register complaints online;

Goal 3. Provide reports to the media on the work of the OCC;

Goal 4. Increase public awareness education and outreach through OCC publications, media interviews, advertising on social media and an active presence during Pirates Week;

Goal 5. Monitor and review the implementation of the Internal Complaints Procedure to increase Civil and Public Servant's knowledge of the role and mandate of the OCC, including the provision of annual training;

Goal 6. Enhance the international visibility of the OCC; and

Goal 7. Participate on the Anti-Corruption Commission.

Goal 1 – The OCC provided support and assistance for several staff training interventions during 2015-16. This is part of a holistic talent management programme to promote lifelong learning and development. Full details on the OCC's staff training measures are outlined in the Human Resources section of this report.

Goal 2 – The OCC maintains an effective online presence through its website located at www.occ.ky. The website was consistently updated during 2015-16 providing several updates on the activities of the OCC through newsletters and news bulletins. Applicants are also now able to file online complaints through the website.

Goal 3 – Media updates were provided via reports to Cayman News Service, British and Irish Ombudsman Association, International Ombudsman Institute, Caribbean Ombudsman Association and Public Education Booths during the 2015 Pirates Week festival.

Goal 4 – The OCC visited Cayman Brac and Little Cayman during 2015-16 as part of its outreach programme. It also facilitated an Open House which allowed members of the public to visit the OCC and speak with staff about the services provided and the process for filing complaints.

Goal 5 – During 2015-16 the OCC monitored 74 Internal Complaints Processes (ICP's) and provided annual training to persons who handle and resolve complaints filed against their individual entities. A special award presentation was also held to recognize and encourage ICP managers.

Goal 6 – OCC's staff participated in several international Ombudsman events during 2015 and 2016. These include the US Ombudsman 36th annual conference in Scottsdale Arizona; the 8th biennial conference of the Caribbean Ombudsman Association held in Curacao; and a visit to the Ombudsman Office in Toronto Canada.

Goal 7 – The OCC attended five Anti-corruption task force meetings during the year.

In addition to the preceding seven specific goals established as part of the annual budget process, the strategic environment of the OCC is also framed by its legal mandate and the policies of the sitting Government.

Legislative mandates are prescribed by the Complaints Commissioner Law ('CCL').

Under the CCL, the OCC has three primary roles:

- **Complaint Investigation:** the investigation and review of the administrative actions of Government officials and agencies, upon receipt of complaints from members of the public, groups and organizations;
- **Own Motion Investigation:** the investigation, on the initiative or "own motion" of the Commissioner, of the administrative actions of Government agencies; and
- **Complaint Monitoring:** the monitoring of the administrative actions of Government officials and agencies, upon receipt of the OCC's recommendations.

The sitting Government established twelve Broad Outcome Goals as part of its overall policy framework. The OCC, as a public agency, contributes to the following Outcome Goals:

- A More Efficient, Accessible and Affordable Public Service;
- A Culture of Good Governance; and
- Equity and Justice in a Society that Values the Contributions of All.

Figure 1 Policy Framework of the Complaints Commissioner

Meeting our Legislative Mandate

Under the CCL, the primary functions of the OCC are to investigate, recommend, monitor and report. Through these primary functions, the OCC provides avenues for the public to identify opportunities for Government agencies to improve service delivery to acceptable standards.

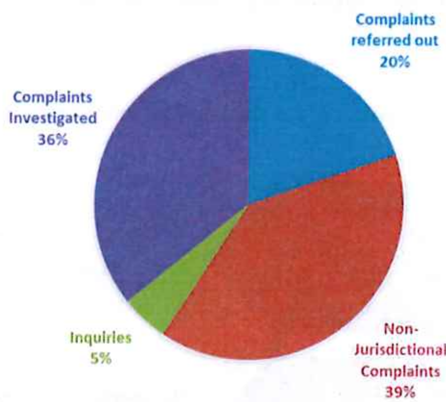
The complaints handled by the OCC are often from individuals who have exhausted other efforts to make right a perceived wrong. In accordance with our legislative mandate, the OCC independently and objectively considers their concerns and carries out further investigations where necessary. If maladministration is found, the OCC makes recommendations for improvements, monitors those recommendations and provides reports to the general public and the Oversight Committee of the Legislative Assembly on the progress of those recommendations.

The following is an overview of the work carried out by the OCC in 2015-16 to meet its legislative mandate.

Complaint Investigations

The OCC received 77 complaints and 4 inquiries during 2015-16. This amount is 24 less than the 105 complaints and inquires received in 2014-15. Of the complaints received in 2015-16, sixteen (16) were referred to the ICP. This is a process where the applicant was asked to first pursue available remedies with the agency which is the subject of the complaint. Thirty-two (32) complaints were non-jurisdictional as they included matters which are not subject to be investigated by the OCC and or complaints against non-Government Entities.

15-16 COMPLAINTS STATISTICS



Investigations were carried out for twenty-nine (29) cases during the fiscal year. Twenty-four (24) of those investigations were completed during the year and five (5) were carried forward to 2016-17.

The investigations resulted in three (3) cases where no further inquiry was justified; two (2) cases where no maladministration was found; and nineteen (19) cases being referred to the Agency's ICP after preliminary investigations were conducted.

Output Code	Description	Quantity	2015/16		
			Budget	Actual	Variance
OCC 1	**Investigation of Written Complaints or Public Interests-** Investigations of written complaints include: • Enquiries, advice and guidance to the public that do not result in a formal investigation • Investigate written complaints made regarding injustice caused by improper, unreasonable or inadequate administrative conduct on the part of any Ministry/Portfolio and respective department, unit and section, Government owed company and statutory authority; and • Undertake public interest investigations	• Number of enquiries, complaints referred to Internal Complaints Processes (ICP's), and ICP's • Number of written complaints • Number of Public Interest	200-350 30-60 1-3	168 61 -	(32) 1 (1)
	Total Billed to Cabinet		$ 535,241	$ 535,241	$ -
	Related Broad Outcomes	8. A Culture of Good Governance			

Explanation of variances: In 2006 the OCC encouraged all Government entities to establish ICP's which would allow the entity first opportunity to resolve complaints by the public. In instances where a complainant feels that the ICP has not conducted a fair investigation, they have the option of filing a complaint with the OCC.

Most Government entities now have an established ICP. In 2015-16 the OCC monitored 74 Government entities on a bi-annual basis, and noted that most ICP's were functioning fairly well. Increased public awareness of the ICP for individual agencies meant fewer complainants were referred to the OCC than in previous years.

The OCC did not complete any **Public Interest Investigations** or Reports during the 2015-16 fiscal year. The staff complement for the OCC normally consists of five employees and a Complaints Commissioner. In January 2015 the Complaints Commissioner resigned and the Administrative & Investigative Officer was appointed as Acting Complaints Commissioner in the interim. Additionally, in June 2015 the Intake Officer became gravely ill resulting in her being placed on extended sick leave until her passing in June 2016. These Human Resource challenges left the OCC short staffed for much of 2015-16.

Following Cabinet's acceptance of the recommendation by Ernst & Young to merge the Information Commissioner's Office with the OCC, further staff resources were diverted to support the project team working on the implementation of that recommendation.

Those factors severely constrained the OCC's ability to complete Public Interest Investigations and Reports for the period under review. Notwithstanding, significant work was carried out in the planning phase for an **Own Motion Investigation** that is planned for 2016-17.

Complaint Monitoring

When an investigation results in the identification of maladministration or injustice, the OCC can make recommendations under section 18(6)(a) of the CCL. These recommendations are monitored by the OCC in order to encourage and ensure reasonable progress towards compliance. If the OCC finds that reasonable progress has not been carried out, a special report is made under Section 18(3) of the CCL to the Legislative Assembly.

Thirty-nine (39) recommendations were monitored during the 2015-16 fiscal year. Twenty-seven (27) of these were brought forward from previous years and five were closed after the Agency complied with the measures set out in the recommendation.

In addition, the OCC actively monitored 74 ICP's in 2015-16 and provided training for staff who handle and resolve complaints.

Output Code	Description	Quantity	2015/16 Budget	2015/16 Actual	2015/16 Variance
OCC 2	**Monitor the Implementation of the Commissioner's Recommendations:** • Monitor the implementation of the recommendations of the report of the Commissioner and the timescales specified in the report of action to be taken; and • Provide Special Reports to the Legislative Assembly where no adequate action has been made to remedy the injustice or evidence found of breach of duty, or criminal offence.	• Number of recommendations to be monitored	20-50	39	-
		• Number of special reports delivered to the Clerk of the Financial Oversight Committee of the Office of the Complaints Commissioner	1-3	-	(1)
	Total Billed to Cabinet		$ 141,225	$ 141,225	$ -
	Related Broad Outcomes	8. A Culture of Good Governance			

Explanation of variances: Special Reports are provided to the Oversight Committee of the Legislative Assembly in instances where an agency fails to provide the OCC with substantial proof of their efforts towards compliance of OCC recommendations.

The OCC was satisfied that all Government entities are working assiduously toward compliance with its recommendations. In certain instances, the recommendations required legislative changes which extended the time period necessary for full compliance.

Policy Advice:

The OCC periodically meets with Government entities that are the subject of recommendations to provide strategic advice for compliance. One such entity was the Immigration Department which the OCC has been meeting with in regards to their Draft Translation Policy.

The OCC also provides Quarterly Reports on statistical information. These statistics are reported to the OCC's Oversight Committee, in Newsletters and in the OCC's Annual Reports.

Output Code	Description	Quantity	2015/16		
			Budget	Actual	Variance
OCC 3	**Policy Advice-** Provision of policy advice on matters with the scope of activities of the Office of the Complaints Commissioner	• Number of meetings attended to provide strategic advice	1-4	6	2
		• Number of reports including statistical information	1-4	4	-
		•Number of Anti-corruption Law task force meetings attended	1-5	5	-
	Total Billed to Cabinet		$ 13,036	$ 13,036	$ -
	Related Broad Outcomes	8. A Culture of Good Governance			

Explanation of variances: The OCC achieved all measures under this output. Additional meetings were conducted to provide enhanced support to entities working on implementation of recommendations.

Public Education Outreach

The OCC engages in public outreach programmes to promote the purpose and work of the Office and to enhance awareness on all three Islands.

In 2015 the OCC established promotional and educational booths at each of the five district days during the festivities of Pirates Week. At these events, staff spoke to members of the public about the work of the OCC and assisted with various queries. The OCC also facilitated an "open house" to further engage members of the public and provide information on ways to access services.

Output Code	Description	Quantity	2015/16		
			Budget	Actual	Variance
OCC 5	**Public Education Outreach**- Public Education Outreach programme to establish the presence of the Office of the Complaints Commissioner (OCC) including: • Community events – to educate the public of the role of the OCC to safeguard the community in its dealings with government agencies e.g. Heritage Days, special events. • Public Meetings – to foster public administration within government agencies ensuring that the principles and practices of public administration are sensitive and responsive to the interest of the public. Trainings to be also held in Cayman Brac and Little Cayman, International Ombudsman to provide training to entities. • Media appearances, newsletter, updating of small claims handbook.	• Number of events attended • Number of Public meetings spoken at •Number of media appearances and update	10-12 1-5 10-15	5 5 9	(5) - (1)
	Total Billed to Cabinet		$ 93,909	$ 93,909	$ -
	Related Broad Outcomes	8. A Culture of Good Governance			

Explanation of variances:

Constraints in staff resources restricted the OCC's ability to attend the budgeted number of meetings or to engage in public speaking events. During the year, the OCC also took steps to supplement its direct engagement with the public through the provision of online information through its website. This is an efficient means of providing the public with electronic access to information and resources.

How we support the Government's Policy Outcome Goals

Under section 108(b) of the Cayman Islands Constitution Order 2009, it is the overriding duty of every public officer to implement Government policy to the best of their ability and in accordance with directions given from the Cabinet or other responsible person or authority.

Whilst the Constitution also establishes the independence of the Complaints Commissioner, the OCC operates within the overall policy framework of the sitting Government and works to support efforts in achieving three of its twelve broad outcome goals.

A More Efficient, Accessible and Affordable Public Service

A key objective of the OCC is to promote effective public administration within Government agencies by ensuring that the conduct, decisions and actions of those agencies are lawful, just, rational and sensitive to the needs and requirements of the public.

In the 2015-16 Budget, the OCC was allocated \$783,000 to deliver its various services. As a result of restrained recruitment efforts and prudent fiscal management, the Office was able to return \$243,000 to the public purse by way of savings in its operating expense allocations.

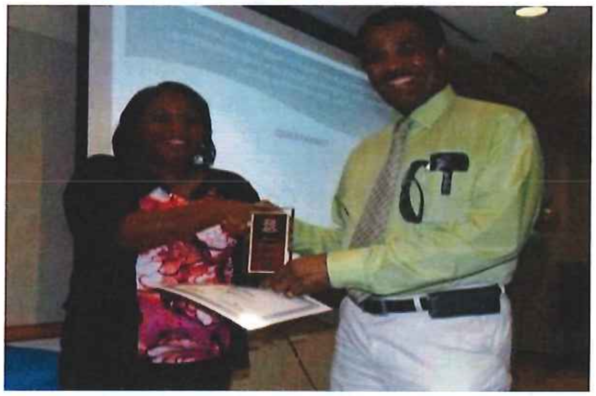
The Ernst & Young report on Project Future was an effort by the Government to identify opportunities to make the Public Service more efficient. Whilst the OCC has its own views regarding the efficacy of a merger with the Information Commissioner's Office, staff from the OCC dedicated several man-hours in 2015-16 working on the implementation of this Government policy.

The OCC provides refresher and recurrent training for new and seasoned ICP Managers as well as external informational training for Government departments.

On February 20th 2016, the OCC's Investigator/External Trainer Mr. Daniel Lee (pictured far right), conducted training for new Customs officers. The officers were briefed on the duties and powers of the OCC, maladministration, handling complaints from the public and the importance of treating people fairly.

The OCC is committed to the promotion of good customer service throughout the Public Service by encouraging managers to embrace the ICP and to see it as an opportunity for positive change. In an effort to recognize those individuals who strongly support this concept, the OCC held its 4th annual ICP Seminar and Awards Presentation Ceremony on the April 7th 2016.

During the Seminar, participants were briefed on the proper handling of difficult or irate clients and awards were presented for consistency in providing good service and handling complaints in an efficient and timely manner.



Three individuals received awards for the ICP Manager of the Year. This award is given to ICP Managers/Officers who submit timely reports and provide complete details on the manner in which complaints are handled.

Two individuals were selected for the ICP Hall of Fame. This is a new category created by the Acting Complaints Commissioner to recognize ICP Managers/Officers who were past recipients of Manager of the Year and continue to be exemplary Complaints Managers/Officers

The OCC will continue to encourage managers and promote the ICP through similar award events.

A Culture of Good Governance

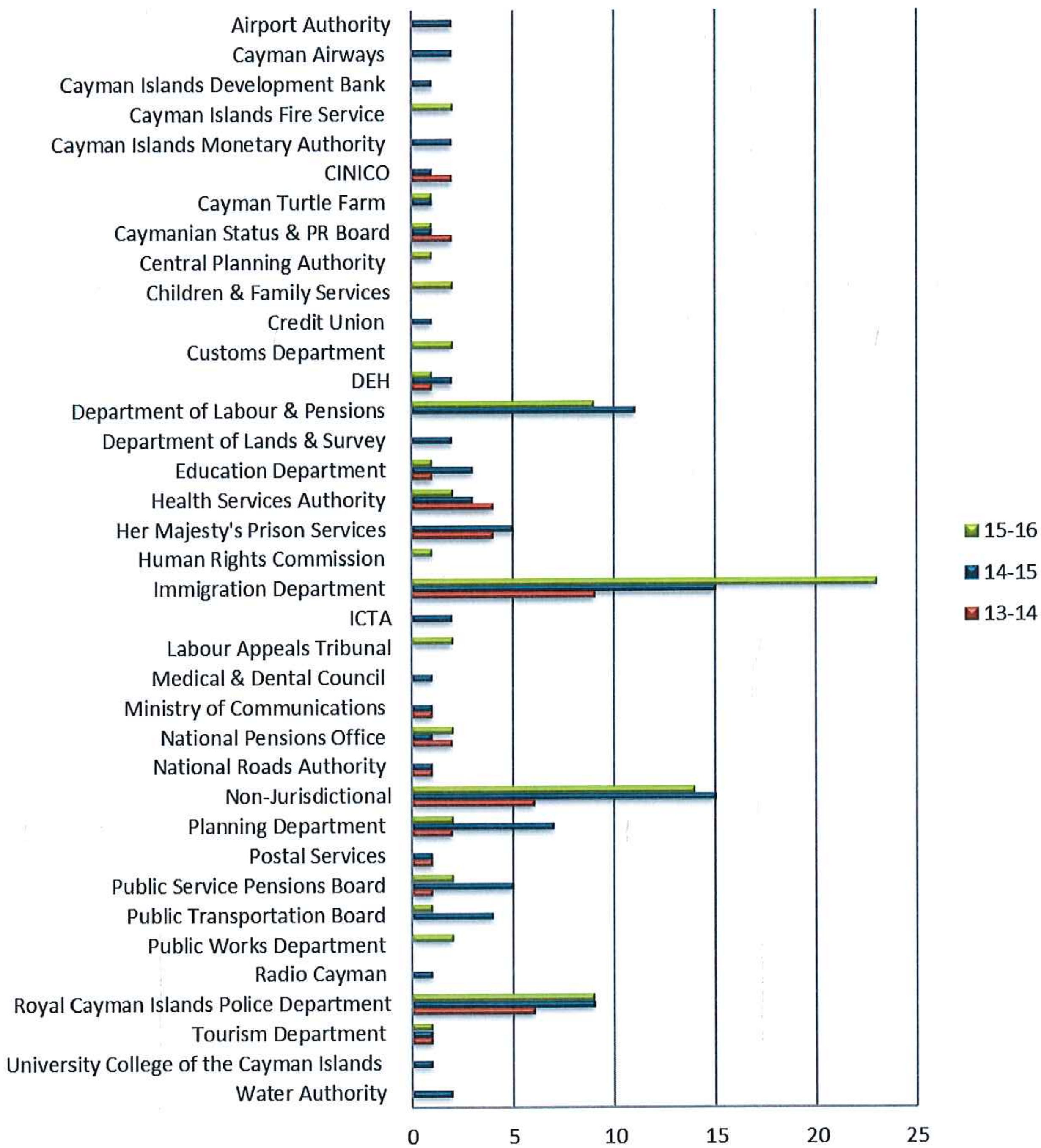
The essence of the OCC's work is the promotion of good governance. Through our work, we support agencies in ensuring fairness and effective conduct of public affairs. Several specific interventions were made in the area of good governance during 2015-16, these include:

- Five recommendations to the Department of Labour & Pensions in regards to training their ICP and the provision of public information via their website;
- Three recommendations to the Immigration Business Staffing Plan Board regarding the documentation of discussions and rationales for decisions taken; and
- Continued monitoring of recommendations from an Own Motion Investigation regarding the ability of the National Pensions Office to effectively investigate, charge and convict companies who are non-compliant with pension contributions mandated under the law.

In November 2015, the Deputy Governor appointed the OCC to receive and clear reports from whistleblowers under the new whistleblower legislation.

As a result, the OCC began preparations for the drafting of policy/guidelines on how individuals can expose wrongdoings and receive lawful protection. As part of this effort, discussions and consultations were carried out with Ms. Valerie Jepson (Integrity Commissioner of Toronto), Joe Friday (Commissioner), and other members of the Office of the Public Sector Integrity Commission in Ottawa.

Complaints & Inquiries since 2013



Equity and Justice in a Society that Values the Contribution of All

Every member of the public matters and every complaint about a public agency is important. Complaints or expressions of concern give the OCC an opportunity to intervene to ensure that people are treated fairly and are provided appropriate access to justice. It also provides opportunities for the Public Service to improve by taking corrective actions where necessary.

To support Government's Outcome Goal of providing Equity and Justice in a Society that Values the Contribution of All, the OCC:

- Processes requests for advice and guidance regarding allegations of serious wrongdoing;
- Investigates allegations of maladministration; and
- Makes recommendations for corrective actions where necessary.

The guiding principle in an investigation is whether the administrative action under investigation is unlawful, unreasonable, unjust, oppressive, improperly discriminatory, factually deficient or otherwise wrong.

At the conclusion of an investigation, the OCC can recommend corrective action. This occurs either specifically in an individual case or generally by a change to relevant legislation, administrative policies or procedures.

The OCC processed 81 cases during 2015-16 and carried out 29 investigations.

Human Resource Management

Staff Profile

Name: Mrs. Bridgette Lazzari-von Gerhardt

Title: Acting Complaints Commissioner and Adminstrative & Investigative Officer

Qualifications Held: Executive Certificate in Global Leadership from the University of Texas & UCCI; Certified Paralegal from the Chartered Institute of Legal Executives; United Kingdom Professional Certificate in HR Practice from the University of Portsmouth

Years with the Civil Service: 11

Name: Ms. Kim France

Title: Chief Financial Officer

Qualifications Held: FCCA, M.Sc.- International Business, LLB (HONS), DIP (HONS)- Business Administration (Accounts)

Years with the Civil Service: 4

Name: Ms. Julie Faulknor-Grant

Title: Senior Investigator/ Human Resources Manager

Qualificications Held: Bachelor of Science in Social Work from the University of Georgia; Certified Meditator through the London School of Mediation; United Kingdom Professional Certificate in HR Practice from the University of Portsmouth

Years with the Civil Service: 18

Name: Mr. Daniel Lee

Title: Investigator/ FOI Manager & OCC External Trainer

Qualifications Held: Law Degree from the University of Liverpool

Years with the Civil Service: 30

Name: Ms. Abbey Natara Glasgow

Title: Executive Assistant to the Complaints Commissioner

Qualifications Held: Institute of Legal Executives Certificate

Years with the Civil Service: 2

Name: Ms. Claudine Simons

Position Held: IntakeOfficer

Qualifications Held: Cayman Islands High School graduate

Years with the Civil Service: 9

Human Resource Achievements

Bridgette von Gerhardt – Chartered Institute of Personnel and Development (CIPD) Certificate (Level 5 equivalent to a Bachelor's) in Human Resources Practice (CHRP) -- **Passed with Distinction.**

Julie Faulknor-Grant - Chartered Institute of Personnel and Development (CIPD) Certificate (Level 5 equivalent to a Bachelor's) in Human Resources Practice (CHRP) -- **Passed with Distinction.**

Training and Skills Development Initiatives

The OCC supports lifelong learning and staff development as important components of capacity building to ensure optimal service delivery. Our training programme further facilitates talent management, talent retention and succession planning within the Civil Service.

Through our training and skills development initiatives, we will better equip our staff to deal with the inherent stresses that are associated with handling complaints from the public on a daily basis. The need for training and up-skilling becomes even more acute with reduced staffing resources and the resultant requirement for staff to assume increased workloads and fulfill multiple roles.

Professional development is vital to the organization, as it allows staff to keep abreast of relevant current events within the world of the Ombudsman, and to better serve the public of the Cayman Islands in this specialized area. As such, the OCC highly supports the training and development of its staff on an annual basis.

As part of our development programme, the OCC's investigator Mr. Daniel Lee (pictured left), traveled to Canada in February 2016 where he underwent two weeks of internal training in the process of complaints investigations and whistleblowing.

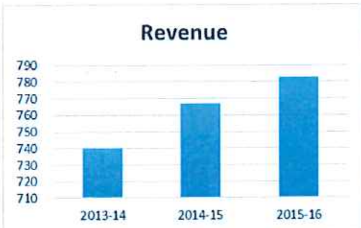
During this time, Mr. Lee met with various officials from the Ombudsman Office which handles approximately 2,000 complaints per month against various Government departments.

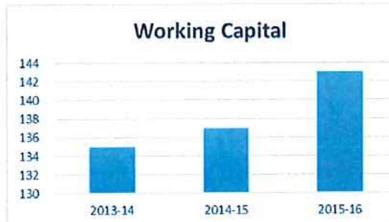
Amongst these officials were Ms. Barbara Finlay, Acting Ombudsman of Ontario (pictured center); Mr. Gareth Jones, Director of the Special Ombudsman Response Team in Toronto (pictured right); Ms. Valerie Jepson, Integrity Commissioner of Toronto; Mr. Joe Friday, Commissioner of the Office of the Public Sector Integrity Commissioner of Canada and members from the Office of the Public Sector Integrity Commissioner Ottawa who investigates whistleblowing.

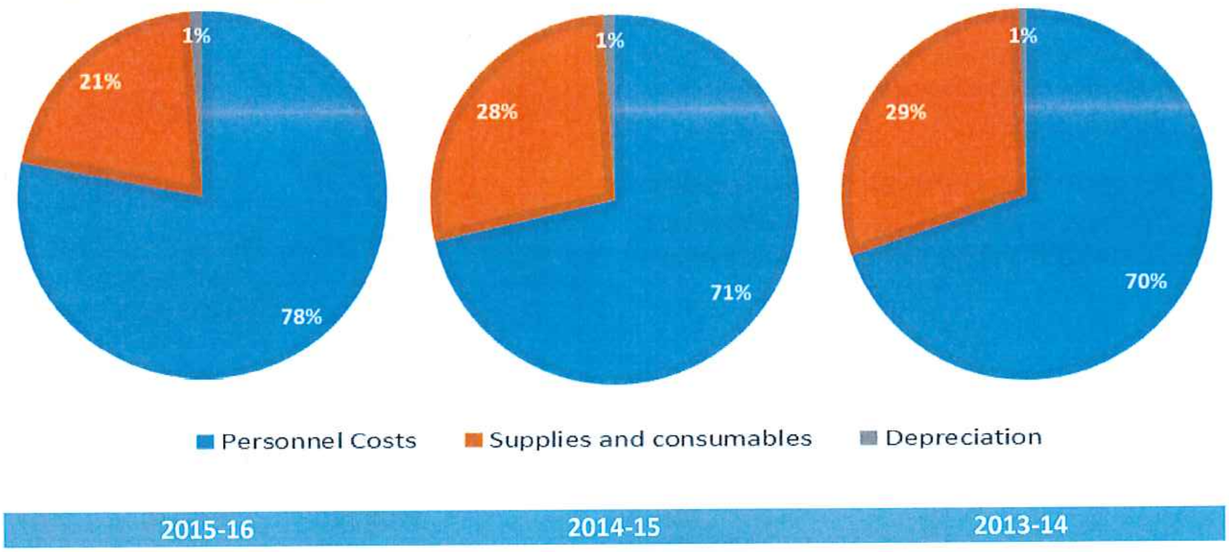
Financial Statements

Management Discussion and Analysis of Financial Results

Expressed in Cayman Islands Dollars and in thousands







Financial Trends

As shown on the **revenue** chart above, the OCC has enjoyed consistent financial support from the Cabinet over the past four fiscal years. This support is vital to the effective discharge of our functions and has allowed us the ability to improve the **working capital** position of the Office and stabilize the overall finances.

The OCC has a relatively small **property and equipment base**. The assets deployed for service delivery has been in decline over the past three years and was at 15,000 on 30th June 2016. Management intends to replace aging equipment in coming years to improve efficiency and stay abreast with modern technology.

2015-16 showed the lowest annual operating cost for the OCC over the past four fiscal years. Following significant targeted efforts, the Office was able to realize savings in both **personnel costs** and **supplies and consumables**.

The declining cost trend is primarily the result of prudent fiscal management and cost savings from unfilled posts. The Office will not be able to maintain this rate of expenditure decline in future years as additional responsibilities are added for whistleblower protection and vacancies are filled.

2015-16 Financial Results

The OCC had cash and cash equivalents of $346,000 as at June 30th, 2016. This amount is $225,000 more than the budget anticipated and results from retained surplus which will be transferred back to the Cabinet following the audit process.

Net Assets remained static at $158,000. This is because surpluses generated by the OCC must be returned to the Cabinet unless special permission is given to retain it.

The overall finances showed a favorable **position** at the close of the fiscal year. The working Capital was $143,000 and the Office had a current ratio of 1.52. That means, the OCC had $1.52 in current assets for every $1.00 of current liabilities.

The **operating result** showed a surplus of $243,000 for the fiscal year. This surplus was largely due to savings in personnel costs ($126,000), and Supplies and Consumables ($118,000).

The OCC generated $276,000 in positive **cash flows** from operations in 2015-16. The Office had no capital expenditures for the year; however, $249,000 was repaid to Cabinet as surplus repayment from previous fiscal years.

Overall, Management is pleased with the operating results and position for the fiscal year. The financial statement that follows shows the OCC's commitment to playing its part in creating a more accessible and affordable Public Service.

Expressed in Cayman Islands Dollars and in Thousands

	2015/16	2014/15	2013/14	2012/13
Personnel Costs	421	436	451	433
Supplies and consumables	113	168	191	180
Depreciation	6	6	4	2
Loss on disposal		1	-	-
Total	540	611	646	615

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Phone: (345) 943-2220 Fax: (345) 943-2221

Statement of Responsibility for the Financial Statements

These financial statements have been prepared by the Office of the Complaints Commissioner in accordance with the provisions of the *Public Management and Finance Law (2013 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Law (2013 Revision)*.

As Acting Complaints Commissioner, 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 record the financial transactions of the Office of the Complaints Commissioner.

As Acting Complaints Commissioner and Chief Financial Officer we are responsible for the preparation of the Office of the Complaints Commissioner financial statements, representation and judgments made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows for the financial year ended 30 June 2016.

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

(a) completely and reliably reflect the financial transactions of the Office of the Complaints Commissioner for the year ended 30 June 2016;
(b) fairly reflect the financial position as at 30 June 2016 and performance for the year ended 30 June 2016;
(c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements which is carried out by its agent. The Office of the Auditor General and its agent have been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.

Acting Complaints Commissioner	Chief Financial Officer
Date: 31 October 2016	Date: 31 October 2016

Office of the Auditor General
CAYMAN ISLANDS

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Auditor General's Report

To the Complaints Commissioner and the Members of the Legislative Assembly

I have audited the accompanying financial statements of the Office of the Complaints Commissioner, which comprise the statement of financial position as at 30 June 2016, and the statements of financial performance, cash flows, and changes in net assets/equity for the year then ended and a summary of significant accounting policies and other explanatory information as set out on pages 33 to 48 in accordance with the Section 60(a)(i) of the *Public Management and Finance Law (2013 Revision).*

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion. In rendering my audit opinion on the financial statements of the Office of the Complaints Commissioner, I have relied on the work carried out on my behalf by a public accounting firm who performed their work in accordance with International Standards on Auditing.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Office of the Complaints Commissioner as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Sue Winspear, CPFA
Auditor General

31 October 2016
Cayman Islands

Statement of Financial Position

OFFICE OF THE COMPLAINTS COMMISSIONER

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	Current Year Actual	Approved Budget (Note 1(c))	Variance (Budget vs. Actual)	2014/15 Actual
		expressed in Cayman Islands Dollars and in thousands			
Current Assets					
Cash and cash equivalents	**2,14**	346	121	(225)	319
Receivables from exchange transactions	**3,15**	66	65	(1)	99
Prepayments		4	5	1	9
Total Current Assets		**416**	**191**	**(225)**	**427**
Non-Current Assets					
Property and equipment	**4**	15	12	(3)	21
Total Non-Current Assets		**15**	**12**	**(3)**	**21**
Total Assets		**431**	**203**	**(228)**	**448**
Current Liabilities					
Payables under exchange transactions, other payables and accruals	**5**	23	27	4	26
Employee entitlements	**6**	7	18	11	15
Surplus payable	**7,14,15**	243	-	(243)	249
Total Current Liabilities		**273**	**45**	**(228)**	**290**
Total Liabilities		**273**	**45**	**(228)**	**290**
Net Assets		**158**	**158**	**-**	**158**
Net Assets/ Equity					
Contributed capital		158	158	-	158
Accumulated surpluses		-	-	-	-
Total Net Assets/ Equity		**158**	**158**	**-**	**158**

The accounting policies and notes on pages 33- 48 form part of these financial statements.

Statement of Financial Performance

OFFICE OF THE COMPLAINTS COMMISSIONER

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Current Year Actual	Approved Budget (Note 1(c))	Variance (Budget vs. Actual)	2014/15 Actual
		expressed in Cayman Islands Dollars and in thousands			
Revenue					
Sale of goods and services	**8,15**	783	783	-	767
Total Revenue		**783**	**783**	-	**767**
Expenses					
Personnel costs	**9,14**	421	547	126	436
Supplies and consumables	**10,14**	113	231	118	168
Depreciation	**4**	6	5	(1)	6
Loss on sale of property and equipment		-	-	-	1
Total Expenses		**540**	**783**	**243**	**611**
Surplus for the year		**243**	-	**(243)**	**156**

The accounting policies and notes on pages 33- 48 form part of these financial statements.

Statement of Changes in Net Assets/ Equity

OFFICE OF THE COMPLAINTS COMMISSIONER

STATEMENT OF CHANGES IN NET ASSETS/ EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Contributed Capital	Accumulated Surplus	Total Net Assets/ Equity	Approved Budget (Note 1(c))	Variance (Budget vs. Actual)
	expressed in Cayman Islands Dollars and in thousands				
Balance at 30th June 2014	**158**	-	**158**	**158**	-
Equity investment	-	156	156	-	(156)
Surplus for the year (2014/15)	-	(156)	(156)	-	156
Balance at 30th June 2015	**158**	-	**158**	**158**	-
Balance at 30 June 2015	**158**	-	**158**	**158**	-
Surplus for the year (2015/16)	-	243	243	-	(243)
Repayment of Surplus to Cabinet	-	(243)	(243)	-	243
Balance at 30th June 2016	**158**	-	**158**	**158**	-

The accounting policies and notes on pages 33- 48 form part of these financial statements.

Statement of Cash Flows

OFFICE OF THE COMPLAINTS COMMISSIONER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Current Year Actual	Approved Budget (Note 1(c))	Variance (Budget vs. Actual)	2014/15 Actual
		expressed in Cayman Islands Dollars and in thousands			
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Outputs to Cabinet		816	782	(34)	795
Payments					
Personnel Costs		(429)	(545)	(116)	(437)
Supplies and consumables		(111)	(231)	(120)	(162)
Net cash flows from operating activities	**11**	**276**	**6**	**(270)**	**196**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property and equipment	4	-	-	-	(5)
Net cash flows used in investing activities		**-**	**-**	**-**	**(5)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Equity Investment		-	-	-	-
Repayment of surplus		(249)	(94)	155	(81)
Net cash flows used in financing activities		**(249)**	**(94)**	**155**	**(81)**
Net increase/(decrease) in cash and cash equivalents		**27**	**(88)**	**(115)**	**110**
Cash and cash equivalents at beginning of period		319	209	(110)	209
Cash and cash equivalents at end of year		**346**	**121**	**(225)**	**319**

The accounting policies and notes on pages 33- 48 form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Description and Principal Activities

The Office of the Complaints Commissioner is a government owned entity as defined by section 2 of the *Public Management and Finance Law (2013 Revision)* 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 Office of the Complaints Commissioner as defined in the Annual Plan and Estimates for the Government of the Cayman Islands for the financial year ended 30 June 2016.

The principal address of the Office of the Complaints Commissioner is located at Anderson Square 3rd Floor, George Town, Grand Cayman. As at 30 June 2016, the Office of the Complaints Commissioner had 6 employees (2015: 5).

Note 1: Significant accounting policies

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 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.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. There have been no significant changes to the accounting policies during the year ended 30 June 2016.

(a) Basis of preparation

These financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented. The financial statements are presented in Cayman Islands dollars and the measurement base applied to these financial statements is the historical cost basis.

(b) Reporting period

The reporting period is the year ended 30 June 2016.

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

(c) Budget amounts

The 2015-16 final/original budget amounts were prepared using the accrual basis of accounting and the accounting policies have been consistently applied with the actual financial statement presentation. The 2015-16 original budget was presented in the 2015/2016 Annual Budget Statement of the Government of the Cayman Islands and approved by the Legislative Assembly on 19 June 2015. There have been no subsequent adjustments to the approved budget and therefore this represents the final budgeted amounts.

(d) Judgments and estimates

The preparation of financial statements in accordance 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. The account balances that require judgement are receivables from exchange transactions, property and equipment and payables under exchange transactions. 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. As at 30 June 2016, no reliable fair value estimate of contributed goods and services provided to Office of the Complaints Commissioner by government entities could be made and therefore no estimate of amounts are recorded in these financial statements (2015: $0).

(e) 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 deferred as a liability.

The office of the Complaints Commissioner derives its revenue through the provision of services to Cabinet, to other agencies in government and to third parties. Revenues derived from third parties in 2016 were zero (2015: $0). Revenue is recognised at the fair value of services provided.

(f) Expenses

Expenses are recognised when incurred on the accrual basis of accounting. In addition, an expense is recognized for the consumption of the estimated fair value of contributed goods and services received, where an estimate can realistically be made.

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

(g) 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 operating leases are recognised as expenses on a straight-line basis over the lease term.

(h) 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 from the date of acquisition.

(i) Prepayments

The portion of amounts paid for goods and services in advance of receiving such goods and services are recognised as a prepayment.

(j) Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation. Items of property 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.

Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property and equipment; less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated either over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

Asset Type	*Estimated Useful life*
• Computer Equipment	3 – 4 years
• Office equipment and furniture	5 – 10 years
• Other equipment	5 – 10 years
• Leasehold improvements	Over the remaining term of the lease

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

(j) Property and equipment (continued)

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at year end. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value for use in service.

Disposals

Gains and losses on disposal of property and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the statement of financial performance.

(k) 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 Office of the Complaints Commissioner are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the "Board"). Contributions of 12% on basic salary - employer 6% and employee 6% - are made to the Fund by the Office of the Complaints Commissioner.

Contributions of 12% on acting, duty allowances – employer 6% and employee 6% - are made to the Fund by the Office of the Complaints Commissioner.

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 defined benefit employees and a defined contribution scheme for all new employees. Obligations for contributions 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 reported in the consolidated financial statements of the Government of the Cayman Islands and not within individual Government entities.

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

(l) Financial instruments

The Office of the Complaints Commissioner is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, receivables from exchange transactions and payables under exchange transactions, other payables and accruals, employee entitlements and surplus 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 from exchange transactions.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial assets with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise of payables under exchange transactions, other payables and accruals, employee entitlements and surplus payable.

Recognition
The Office of the Complaints Commissioner 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 statement 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 measured at amortized 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.

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

(l) Financial instruments (continued)

De-recognition

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

(m) Provisions and contingencies

Provisions are recognised when an obligation (legal or constructive) is incurred as a result of a past event and where it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognised but are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised but are disclosed in the financial statements when an inflow of economic benefits is probable.

(n) Foreign currency

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

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

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate;
- 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 using the exchange rates that existed when the fair values were determined.

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

(o) Comparative Figures

Comparative figures are reclassified to ensure consistency with the current period unless it is impracticable to do so.

(p) Impairment

An asset is impaired when its carrying amount exceeds its recoverable amount. If there is any indication of impairment present, the entity is required to make a formal estimate of recoverable amount.

(q) Revenue from non-exchange transactions

The Office of the Complaints Commissioner receives various services from other Government entities for which payment is made by the Government. These services include but are not limited to computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. The Office of the Complaints Commissioner 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 a property and equipment, such service in-kind is recognized in the cost of property and equipment.

Note 2: Cash and cash equivalents

As at 30 June 2016 the Office of the Complaints Commissioner held no restricted cash balances (30 June 2015: $0). No interest was earned during the year on the amounts held in these bank accounts (30 June 2015: $0).

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
expressed in Cayman Islands Dollars and in thousands				
CI$ Operational Current Account	338	102	(236)	287
Payroll Current Account	8	19	11	32
Total	**346**	**121**	**(225)**	**319**

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 3: Receivables from exchange transactions

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
expressed in Cayman Islands Dollars and in thousands				
Sale of outputs to Cabinet	65	65	-	64
Debtor from other government agencies	-	-	-	35
Salary advances	1	-	(1)	-
Total receivables from exchange transactions	**66**	**65**	**(1)**	**99**

As of 30 June 2016 and 2015, receivables from exchange transactions are all due within one year.

Note 4: Property and equipment

	Furniture and Fittings	Computer Hardware & Software	Office Equipment	Leasehold Improvements	Total
expressed in Cayman Islands Dollars and in thousands					
Cost					
At 1 July 2014	12	38	28	-	78
Additions	2	-	-	3	5
Disposals	(3)	-	(14)	-	(17)
At 30 June 2015	**11**	**38**	**14**	**3**	**66**
Accumulated Depreciation					
At 1 July 2014	8	31	16	-	55
Depreciation charge for the year	2	2	2	-	6
Disposal	(3)	-	(13)	-	(16)
At 30 June 2015	**7**	**33**	**5**	**-**	**45**
Net Book value 30 June 2015	**4**	**5**	**9**	**3**	**21**

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 4: Property and equipment (continued)

Cost	Furniture and Fittings	Computer Hardware & Software	Office Equipment	Leasehold Improvements	Total
expressed in Cayman Islands Dollars and in thousands					
At 1 July 2015	11	38	14	3	66
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 30 June 2016	**11**	**38**	**14**	**3**	**66**
Accumulated Depreciation					
At 1 July 2015	7	33	5	-	45
Depreciation charge for the year	1	2	2	1	6
Disposal	-	-	-	-	-
At 30 June 2016	**8**	**35**	**7**	**1**	**51**
Net Book value at 30 June 2016	**3**	**3**	**7**	**2**	**15**

Note 5: Payables under exchange transactions, other payables and accruals

	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
expressed in Cayman Islands Dollars and in thousands				
Creditors	1	6	5	16
Creditors Ministries/ Portfolios	-	-	-	-
Accrued Expenses	22	21	(1)	10
Total payables under exchange transactions, other payables and accruals	**23**	**27**	**4**	**26**

Payables under exchange transactions and other payables are non-interest bearing and are normally settled on 30-day terms.

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 6: Employee entitlements

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
expressed in Cayman Islands Dollars and in thousands				
Current employee entitlements are represented by:				
Annual Leave	7	18	11	15
Total Current Portion	**7**	**18**	**11**	**15**
Total employee entitlements	**7**	**18**	**11**	**15**

Note 7: Surplus payable

Surplus payable represents accumulated surplus of $243 thousand as at 30 June 2016 (2015: $249 thousand). Under the *Public Management & Finance Law (2013 Revision)* section 39 (3)(f), the Office of the Complaints Commissioner may "retain such part of its net operating surplus as is determined by the Financial Secretary". Therefore, the Office of the Complaints Commissioner has recorded an additional surplus payable amount to the Government of the Cayman Islands in the amount of $243 thousand as of 30 June 2016 (2015: $156 thousand). The Financial Secretary has not confirmed whether they can retain the surplus achieved during this year and the prior year. During the year ended 30 June 2016 the Office of the Complaints Commissioner paid to Cabinet a surplus payable amount of $249 thousand.

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 8: Revenue

Revenue type	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
expressed in Cayman Islands Dollars and in thousands				
Outputs to Cabinet	783	783	-	767
Total sales of goods and services	**783**	**783**	**-**	**767**

Note 9: Personnel costs

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
expressed in Cayman Islands Dollars and in thousands				
Salaries, wages and allowances	363	429	66	368
Health care	50	84	34	50
Pension	16	24	8	18
Leave	(8)	2	10	-
Other	-	8	8	-
Total Personnel Costs	**421**	**547**	**126**	**436**

Note 10: Supplies and consumables

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
expressed in Cayman Islands Dollars and in thousands				
Lease of property and equipment	38	39	1	59
Training	19	17	(2)	17
Audit Fees	19	16	(3)	17
Purchase of services	16	91	75	29
Utilities	12	30	18	26
Supplies and Materials	7	23	16	13
General Insurance	2	2	-	2
Travel and Subsistence	-	12	12	5
Other	-	1	1	-
Total Supplies & Consumables	**113**	**231**	**118**	**168**

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 11: Reconciliation of net cash flows from operating activities to surplus

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
expressed in Cayman Islands Dollars and in thousands				
Surplus from ordinary activities	243	-	(243)	**156**
Non-cash movements				
Depreciation expense	6	5	(1)	6
Loss on sale of property and equipment	-	-	-	1
Changes in current assets and liabilities:				
Decrease/ (Increase) in receivables	33	(1)	(34)	28
Decrease in prepayments	5	-	(5)	5
(Decrease)/ Increase in payables	(11)	2	13	-
Net cash flows from operating activities	**276**	**6**	**(270)**	196

Note 12: Contingent liabilities and assets

No contingent liabilities or assets existed as at 30 June 2016 (2015: $Nil).

Note 13: Commitments

Type	One year or less	One to five years	Total	2014/15 Actual
expressed in Cayman Islands Dollars and in thousands				
Operating commitments				
Non-cancellable accommodation leases	38	88	126	173
Total Operating Commitments	**38**	**88**	**126**	**173**

The Office of the Complaints Commissioner has medium to long-term accommodation leases for the premises it occupies in George Town. The lease is for 5 years and expires the 30 October 2019. The amounts disclosed above as future commitments are based on the current rental rates.

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 14: Explanation of major variances against budget

Explanations for major variances for the Office of the Complaints Commissioner performance against the original budget are as follows:

Statement of financial position

Cash and cash equivalents
During the year the Office of the Complaints Commissioner received $783 thousand in outputs from cabinet, but incurred less expenses than were budgeted. However, this cash surplus was reduced by a repayment to Cabinet of a surplus payable in the amount of $249 thousand. Though this repayment was not budgeted there was still $225 thousand increase noted during the period.

Surplus payable
The Office of the Complaints Commissioner has recorded a surplus of $243 thousand in the year in addition to the repayment as noted above. The budget did not include any provision for surplus.

Statement of financial performance

Personnel costs
The net decrease in personnel costs of $126 thousand to the budgeted amount is primarily due to the ongoing vacancy of the Complaints Commissioner which has been vacant since January 2015. In addition, there is cost savings in health insurance as one employee budgeted for is covered under his previous employment and another budgeted at the premier family rate but pays the lower rate of employee and child.

Supplies and consumables
The net decrease of $118 thousand to budget is primarily due to the decreases in professional fees, utilities, official travel, advertising and paper and printing. Professional fees, which include legal expenses, are budgeted as contingencies and are expected to vary each year. The actual rates for electricity are lower than when the budget was finalised due to shared property with Information Commission's Office. The nil cost for official travel is directly linked to the ongoing vacancy of the Complaints Commissioner. The budget for advertising is largely underspent as a result on the unfilled vacancy of the Complaints Commissioner, which was not advertised overseas. The saving in paper and printing is primarily due to the timing of purchases.

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 15: Related party and key management personnel disclosures

Related party disclosure

The Office of the Complaints Commissioner is a wholly owned entity of the Government of the Cayman Islands from which it derives a major source of its revenue. The Office of the Complaints Commissioner and its key management personnel transact with other government entities on a regular basis. These transactions were provided in-kind during the financial year ended 30 June 2016 and were consistent with normal operating relationships between entities. These transactions are as follows:

Note 15: Related party and key management personnel disclosures (continued)

Statement of Financial Position	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
expressed in Cayman Islands Dollars and in thousands				
Receivables from exchange transactions	66	65	(1)	99
Surplus payable	243	-	(243)	249
Statement of Financial Performance				
Sale of goods and services	783	783	-	767
Insurance expense	2	2	-	2

Key management personnel

Key management personnel are also considered to be related parties.

The entity has one full-time (2015: two full-time) equivalent personnel considered as key management. The total remuneration includes: regular salary, allowances, pension contributions and health insurance contributions. Total remuneration for senior management in 2015-16 was $126 thousand (2014-15: $151 thousand). There were no loans made to key management personnel or their close family members in 2015-16 (2014-15: $0).

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 16: Financial instrument risks

The Office of the Complaints Commissioner is exposed to a variety of financial risks including credit risk and liquidity risk. The risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of up to date and reliable information systems. These risks are managed within the parameters established by the Financial Regulations (2013 Revision).

Credit risks

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Office of the Complaints Commissioner. Financial assets which potentially expose the Office of the Complaints Commissioner to credit risk comprise cash and cash equivalents and receivables from exchange transactions.

The Office of the Complaints Commissioner is exposed to potential loss that would be incurred if the counterparty to the bank balances fails to discharge its obligation to repay. All bank balances are with one financial institution located in the Cayman Islands which management considers to be financially secure and well managed. Receivables from exchange transactions are due from the Government of the Cayman Islands and is deemed financially stable to meet its liabilities.

Liquidity risk

Liquidity risk is the risk that the Office of The Complaints Commissioner is unable to meet its payment obligations associated with its financial liabilities when they are due.

The ability of the Office of the Complaints Commissioner to meet its debts and obligation is dependent upon its ability to collect the debts outstanding to the Office of The Complaints Commissioner on a timely basis. In the event of being unable to collect its outstanding debts, it is expected that the Government of the Cayman Islands would temporarily fund any shortfalls for the Office of the Complaints Commissioner with its own cash flows. As at 30 June 2016 and 2015, all of the financial liabilities were due within three months of the year end dates.

Currency risk

The Office of the Complaints Commissioner has minimal exposure to currency exchange risk.

Notes to the Financial Statements

For the year ended 30 June 2016
(Expressed in Cayman Islands Dollars)

Note 17: Financial instruments – fair values

As at 30 June 2016 and 2015, the carrying values of cash and cash equivalents, receivables from exchange transactions, payables under exchange transactions, other payables and accruals, surplus payable and employee entitlements approximate their fair values due to their relative short-term maturities.

Note 18: Subsequent events

In preparing these financial statements management has evaluated and disclosed all material subsequent events up to 31 October 2016, which is the date that the financial statements were available to be issued.

Appendices

Governance and Risk Management

The OCC is subject to normal risks associated with most public agencies. For 2015-16 those risks include:

- Loss or absence of key staff along with their expertise and experience;
- Constrained ability to effectively manage complaints with existing resources;
- Physical and electronic security;
- Natural disasters including hurricanes, fires and other perils; and
- Impacts on staff health and safety arising from unreasonable complainant conduct.

The OCC has measures in place to manage these risks, and will continue to implement appropriate risk management strategies as part of an overall risk management framework.

Legal Framework

Laws Administered by the Office of the Complaints Commissioner

- The Legislative Framework for the OCC is prescribed under the Complaints Commissioner Law (2014 Revision).
- The OCC is also subject to the Public Management and Finance Law (2013 Revision) and the Public Service Management Law (2013 Revision).

Legislative Changes Envisaged in 2016/17

Amendments or revisions to the Complaints Commissioner Law are expected in 2016-17 to facilitate the planned merger with the Information Commissioner's Office.

Notes

OFFICE OF THE COMPLAINTS COMMISSIONER

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