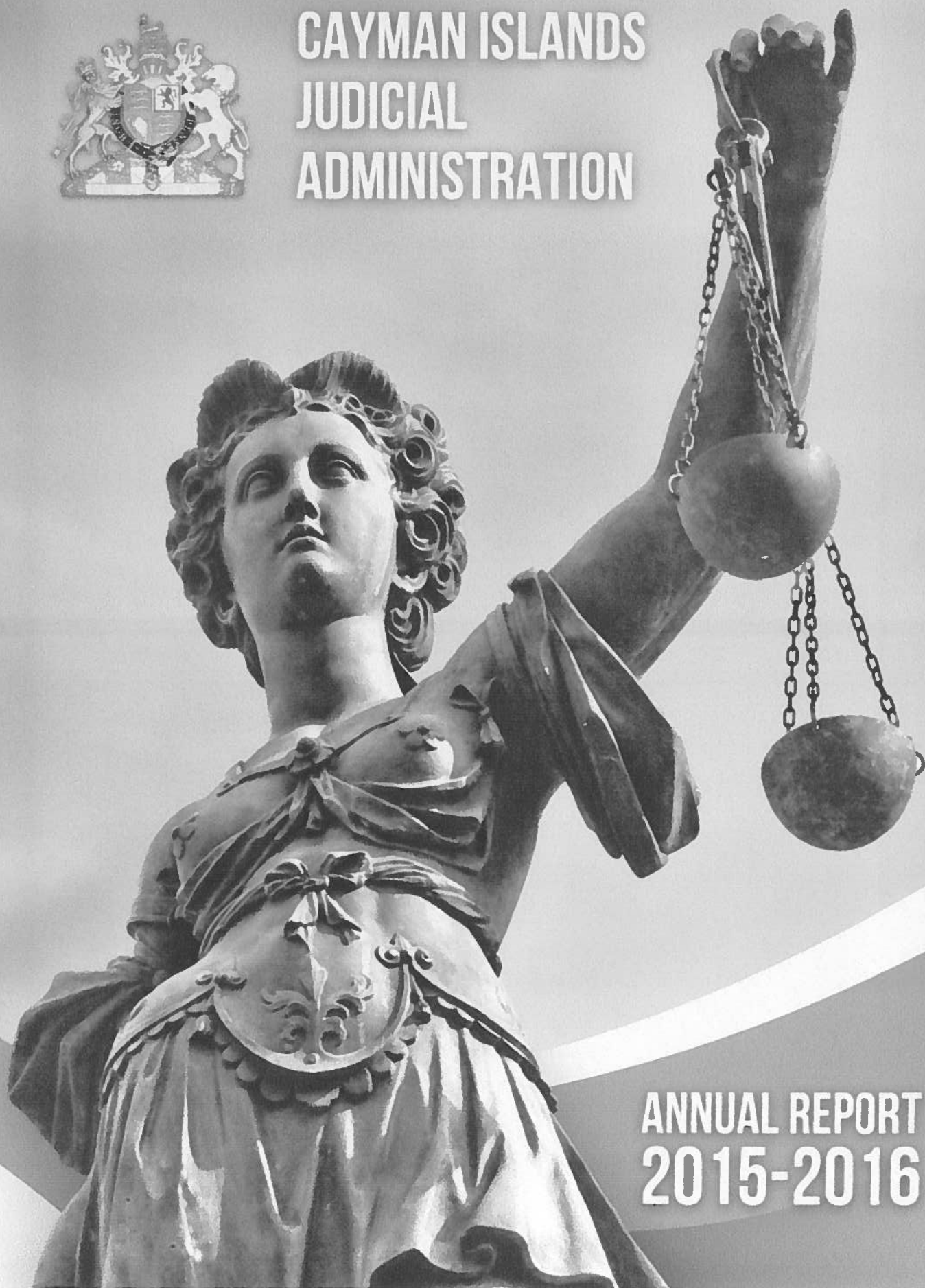




CAYMAN ISLANDS JUDICIAL ADMINISTRATION



ANNUAL REPORT
2015-2016

Cayman Islands Judicial Administration

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Foreword

This Annual Report is for the Judicial Administration of the Cayman Islands Government. Judicial Administration is responsible for the administration and management of the courts in the Cayman Islands. Its primary functions are to manage the courts, support the judiciary, provide information on the courts system to the public, and provide court buildings and facilities for court users.

The Judiciary is one of three separate arms of Government. Its function is to administer the law independently of the Executive and the Legislative arms of Government, an autonomy that is safeguarded through the provisions of the Cayman Islands Constitution Order, 2009.

The Annual Report outlines the performance of Judicial Administration during the 2015-16 fiscal year and compares it to the budgeted performance for the period.

The requirement for an Annual Report is prescribed under section 44 of the Public Management and Finance Law (2013 Revision) (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.

Whilst the Judiciary is constitutionally independent, it must also account for the manner in which it uses public funds. This report outlines important aspects of the Judiciary's work during 2015-16 and presents the financial results for the corresponding period.

The annual report covers four main areas:

- Organisational overview;
- Support for outcome goals;
- Financial performance; and
- Governance.

The service delivery section outlines the interventions carried out by the Judiciary 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 Judiciary was afforded in the 2015-16 budget and the inputs purchased to provide services. The financial performance is presented in the form of financial statements prepared in accordance with International Public Sector Accounting Standards (IPSAS) and the supporting notes to those financial statements.

The report also includes a section on Governance which outlines the Judiciary's efforts in the areas of risk management, audit, and freedom of information.



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Message from the Honourable Chief Justice

I am pleased to present the 2015-16 Annual Report for Judicial Administration. The report highlights the achievements of the Judiciary's administrative support arm and explains the steps taken to further the Government's policy outcome goal of ensuring equitability and justice in our society.

The year 2015-16 was another busy one for the Judiciary. Noteworthy was the retirement of Mr. Kevin McCormac, who served for four years as Court Administrator, and the appointment of Mrs. Suzanne Bothwell, who will succeed him in that post. Mrs. Bothwell has been with the Civil Service for 15 years and has spent a number of those years working with the Judiciary as Senior Counsel for the Attorney General. Several committees continued their work in 2015-16 in reforming the practices and procedures of the courts. Some of this work relating to the criminal division of the Summary Courts follows the report of Criminal Justice Advisor Claire Wetton, who spearheaded an efficiency review in the prior fiscal year.

The Judicial and Legal Services website has also been under significant development and enhancements with a view to launching the new website in the 2016-2017 budget year. Such improvements do not however, diminish the need for additional court space which has now become a matter of real national concern. The inadequate existing facilities continue to affect our ability to dispose of our criminal cases in an effective manner. At present, the Cayman Islands continues to struggle to meet international standards when it comes to the disposal of cases for persons in custody.

Managing the volume of work has been a major challenge. Most days we are scheduling eight or nine contemporaneous hearings in courtrooms



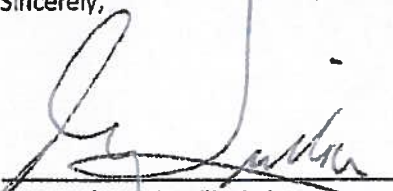
and chambers, and some days as many as ten or more. I therefore welcome the declared commitment of the Hon. Premier on behalf of his Government

that this problem is now to be at long last addressed and its implied recognition of the important role of the proper functioning of the courts in promoting a stable society and maintaining Cayman's position as a leader in the resolution of disputes involving global financial services.

The long-awaited reform and modernization of the Legal Aid Law and system can now be implemented with the passage of the Legal Aid Law 2015. We expect the Legal Aid Office and the recruitment of the Director of Legal Aid to be effected early in 2017.

I am grateful for the work of the administrative staff in Judicial Administration and of my colleagues throughout our justice community. Their continued support of the administration of justice is key to the efficient dispensation of justice and our efforts to develop and modernize our court system.

Sincerely,



Hon. Anthony Smellie Q.C.
Chief Justice of the Cayman Islands



Message from the Court Administrator

I am pleased to deliver the Annual Report for Judicial Administration for the Fiscal Year ended 30 June, 2016.

It is my duty and my privilege to provide, as a key link in the chain of accountability, this, my first Annual Report as Court Administrator.

The Annual Report outlines the efforts made to fulfil our mandates, support government policy and deliver on the commitments made in the 2015-16 Annual Budget Statement. It also provides an account for the public resources that were entrusted to Judicial Administration to support our Judicial system during the year.

This year 2015-16 saw a number of achievements and milestones in our service delivery. I am very excited about the ongoing work to implement the recommendations of the Criminal Justice Advisor. I am also encouraged by changes made to the management of legal aid slated to be fully implemented in 2016-17.

The organisation continues to be committed to upgrading the services that will promote the efficient administration of justice. Plans are underway to standardize within all courtrooms and chambers enhanced audio visual communication equipment to facilitate increased numbers of hearings, even if parties are not physically within the jurisdiction. The enhanced facilities will reduce the need for prisoners to attend court for certain hearings and provide for an increase in recording of proceedings. These initiatives follow the direction of previous Court Administrators in ensuring the courts continue to meet the ever changing needs of our users and society at large.



Looking forward, I am also happy to announce a number of new initiatives that will enhance court services. The creation of the Legal Aid Office, pursuant to the

coming into force of the Legal Aid Law, 2015, will see that office take on a greater role in managing and monitoring expenditure of the Legal Aid fund. Limited legal representation will be available from that office. The Director of Legal Aid will also be charged with leading the creation of a *pro bono* legal aid clinic that will allow greater training opportunities for local law students.

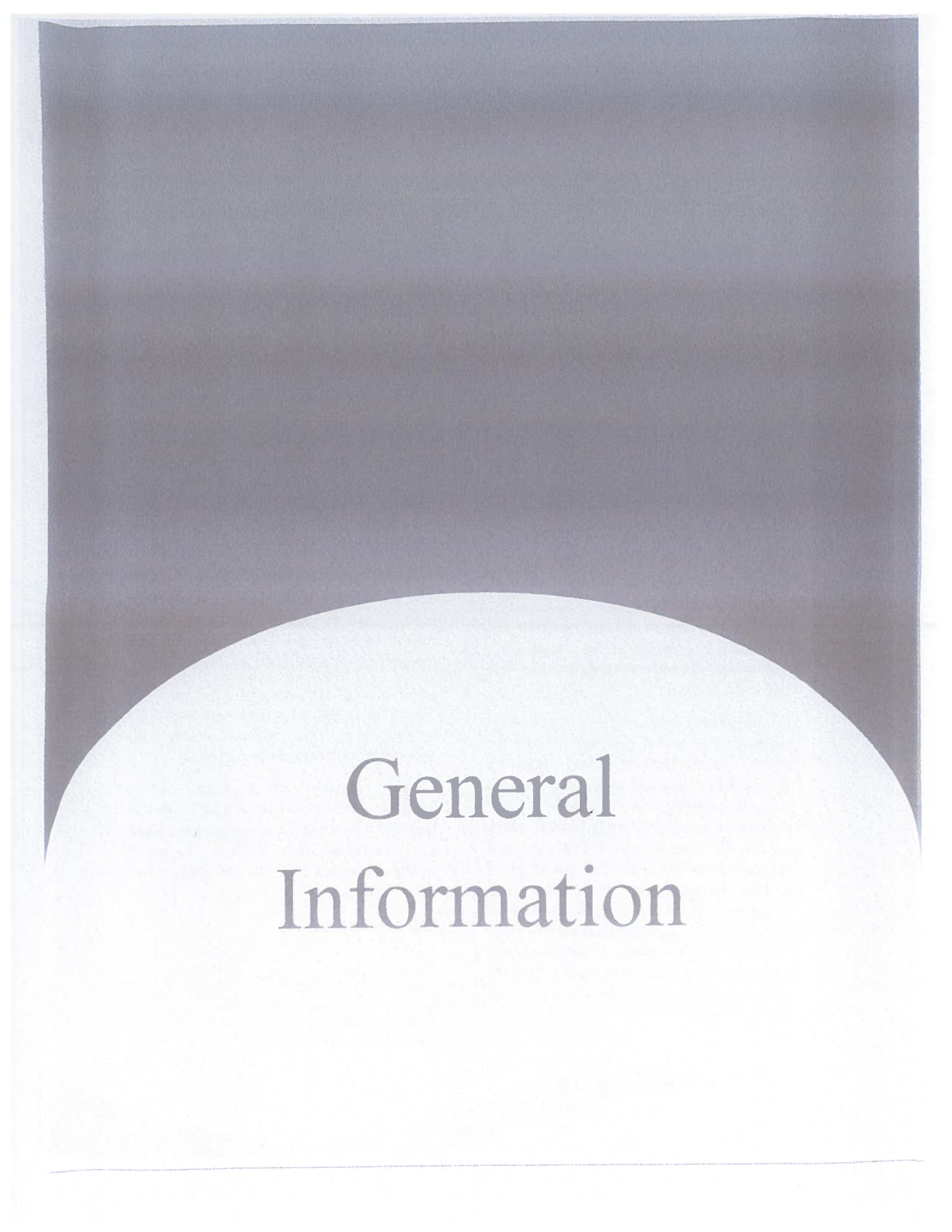
Mediation services will come on board as part of the case management for Grand Court family law litigation, with the hope that families will thereby resolve issues in an amicable and consensual manner, reducing court time and costs.

I am very grateful for the hard work and dedication of the many who went above and beyond duty to make possible the accomplishments outlined in this report.

Working together as a team, Judicial Administration staff will continue to ensure that they fulfil their mandates of managing the courts and supporting the judiciary to ensure appropriate access to justice and equity within our society.

Yours sincerely,

Suzanne Bothwell
Court Administrator



General Information



Nature & Scope of Activities

Nature of Activities

Provision of administrative support for the dispensation of justice in the Cayman Islands, for judicial and mutual legal assistance to foreign courts and governments, and for the resolution of disputes that come before the Courts.

Scope of Activities

Case Management – Criminal and Civil

Provision of services to support the work of the judiciary in determining and managing criminal and civil cases. Services include:

- Registering all actions, ensuring their custody and progress through the judicial system.
- Scheduling cases and rostering judges
- Managing documents and exhibits
- Recording and transcribing evidence
- Undertaking functions prescribed by statute (for example, granting bail, issuing Summonses in criminal cases, and managing dissolutions and probate in civil cases)
- Dealing with enquiries from parties or their lawyers.

Financial Management

- Collection or enforcement of monetary penalties, and the enforcement of judgments of the Courts on behalf of Judgment creditors.
- Administration of Legal Aid services
- Collection of forfeited funds
- Collection of fees, fines, and compensation.

Customers and Location of Activities

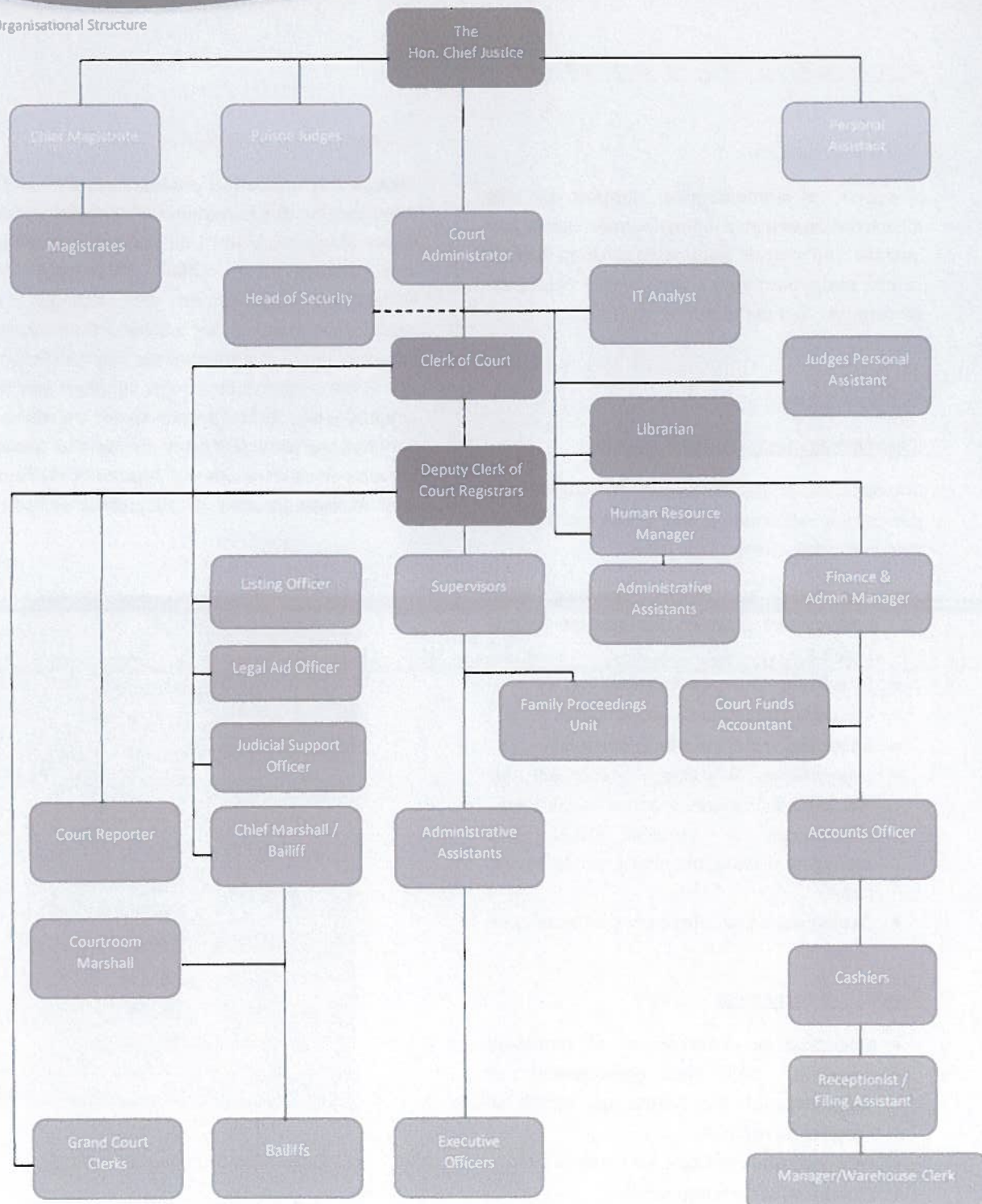
Judicial Administration provides support to the Chief Justice, the President and Members of the Court of Appeal, Grand Court Judges (permanent and acting), the Chief Magistrate and Magistrates (permanent and acting). The services provided by the Judicial Administration are provided to members of the legal profession, the Police, other government agencies and the general public of the Cayman Islands and abroad. Services are provided from the central George Town main court house and adjacent Kirk House, and, increasingly, through the judicial website.

MISSION STATEMENT

The Judicial Administration is committed to fairly dispensing justice in the Cayman Islands and disposing of cases as quickly and efficiently as is consistent with the interests of justice and to providing international legal assistance pursuant to treaties such as the Mutual Legal Assistance Treaty with the United States of America.



Organisational Structure





2015-16 at a Glance

Financial Performance Measures	2015-16 Target	2015-16 Actual
Revenue from Cabinet	5,946,000	5,946,000
Revenue from ministries, portfolios, statutory authorities, government companies	-	-
Revenue from others	45,000	47,000
Total Revenue	5,991,000	5,993,000
Expenses	5,991,000	5,779,000
Surplus	-	214,000

Net Worth	2015-16 Target	2015-16 Actual
Net Worth	1,644,000	1,559,000

Cash Performance	2015-16 Target	2015-16 Actual
Cash Flow from Operating activities	171,000	477,000
Cash Flows from Investing activities	-	(140,000)
Cash Flows from Financing activities	-	-
Change in cash balances	171,000	337,000

Financial Performance Ratios	2015-16 Target	2015-16 Actual
Current Assets: Current Liabilities	2.02	1.75
Total Assets: Total Liabilities	2.54	2.34

Human Capital Measures	2015-16 Target	2015-16 Actual
Total full time equivalent staff employed	62	59

Physical Capital Measures	2015-16 Target	2015-16 Actual
Value of total assets	2,711,000	2,714,000
Asset replacements: total assets	-	5%
Book value: initial cost	2%	24%
Depreciation: cash flow on asset purchases	-	1.55



Performance Overview

The year 2015-16 was an eventful one for Judicial Administration. Changes occurred across several areas of the organisation, and included retirements and new appointments at the judicial level, leadership change at the administrative level, and new staff appointments. New processes were implemented as a result of the 2015 review by Criminal Justice Advisor Claire Wetton.

There were also amendments to Legislation that will have material impact on the courts. A key change was the Legal Aid Law (2015) that will result in the creation of a Legal Aid Office and the appointment of a director responsible for ensuring value for money while also providing limited representation in Legal Aid cases.

Enhancement of our physical infrastructure has now become a dire need to ensure the effective access to justice and the continued security and proper functioning of the courts. In 2015-16 significant work was undertaken to develop an outline business case for this facility. This is expected to continue into 2016-17.

Given the limitations of the physical infrastructure, we continue to place significant emphasis on embracing technology to augment

our service delivery capabilities. As a result, over the past year we have been reviewing our website www.judicial.ky, with a view to relaunching it early in the 2016-2017 budget year. The enhanced website is designed to be more user friendly with added content and new functionality.

We also began our e-filing initiative with the electronic transfer of probation reports directly from the Probation Department to the Courts. However, other more intricate aspects of the system, such as e-filing of documents for criminal cases and of those that attract the payment of fees, are still being refined. It is hoped that these aspects of the e-filing system will come online in the 2016-2017 budget year. This new initiative will streamline the functions of our registries, and offer greater convenience to our users.

The 2015-2016 budget year was also a busy time for the courts insofar as high profile cases were concerned. During this period also, preparations were being finalized for several large scale commercial cases. Some of the more notable criminal cases during the 2015-2016 budget year were the Canover Watson and Michelle





Bouchard trials. At the end of the budget year, plans were being finalized to commence the "AHAB trial", as it is commonly known, in July.

Notable committee work in 2015-16 included:

Grand Court Rules Committee (GCR): This committee promulgated new rules under the following laws: Coroner's Law, for the management of inquests; Registered Land Law, for the regulation of mortgage enforcement actions; Grand Court (Amendment) Law 2014, for injunctive orders with respect to aid of foreign proceedings; Children Law, for prohibited steps orders; and Judicature Law, for interim awards of costs.

The GCR also settled the rules for the reference of Family Court proceedings to Mediation, a practice which has been adopted by the courts in the UK and elsewhere.

In anticipation of this development, 15 judges, magistrates, attorneys and senior staff participated in an accredited mediation training course conducted by the London School of Mediation in February 2016.

The Mediation rules will require the parties in all family proceedings amenable to resolution by mediation to first attend a mediation information and assessment meeting ("MIAM"). The benefits of mediation will be explained at the MIAM, following which the parties may opt for mediation or proceed to trial.

If the parties, agree to mediate, their case will be referred to a mediator. Mediators, who may be either a judge, magistrate or private practice mediator, are trained and certified to mediate in family proceedings.

The philosophy of the rules is that spouses or partners who are facilitated to arrive at their

own solutions on family disputes by way of mediation, rather than having a solution decided and imposed upon them by order of the court, will more readily abide by the outcome of the process. In this way, mediation is seen as a means by which a less acrimonious and expensive but more acceptable and lasting outcome to family disputes can be attained.

These new rules will be the first step to be taken by our Administration towards alternative dispute resolution.

Criminal Justice Reform Committee: This committee published the first set of new Sentencing Guidelines, setting out the general overarching principles and the specific guidelines for dealing with burglary and robbery offences.

Work was also completed on the drafting of the guidelines for Death by Dangerous Driving and for Firearms offences.

Research into the treatment of sexual offences has also begun, with the intention of issuing those guidelines as the next major step.

As a result of a recommendation in the report of the Criminal Justice Advisor, Practice Direction #5 of 2015 was issued to improve criminal case management in the Summary Courts.

This has assisted with the streamlining of case management, especially in those cases where defendants are represented by lawyers.

The Financial Services Division Users Committee (FSD): This committee published the Second Edition of the Users' Guide, which now reflects much more of Cayman's practices and procedures developed in the FSD over the years since the Division was established in November 2009.



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

The precepts of “justice” and “equity” can mean different things to different people. They are inherently subjective terms that are largely based on perception.

For our role in Judicial Administration, it is important that users perceive the court system as procedurally just. This means that we must meet the standards expected by users at all levels of society with respect to the way the courts are administered, the manner in which users are facilitated, and the efficiency with which we dispense our work.

This requires a judiciary that is independent in all respects, is fully committed to dispensing justice without fear or favor, and is reasonably free of all constraints, inclusive of those that are financial in nature.

Whilst any system administered by humans is inherently imperfect, and whilst we may never attain a perfect system, we should always strive to ensure certain universally accepted elements within our judicial system. These include:

- Access,
- Transparency,
- Fairness, and
- Independence.

A fundamental goal of a justice system in a constitutional democracy is to ensure a fair and proper outcome for any dispute according to the rules of the legal system.

This requires, among other things, appropriate access to properly staffed facilities and the

HIGH PROFILE FINANCIAL DIVISION CASES

FSD 30 of 2013 – Primeo Fund (In Liq) v. Bank of Bermuda (Cayman Ltd), et al

Writ issued against Bank of Bermuda (Cayman) Limited and HSBC Securities Services (Luxembourg) as a second defendant.

The writ was lodged with the Grand Court by Primeo Fund.

Primeo had funds invested with Bernard Madoff but took \$145 million out of the firm in the six years before its 2008 bankruptcy.

In the writ, Primeo claims Bank of Bermuda (Cayman), while it was acting as administrator of Primeo, was in breach of contract in respect of incorrectly determining Primeo’s net asset value.

Primeo also claimed damages for breach of contract when HSBC Securities Services acted as custodian to the Primeo Fund.

Primeo claimed HSBC Securities Services failed to keep safe Primeo’s securities, which were deposited with Bernard L Madoff Investment Securities as sub-custodians. Primeo further claimed that either or both defendants are liable to compensate it in damages for losses it has suffered as a result of being under a liability, to the Trustee for the Liquidation of Madoff’s firm.



ability to use those facilities for the necessary duration to fully articulate cases.

Judicial Administration has advocated, and will continue to raise awareness for, improved court facilities to ensure citizens have access to justice in a timely manner. Central to this achievement is more efficient scheduling of the growing list of cases to be adjudicated.

In recent times, the courts have been utilizing external facilities (such as the Town Hall) to consider cases. While we have taken this measure to ensure continued timely access, it is far less than ideal and cannot be sustained.

An important part of our remit is to accommodate victims and witnesses while preserving the rights of defendants to achieve a fair trial within our court system. This requires access to information, resources, and a safe environment where individuals can make representation without any perceived threats to their personal safety.

Principles of natural justice require cases to be adjudicated in an open and transparent manner. The system must not only be "just and equitable" in the eyes of those administering it, but must also be seen to be that way by users at all levels of society.

Public participation in the administration of justice through the jury system is an important part of transparency. A jury of peers to consider perceived infractions against the laws of society has long been a cornerstone of our system and continues to be a significant draw on the resources of the courts.

Work to summon jurors and facilitate their presence at the courts has been a continuous challenge, given our small community and the relatively small pool of potential jurors.

HIGH PROFILE FINANCIAL DIVISION CASES

FSD 27 of 2015 – Caledonian Bank Ltd (In Controllership)

The U.S. Securities and Exchange Commission filed a lawsuit against Caledonian Bank, Caledonian Securities and three other broker-dealers in Belize and Panama in connection with allegations of improper financial dealings that allegedly netted US\$75 million.

As of January 2015, Caledonian Bank had total assets of approximately US\$585 million, approximately 1,550 customers and nearly 1,900 active accounts.

The Cayman Islands Grand Court first confirmed the Cayman Islands Monetary Authority appointed controllers and on 23rd February 2015 ordered the winding up of Caledonian Bank and Caledonian Securities, making the controllers joint official liquidators of the two entities.

Liquidators struck an agreement with the SEC to settle the lawsuit. This settlement in principle required the approval of the Grand Court.

Nonetheless, our Bailiffs, Marshalls and security personnel work on a daily basis to ensure actual and potential jurors are facilitated and processed as efficiently as possible to keep the wheels of justice turning.

This system improves the public's confidence in the administration of justice and increases transparency and understanding of the decisions made by the courts.



It is important for people charged with serious criminal offences to have access to appropriate legal representation within the constraints of public funding. 'Equality of arms is a jurisprudential principle issued by the European Court of Human Rights' and is an important component of the right to a fair trial enshrined in the Cayman Islands Bill of Rights.

The planned Legal Aid Office and the new Director of Legal Aid are key interventions ensuring continued fairness and equality of arms within our justice system.

Constrained public resources has become a way of life for the Cayman Islands. It requires public agencies to innovate and adapt to ensure continued service delivery within the ambits of what the public purse can afford. We believe the Legal Aid Office will serve the courts well in our efforts to ensure continued fairness in our system.

The independence of the Judiciary is of fundamental importance to the Cayman Islands maintaining its high standards on the world stage and to ensuring citizens retain confidence in our justice system.

Whilst no country can afford an unlimited financial budget for its judiciary, continued access to an appropriate level of public funding to support the justice system must always be maintained.

Judicial Administration has been working hard to reduce the annual demand on the public purse by exploring avenues for revenue generation which do not compromise the integrity and independence of the courts. These include subscription to our websites and law reports and fees for value-added services (such as photocopying), while also exploring avenues to improving efficiencies and lowering costs.



Output Performance

Output Code	Description	Quantity	2015-16		
			Budget	Actual	Variance
JUD 1	Support to the Judiciary, involving: • Secretarial, correspondence, transcripts, listing and support for cases and appeals to the Chief Justice and the Judiciary • Compiling statistics for Chief Justice and ESO office of the previous year • Order Law Reports and relevant material for the comprehensive legal library to be used by Judges, Magistrates, Attorneys and Public	• Number of judgements prepared	100-150	75	(25)
		• Number of statistical reports	1	1	-
		• Number of transcripts	75-100	83	-
		• Number of Law Reports in library	4,000-4,500	4,611	111
	Total Cost		\$1,324,094	\$1,324,094	\$-
	Related Broad Outcomes	12. Equity and Justice in a Society that Values the Contributions of All			

Output Code	Description	Quantity	2015-16		
			Budget	Actual	Variance
JUD 2	Collection of Revenue: - collection and receipting of Revenue in JEMS in accordance with Laws and court orders for Court Fines, Traffic Tickets, Court Fees, Notary Public Fees, Bailiff Fees, Legal Practitioners Fees, and Law Firm Operational Licenses	Number of receipts issued	12,000-18,000	15,920	-
Total Cost			\$569,525	\$569,525	\$-
Related Broad Outcomes		12. Equity and Justice in a Society that Values the Contributions of All			



Output Code	Description	Quantity	2015-16		
			Budget	Actual	Variance
JUD 7	Legal Aid Certificates: - Issuing Legal Aid Certificates for Criminal and Civil cases and the Taxation Certificates for Legal Aid bills submitted for payment.	• Legal Aid Certificates Issued	750-1,000	1,063	63
		• Legal Aid Taxation Certificates Issued	1,100-1,400	1,147	-
	Total Cost		\$237,054	\$237,054	\$-
Related Broad Outcomes		12. Equity and Justice in a Society that Values the Contributions of All			

Output Code	Description	Quantity	2015-16		
			Budget	Actual	Variance
JUD 13	Court Funds Trust Operations: - Collection (receipting) and distribution (payments) made of funds receipted in JEMS for Family Support, Court Trust, Compensations, Cash Bonds, and Nominated Accounts as prescribed by court order(s).	• Number of Receipts Issued	9,000-10,000	10,101	101
		• Number of Payments Issued	10,000-11,000	9,535	(465)
		• Financial Statement Issued	1	1	-
		• Number of nominated accounts	75-100	62	(13)
		• Number of General accounts	1,500-1,750	875	(625)
Total Cost			\$264,279	\$264,279	\$-
Related Broad Outcomes		12. Equity and Justice in a Society that Values the Contributions of All			



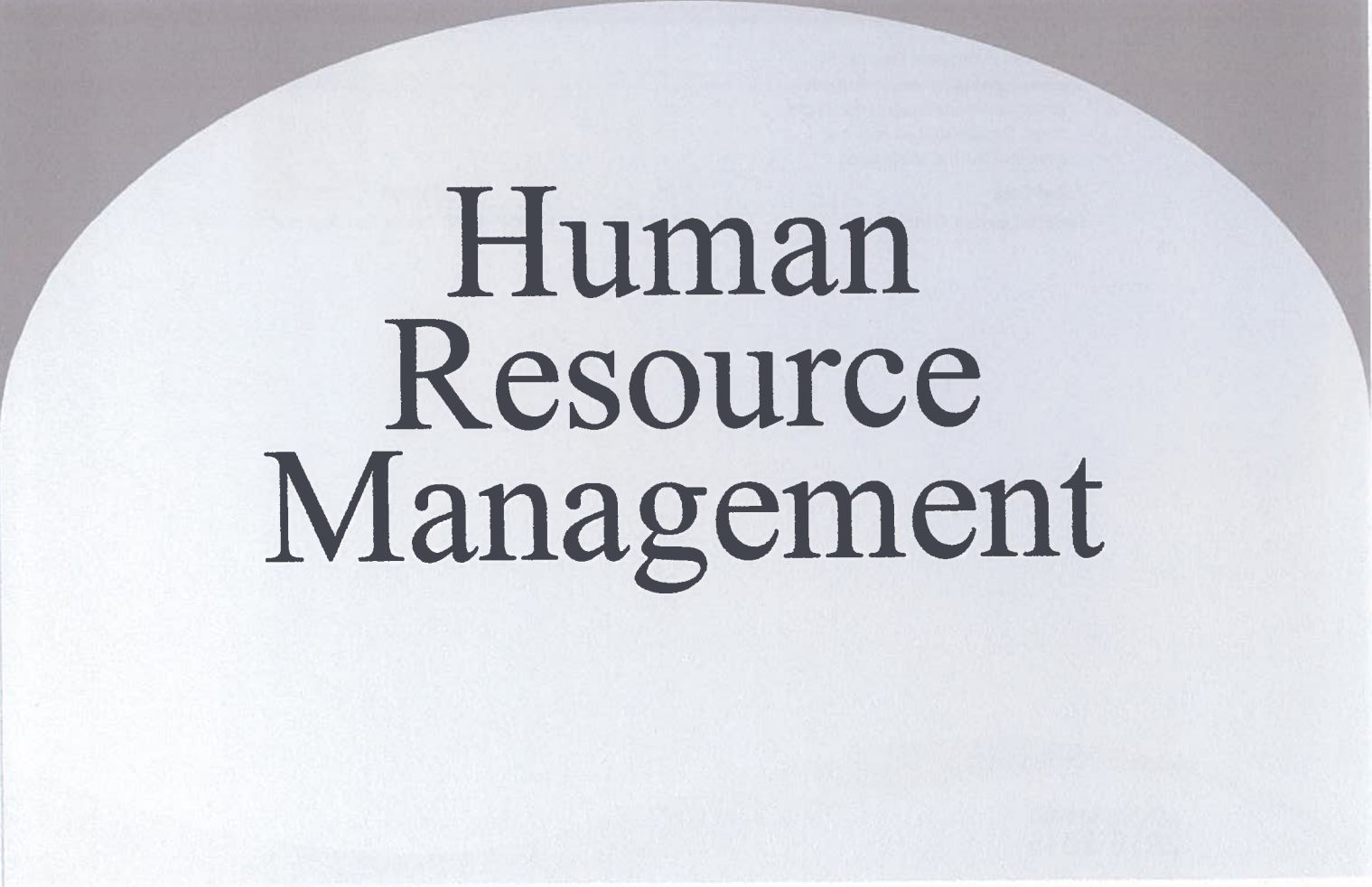
Output Code	Description	Quantity	2015-16		
			Budget	Actual	Variance
JUD 15	Support for the Conduct of Civil Proceedings involving:	• Number of files prepared	1,400-1,600	1,267	(333)
	• Receiving and filing legal documents relating to cases in the Grand and Summary Courts	• Number of Gazette Notices prepared	50-70	63	-
	• Preparing Appeal Bundles	• Number of Civil appeals prepared	25-50	22	(3)
	• Issuing civil summonses and bail bonds	• Number of Grand Court cases prepared	800-1,000	599	(201)
	• Maintenance of Originating Process, Registers of Attorneys, Notaries Public and Justices of the Peace	• Number of Court documents served	170-200	93	(77)
	• Servicing and enforcement of court documents including: writs, petitions, originating summonses, foreign process, warrants of execution	• Number of Maintenance Summonses prepared	800-1,000	22	(778)
	• Administration of the Maintenance and Affiliation Law (child and spouse support) involving: processing of applications, processing Court Orders, following-up delinquent payers and processing and issuing Attachment of Earnings Orders	• Number of Civil cases processed including summary court	350-500	342	(8)
	• Provide Courtroom services by ushering Judges and Magistrates in and out of the Courts, swearing in witnesses, keeping order in Court, ensuring that the files are available for the particular court.	• Number of Divorce cases processed	200-250	343	93
		• Number of Probate and Administration processed	100-175	202	27
		• Number of Financial Service Division cases processed	150-200	281	81
	Total Cost		\$1,519,721	\$1,519,721	\$-
Related Broad Outcomes		12. Equity and Justice in a Society that Values the Contributions of All			



Output Code	Description	Quantity	2015-16		
			Budget	Actual	Variance
JUD 16	Support for the Conduct of Criminal and Traffic Proceedings involving: -	• Number of charges prepared	6,000-9,000	7,574	-
	• Receiving and processing charges and legal documents relating to cases	• Number of bundles prepared	25-50	36	-
	• Selecting, summoning and empaneling jurors	• Number of inquests held	40-75	49	-
	• Preparing trial and Appeal Bundles	• Number of indictments processed	75-125	125	-
	• Preparing Coroner's files and issuing Certificates	• Number of Criminal Appeals processed	50-75	36	(14)
	• Issuing summonses and bail bonds	• Number of Youth Court cases processed	75-125	72	(3)
	• Providing Courtroom services by ushering Judges and Magistrates in and out of the Courts, swearing in witnesses, keeping order in Court, ensuring that the files are available for the particular court; and write a verbatim record of court proceedings in stenographic code in a computerized stenographic machine for inclusion in appeal bundles.	• Number of Jurors summoned	600-800	900	100
	Total Cost		\$1,741,530	\$1,741,530	\$-
Related Broad Outcomes		12. Equity and Justice in a Society that Values the Contributions of All			



Output Code	Description	Quantity	2015-16		
			Budget	Actual	Variance
JUD 17	Support for the Drug Rehabilitation Court involving:- Processing applications	• Number of DRC applications processed	30-60	54	-
	• Receiving and filing legal documents relating to cases	• Number of DRC Provisional Orders made	25-50	40	-
	• Preparing pre-court and courtroom materials and reports	• Number of DRC Prescribed Treatment Programme Orders Made	15-40	29	-
	• Issuing summonses and bail bonds	• Number of DRC graduates	20-30	13	(7)
	• Maintenance of registers of DRC participants	• Number of U/A's	500-1,000	978	-
	• Conducting Urine Analysis (UA) Random protocol and Courtroom U/A testing. Administering observed urine tests for drug use on-site and conducting random protocol phone in programme, which involves random selection of clients to be sent to the forensic laboratory for urine testing	• Number of DRC Team meeting	10-15	3	(7)
	• Programme coordination and monitoring				
	• Provide courtroom services by ushering Magistrates in and out of the court and keep order in the court. Ensure that all files are available for the Magistrate.				
Total Cost			\$289,792	\$289,792	\$-
Related Broad Outcomes		12. Equity and Justice in a Society that Values the Contributions of All			



Human Resource Management



Leadership Profile



Court Administrator - Suzanne Bothwell

LLB, University of the West Indies * Legal Education Certificate

*Certificate, Human Resource Practice *CIPD * Certificate in Practice Mediation



Chief Financial Officer - Kim France

FCCA * M.Sc. * LLB



Clerk of Court - Tabitha Philander

L.L.B, LEC * MICA * Mediator * Notary Public * Justice of the Peace



Senior Deputy Clerk of Court - Shiona Allenger

LL.B (High Honours) * PPC * MBA * Notary Public * Justice of the Peace



Deputy Clerk of Court - Cecile Collins

Diploma in Vocational Paralegal Studies * Certificate in Personnel Practice



Human Resources Manager Patricia Muschette

MBA * Certification in HR * B.Sc. Accounting * Certified Civil Mediator



Finance Manager - Lillian Curbelo-Bush

CPP * Certificate in Financial Accounting * Certificate in Managerial Accounting



Overview on Human Resources

Judicial Administration facilitated key training interventions, filled vital vacancies, said goodbye to some long-serving officers and offered internship opportunities to several young Caymanians during the 2015-16 fiscal year.

A key milestone in our training and development programme was the formation of the Judicial Education Committee by the Hon. Chief Justice. Further details on the work of this committee is outlined in the training and development section.

The internship programme to assist with the development of young Caymanians offered some 25 young people opportunities to intern or volunteer with the Courts. Two participants from this programme became members of the permanent staff during the course of the year.

There were a number of retirements during the year, both within Judicial Administration and among the Judiciary. Noteworthy were the retirements of Court Administrator Kevin McCormac, who completed his four-year term, Administrative Secretary Ermyn Berry, who retired after 40 years of service, and Janis Daley, who retired after 18 years.

Court staff joined Judges and Magistrates in bidding farewell to Justice Angus Foster, who was a founding member of the Financial Services Division, and to Sir John Chadwick, who was President of the Cayman Islands Court of Appeal. Remarks were made by the Chief Justice in appreciation of the many years of dedicated service by these individuals.

Similar to the rest of the Civil Service, Judicial Administration will increasingly need to consider and plan for the challenges of managing a multigenerational workforce.

As shown in our employment statistics, length of service by staff ranges from those who recently joined the organisation within the last year, to those who have been with us for more than 35 years.

A key element of managing this multigenerational workforce is an effective succession planning programme where staff with high potential are identified at an early stage and mentored through a career development plan and a proper performance management system.

This requires a training programme that is current, diverse, and effective in addressing skill gaps which could potentially impede upward mobility.

Through the commitment and efforts of our HR team, we will work to ensure the availability of appropriate tools and levels of support to provide our staff with the best opportunities to be successful.



Training and Skills Development Initiatives

The Judicial Education Committee (JEC), responsible for establishing a more formal framework for the training and continuing education of judges and magistrates, was established in early 2016 by the Chief Justice. The broad function of the JEC is to promote excellence, efficiency and professionalism in the administration of justice for the people of the Cayman Islands.

Establishing the JEC meets a long recognized need for continued training, education and development for the Cayman Islands Judiciary. It is also part of an aim to create a learning environment that embraces formal local and overseas opportunities for development as well as more practical, on-the-job training.

A specific area of responsibility is to support the Court Administrator in identifying continuing education and training needs among administrative staff. Where appropriate and possible, delivery of this training will involve the judiciary.

The JEC will take primary responsibility for the Judicial Administration's Annual Guest Lecture Series and for the development of a programme through which judges and magistrates will provide oversight and guidance to trainee lawyers. This is to be structured as a formal part of their Articles (the final stage of training leading to qualification to practise).

The current JEC members (June 2016) are Justice Ingrid Mangatal (Chairperson), Chief Justice Smellie, Justice Dennis Morrison (Justice of the

Court of Appeal and President of the Court of Appeal of Jamaica), Justice Richard Williams, Chief Magistrate Nova Hall, and Mr. Mitchell Davies, Director of the Truman Bodden Law School. Mr. Mitchell will work in close collaboration with Court Administrator Suzanne Bothwell.

In strengthening and formalising its internal capacity to organise and arrange delivery of continuing education and training, the Court system reinforces its culture of embracing international standards and best practices.

"If I had nine hours to chop down a tree,
I'd spend the first six sharpening my ax."

Abraham Lincoln





As of June 2016, the Cayman Islands introduced mediation as an option for resolving disputes. In February 2016, 15 judges, magistrates, attorneys and senior staff participated in an accredited mediation training conducted by the London School of Mediation. This training will prepare



Figure 1 - Training participants receiving their certificates

and equip participants with the tools necessary to act as mediators by encouraging and facilitating parties to arrive at a settlement in dispute cases.

Ultimately, all new family Grand Court cases, including divorce matters and all matters involving the welfare of a child (apart from cases in which the State has had to intervene), will be referred for mediation.

Staff in the Community

Working with partners in the private sector, staff provided coordinated efforts and contributed art skills to assist with the creation of a refurbished children's corner at the General Practice Clinic at the Cayman Islands Hospital.

The idea for the project came from Acting HR Manager Shanna Wallace following a visit to the hospital when she found it challenging to distract her active five-year-old, Caleb, while he was awaiting medical attention.

Now equipped with a new mural, furniture, books and toys, the clinic today offers an attractive diversion for little ones such as Caleb.

The project involved the coordinated efforts of court staff, the Sunrise Community Church, Northward Prison, and local bookstore, Book Nook.

Many of the organisations involved gave both time and money or other tangible contributions. In addition to time invested, judicial staff, from Judges to front line employees, dug into their



Figure 2 Staff working on the children's corner at the H.S.A.

pockets to donate funds to the project; the Sunrise Community Church donated funds and time; Book Nook donated toys and books; and inmates at Northward Prison built the table and chairs.



A Year of Changes

Justice Angus Foster, one of the five founding judges of the Grand Court's Financial Services Division (FSD), retired in January 2016.

In his remarks, Justice Foster paid tribute to his judicial colleagues and the complement of Magistrates for their industry in "churning out



Figure 3 - Bidding Farewell to Justice Angus Foster, a founding father of the FSD

judgments case after case."

He also paid tribute to the "professionalism and courtesy" of the barristers who have appeared before him, saying that they were "a great credit to the judicial system."

Justice Foster had many of his judgments reported in the Cayman Islands Law Reports. During his tenure, he also served as Chairman of the FSD Users' Committee, a role he will continue after his retirement.

The Hon. Chief Justice, in his remarks crediting Justice Foster for his role in the establishment of the FSD, said: "It is not for me to extol the virtues of the FSD, but I think I can be allowed to assert that it has become an effective institution, one now widely recognized as a leading commercial court."

In November 2015, President of the Cayman Islands Court of Appeal Sir John Chadwick also retired after seven years in the position.



Figure 4 - Colleagues and staff gather to say farewell to Sir John Chadwick

In his remarks, the Hon. Chief Justice noted that it was a privilege to have had Sir John serve the Cayman Islands Courts for seven years. He described his judgments as "brimming with intellect and depth of knowledge of the workings of the law."

In turn, Sir John spoke of how honoured he felt to have served here in Cayman. He noted that he was leaving behind "an extremely strong team," and thanked the Chief Justice for all his support of the team.

Administrative Secretary Ms. Ermyn Berry retired in October 2015 after 40 years of service. Her farewell ceremony was attended by the Acting Governor, judges, magistrates and her colleagues at the court.

Ms. Berry will always be remembered for her kind and graceful disposition and her years of dedicated work.

Ms. Shiona Allenger was appointed to the post of Senior Deputy Clerk of Court and Registrar of the FSD in July of 2015.



Ms. Allenger completed her law degree at the Cayman Islands Law School in 2001, an accomplishment followed by the Professional Practice Course through Belfast University in 2002. She has also completed an MBA through the University of Phoenix, Arizona.

Ms. Allenger brings a wealth of experience, energy and vision that will be a tremendous asset to the Judicial Administration as we continue to develop the procedures and processes of the civil Courts.



Figure 5 Ms. Ermyrn Berry retiring after 40 years



Employment Statistics

Judicial Administration employed **59 full-time staff and three part-time** employees as at 30 June, 2016, 84% of whom were Caymanians. The complement comprised 72 percent (45) women and 28 percent (17) men.

95% Full-time staff

5% Part-time staff

The average length of service among staff was 11.8 years with the longest serving staff member recording 35 years with the Civil Service.

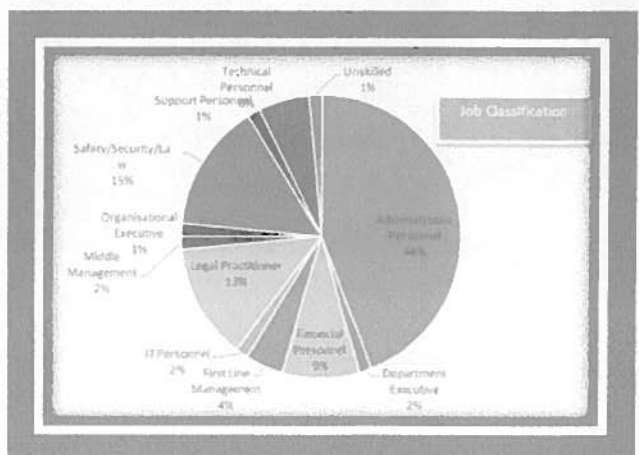
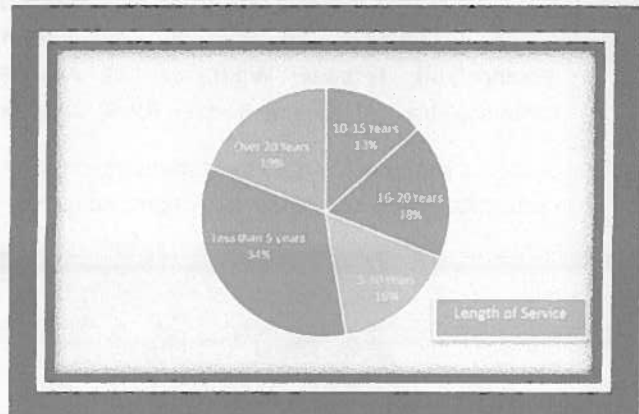
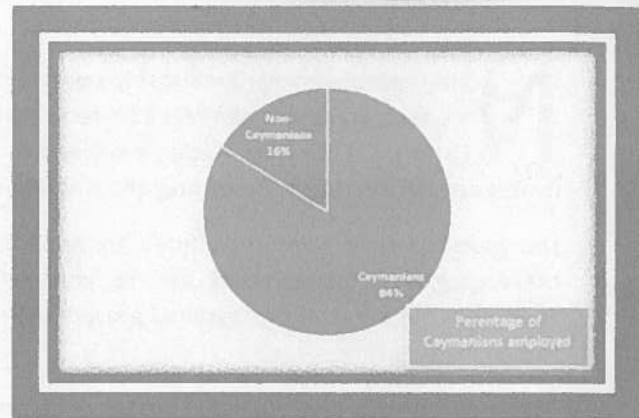
Approximately 50 percent of staff working in Judicial Administration have served in the Civil Service for longer than 10 years. This represents a tremendous amount of institutional

More than 45% over age 50

knowledge and experience, an invaluable resource in mentoring the 34 percent of staff who have been with the organisation for fewer

than five years. Succession planning will continue to be an important aspect of organisational strategy, given that more than 45 percent of staff are currently over age 50.

An analysis of job classification for the period under review shows that 44 percent of the staff were classified as "Administrative Personnel," while 15 percent were in the area of "Safety and Security." This group was followed by legal practitioners, who accounted for 13 percent and finance personnel, who accounted for 9 percent.





Internship Opportunities

Nine students enjoyed internship opportunities with Judicial Administration during 2015-16. The students were part of a Year 12 Internship Programme with the Cayman Islands Further Education Centre (CIFEC). The students worked in a number of areas around the Courts, having been strategically placed based on competence, ability, personality, and desired goals.

The assigned tasks were structured to provide challenging work assignments and to enhance abilities in the areas of professional presentation and public speaking.

The students who participated in the programme were: Jhannaye Bodden (Family Proceedings Unit), Malik Bonthorne-McField (Marshal), Akeem Hydol (Family Proceedings Unit/Marshal), Enfield Bush (Finance/HR), Tyshawn Whittaker (IT), Paul Morgan (Family Proceedings Unit), Lenisha Ebanks (Criminal/Finance), Belaine Bodden (Civil), and Makayla Rankin (Court Marshal).

"Tell me and I forget, teach me and I may remember, involve me and I learn."

Benjamin Franklin

Students were encouraged by staff members and offered career guidance throughout the programme. A certificate award ceremony was organised for the Interns on 22nd March 2016.



It is noteworthy that past CIFEC interns later advanced to permanent employment with Judicial Administration.



Employee Accolades and Awards



Beverly Speirs - Deputy Governor's & Chief Officer's Choice

• April 2016



Suzanne Livingston - Chief Officer's Award

• August 2015



Ermyn Berry - Retired after 40+ years of Service



Lois Patricia Bodden - Retired after 25+ years of Service

Congratulations on your achievements





Looking Ahead

The Courts and Judicial Administration work in tandem to promote effective access to justice for court users, both domestic and international. The vision of the Courts and Judicial Administration is shaped by factors such as criminal reform, the introduction of useful technological processes, and the commitment of government to recognizing the critical role of both entities in promoting stability within the Cayman society and economy.

Over the 2016-17 budget period, the Courts and Judicial Administration will be focusing on enhanced courtroom processing, standardizing and streamlining the use of technology, with a view to allowing for greater use of video and audio recordings in most courtroom cases.

The Outline Business Case for our new Court Facilities will also be an important strategic goal for 2016-17. This facility has now become a critical infrastructure need to facilitate the timely dispensation of justice and to provide Justices and support staff with a safe and professional environment in which to work.

In response to the urgent need for criminal reforms to promote more speedy and affordable resolution of court cases, the Judicial Administration is also actively working towards e-filing of all court documents.

This will bring together a common platform in which the Courts, Office of the Director of Public Prosecution, the private bar, Royal Cayman Islands Police Service, Probation Office, and the Department of Children and Family Services can all submit and access evidence electronically from a centralized court database.

This programme will be in line with similar initiatives now being introduced in the United Kingdom with a view to facilitating greater case management and more timely resolution of court cases.

The introduction of the new Legal Aid office is also another initiative that is well on the horizon. This office will manage the Legal Aid fund, and create new opportunities for access to justice for those who cannot afford it, through the establishment of a Legal Aid Clinic.

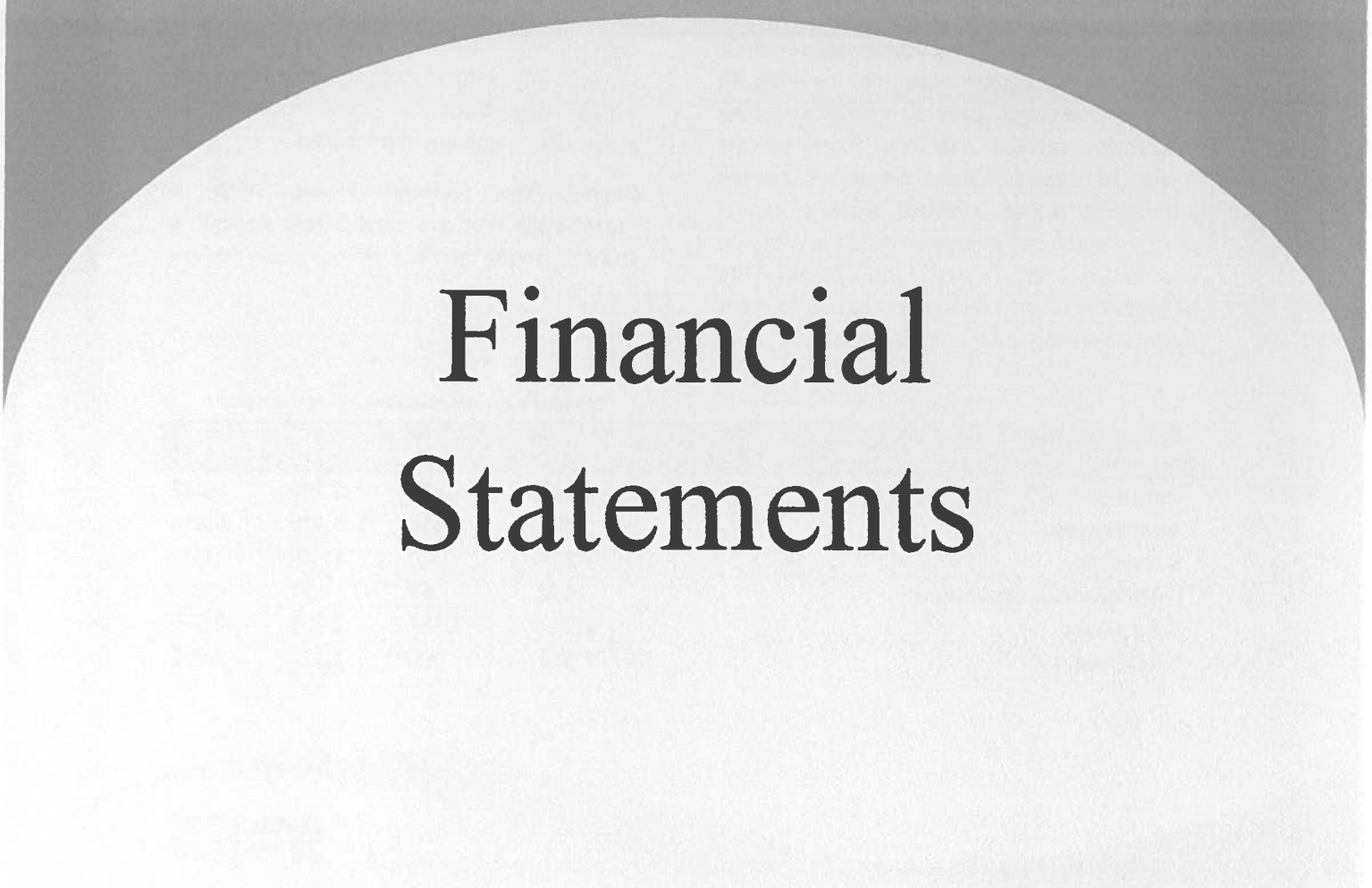
Finally, with the recent introduction of the Mediation Rules, mediation services will now be available in family cases that are currently before the court.

This new capability will create a neutral environment where couples and families can talk through their differences with a view to reaching at a consensus, returning to the judge in the case with Consent Orders.

Overall, our short-to-medium term plans will focus on four key areas: People, Technology, Infrastructure, and Processes. These will serve as our guiding beacons as we seek to improve and modernize our courts. Collectively, they offer the best potential for improvements in service delivery and value for money.



Figure 6 - New Court Facilities, a key strategic goal



Financial Statements



Financial Trend Analysis

Expressed in Cayman Islands Dollars and in thousands



The Government has demonstrated tangible support for the work of Judicial Administration through the provision of stable revenue over the past four fiscal years. This support, combined with increases in products and services provided to the general public, has afforded a reasonable level of **revenue** resources to support the work of the Courts.

The organisation's **working capital** takes account of the level of current resources available to settle immediate obligations. It is calculated by subtracting current liabilities from current assets. As shown in the chart above, Judicial Administration has a strong working capital position which has improved annually over the past four fiscal years. This means the organisation is in a favourable position to meet its financial obligations as they fall due.

Investment in **property plant and equipment** has shown a declining balance since 2013-14. This is largely due to annual depreciation and the overall Government fiscal policy to build cash reserves to meet the 90-day operating requirement under the Public Management and Finance Law.

As the Government's fiscal position improves, Judicial Administration plans to resume its capital investment strategy by using funds from annual depreciation to replace aging and inefficient equipment and facilities.

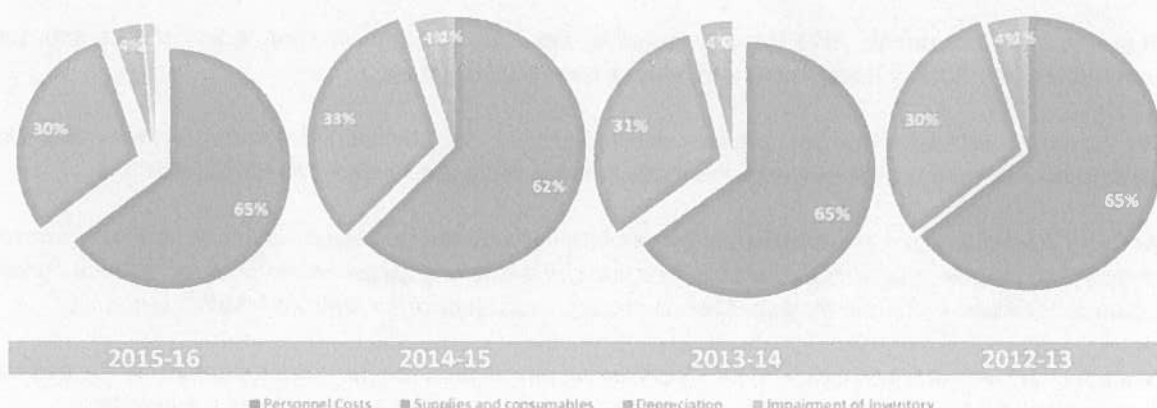
Overall, the financial trends show an organisation that has moved from strength to strength during the fiscal periods under review.

Expressed in Cayman Islands Dollars and in thousands

Four-year financial summary	2015-16	2014-15	2013-14	2012-13
Total Revenue	5,993	5,581	5,385	5,028
Total Expenses	5,779	5,666	5,495	5,144
Net results	214	(85)	(110)	(116)
Cash Flow from Operations	477	68	51	(55)
Total Assets	2,714	2,554	2,756	2,579
Total Liabilities	1,155	995	1,112	1,005



FINANCIAL TREND ANALYSIS CONTINUED



Continuing with an overall trend of stability, Judicial Administration has maintained a fairly consistent ratio for the manner in which resources are deployed to achieve outputs. Due to the service nature of Judicial Administration's work, almost two-thirds of annual operating costs consist of personnel costs. Personnel costs include salaries, wages, health insurance, pension and other emoluments for officers working at the Courts. Emoluments for judges are paid separately and are not included in these sums.

Approximately 30% of annual expenditures are for "supplies and consumables." This area largely

comprises of expenditures for the lease of property and purchase of services, utilities and supplies. The cost for supplies and consumables declined in 2015-16 largely as a result of savings in purchase of services, insurance costs, and supplies.

Depreciation expense represents the annual "wearing out" of property plant and equipment which are used to deliver services. Funds accrued from depreciation expense (which is a non-cash item) are meant to be segregated and retained for the future replacement of assets once they've reached the end of their economic lives.

Expressed in Cayman Islands dollars and in thousands

Four-year Operating Expenditures	2015-16	2014-15	2013-14	2012-13
Personnel Costs	3,735	3,543	3,578	3,328
Supplies and consumables	1,753	1,850	1,696	1,558
Depreciation	218	219	221	199
Impairment of Inventory	73	54	-	59
Total	5,779	5,666	5,495	5,144

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Judicial Administration
Cayman Islands Government
P.O. Box 495
Grand Cayman KY1-1106
CAYMAN ISLANDS.

Statement of Responsibility for the Financial Statements

These financial statements have been prepared by the Judicial Administration 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 Court Administrator I am responsible for establishing and maintaining 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 Judicial Administration.

As Court Administrator and Chief Financial Officer we are responsible for the preparation of the Judicial Administration's financial statements, representation and judgments made in these statements.

The financial statements fairly present (except for property and equipment) 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 Judicial Administration 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.


Court Administrator

Date: 31 October 2016


Chief Financial Officer

Date: 31 October 2016

Auditor General's Report

To the Court Administrator and the Members of the Legislative Assembly

I have audited the accompanying financial statements of Judicial Administration, which comprise the statement of financial position as at 30 June, 2016, and the statements of financial performance, changes in net assets/equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies in accordance with the Section 60(a)(i) of the *Public Management and Finance Law (2013 Revision)*.

Management's Responsibility for the 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 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 qualified audit opinion. In rendering my audit opinion on the financial statements of Judicial Administration, 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 of Auditing.

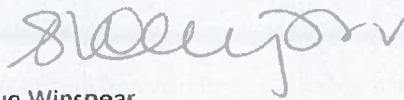
AUDITOR GENERAL'S REPORT (continued)

Basis for Qualified Opinion

A detailed fixed asset register was not maintained by Judicial Administration and was therefore not available for audit as at 30 June, 2015. As a result, we were unable to form an opinion on the completeness, existence, accuracy and valuation of the property, plant and equipment, as well as the depreciation expense for the year then ended and the related impact this would have on the equity of Judicial Administration, as at 30 June, 2015. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Qualified Opinion

In my opinion, except for the possible effects on the corresponding figures for 30 June, 2015, of the matter described in the Bases for Qualified Opinion paragraph, the financial statements presents fairly, in all material respects, the financial position of the Judicial Administration as at 30 June, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.



Sue Winspear
Auditor General

31 October 2016
Cayman Islands



Statement of Financial Position

Fiscal Year Ended 30th June, 2016					2014/15 Actual
Note	Current Year Actual	Approved Budget (Note 1(c))	Variance (Budget vs. Actual)		
<i>expressed in Cayman Islands Dollars and in thousands</i>					
Current Assets					
Cash and cash equivalents	2	1,487	1,480	(7)	1,150
Receivables from exchange transactions	3,17	499	500	1	503
Prepayments	16	43	75	32	65
Inventory	4,16	-	102	102	73
Total Current Assets		2,029	2,157	128	1,791
Non-Current Assets					
Property and equipment	5,16	685	554	(131)	763
Total Non-Current Assets		685	554	(131)	763
Total Assets		2,714	2,711	(3)	2,554
Current Liabilities					
Payables under exchange transactions	6	3	9	6	5
Other payables and accruals	6,16	113	180	67	118
Employee entitlements	8,16	112	165	53	159
Surplus payable	7,16,17	927	713	(214)	713
Total Current Liabilities		1,155	1,067	(88)	995
Total Liabilities		1,155	1,067	(88)	995
Net Assets		1,559	1,644	85	1,559
Net Assets/ Equity					
Contributed capital		2,849	2,849	-	2,849
Accumulated deficits		(1,290)	(1,205)	85	(1,290)
Total Net Assets/ Equity		1,559	1,644	85	1,559

The accounting policies and notes on pages 43-59 form part of these financial statements.



Statement of Financial Performance

Fiscal Year Ended 30th June, 2016					2014/15 Actual
Note	Current Year Actual	Approved Budget (Note 1(c))	Variance (Budget vs. Actual)		
<i>expressed in Cayman Islands Dollars and in thousands</i>					
Revenue					
Sale of goods and services	10,17	5,946	5,946	-	5,516
Other Revenue	10	47	45	(2)	65
Total Revenue		5,993	5,991	(2)	5,581
Expenses					
Personnel costs	11,16,17	3,735	3,926	191	3,543
Supplies and consumables	12,16	1,753	1,852	99	1,850
Depreciation	5	218	213	(5)	219
Impairment of Inventory	4	73	-	(73)	54
Total Expenses		5,779	5,991	212	5,666
Surplus for the period					(85)

The accounting policies and notes on pages 43-59 form part of these financial statements.



Statement of Changes in Net Assets/ Equity

Fiscal Year Ended 30th June, 2016					
	Contributed Capital	Accumulated Surplus/Deficit	Total Net Assets/ Equity	Approved Budget (Note 1(c))	Variance (Budget vs. Actual)
Balance at 1 July 2014	2,849	(1,205)	1,644	1,644	-
Deficit for the year 2014/15	-	(85)	(85)	-	85
Balance at 30th June 2015	2,849	(1,290)	1,559	1,644	85
Surplus for the year 2015/16	-	214	214	-	(214)
Surplus repayment due for the year 2015/16	-	(214)	(214)	-	214
Balance at 30th June 2016	2,849	(1,290)	1,559	1,644	85

The accounting policies and notes on pages 43-59 form part of these financial statements.



Statement of Cash Flows

Fiscal Year Ended 30th June, 2016				2014/15 Actual
Note	Current Year Actual	Approved Budget (Note 1(c))	Variance (Budget vs. Actual)	
expressed in Cayman Islands Dollars and in thousands				
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
	5,950	5,959	9	5,518
	47	-	(47)	45
Payments				
	(3,782)	(3,932)	(150)	(3,571)
	(1,738)	(1,856)	(118)	(1,924)
14	477	171	(306)	68
CASH FLOWS FROM INVESTING ACTIVITIES				
5	(140)	-	140	(59)
	(140)	-	140	(59)
CASH FLOWS FROM FINANCING ACTIVITIES				
	-	-	-	-
	-	-	-	-
	337	171	(166)	9
	1,150	1,309	159	1,141
	1,487	1,480	(7)	1,150

The accounting policies and notes on pages 43-59 form part of these financial statements.



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Description and principal activities

Judicial Administration (the "Entity") is a Government-owned entity as defined by section 2 of the Public Management and Finance Law (2013 Revision) and is domiciled in the Cayman Islands.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Entity as defined in the purchase agreements for the Government of the Cayman Islands (the "Government") for the financial year ended 30 June, 2016.

In addition, the Entity has reported the activities that it administers on behalf of Cabinet.

The principal address of the Entity is located at 61 Albert Panton Street, George Town, Grand Cayman. As of 30 June, 2016, Judicial Administration had 59 employees (2015: 57).

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 thousands of 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 final/original budget was presented in the 2015-16 Annual Budget Statement 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 judgment are receivables from exchange transactions, and property and equipment. 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 that is affected by those revisions. As at 30 June, 2016, no reliable fair value estimate of contributed goods and services provided to the Entity by Government entities could be made and therefore no estimated 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 Entity derives its revenue through the provision of services to Cabinet, to other agencies in the Government, and to third parties. 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, when an estimate can realistically be made.

(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.



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

(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 at the date of acquisition.

(i) Inventory

Inventories are recorded at the lower of cost or net realisable value. Where inventories are valued at cost, specific identification of their individual costs or the first-in-first-out (FIFO) method is used.

(j) Prepayments

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

(k) 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 stipulated below 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 hardware and software	3 – 10 years
• Office equipment; furniture and fittings	3 – 25 years
• Vehicles	3 – 20 years
• Other fixed assets	5 – 20 years



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

(k) 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 amounts. The recoverable amount is the higher of the asset's fair value less costs to sell and its value for use in service.

Work in progress represents property and equipment projects which are not yet completed at the year end date. Upon completion the work in progress is transferred to the relevant category of property and equipment. No depreciation is charged on work in progress assets that are not in use.

Disposals

Gains and losses on disposals 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.

(l) 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 year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the Entity are paid to the Public Service Pension Fund and administered by the Public Service Pensions Board (the "Board"). Contributions of 12% on basic salary; employer 6% and employee 6% are made to the Fund by the Entity. Contributions of 12% on acting, duty allowances employer 6% and employee 6% are made to the Fund by the Entity.

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 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 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 thousands of Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

(m) Financial instruments

The Entity 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, or to exchange financial instruments under conditions that are potentially favourable. Financial assets comprise 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 instrument or to exchange financial instruments 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 Entity 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 amortised 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-recognised when the Entity realises the rights to the benefits specified in the contract or loses control over any right that comprises that asset. A financial liability is de-recognised when it is extinguished, that is, when the obligation is discharged, cancelled, or has expired.



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

(n) 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.

(o) Foreign currency

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

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

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

(p) Comparative figures

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

(q) Revenue from non-exchange transactions

The Entity 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 Entity 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 an item of property and equipment, such service in-kind is recognized in the cost of property and equipment.



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

(r) 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.

Note 2: Cash and cash equivalents

As at 30 June, 2016 the Entity held no restricted cash balances (2015: \$0). No interest was earned during the year ended 30 June, 2016 on the amounts held in the bank accounts (2015: \$0).

Description	Foreign Currency	Exchange Rate	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
CI\$ Operational Current Account	1,344	1.00	1,344	1,255	(89)	909
US\$ Operational Current Account	149	0.83	124	147	23	158
CI\$ Payroll Current Account	19	1.00	19	78	59	83
Total Cash and Cash equivalents			1,487	1,480	(7)	1,150



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 3: Receivables from exchange transactions

At year end all overdue receivables have been assessed and appropriate provisions made. The provision for doubtful debts has been calculated based on expected losses for the Entity and review of specific debtors. Expected losses have been determined based on an analysis of the Entities losses in previous periods.

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
Sale of outputs to Cabinet	496	495	(1)	460
Sale of goods and services	-	-	-	2
Other	3	5	2	41
Total receivable from exchange transactions	499	500	1	503

Receivables	Current Year Receivables from exchange transactions	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
Current				
Past due 1-30 days	499	500	1	501
Past due 31-60 days	-	-	-	-
Past due 61-90 days	-	-	-	-
Past due 90 and above	-	-	-	2
Total	499	500	1	503

As of 30 June, 2016, receivables from exchange transactions are all due within one year from the statement of financial position date (2015: all receivable from exchange transactions due within one year).

Note 4: Inventory

No inventory is held by the Entity at 30 June, 2016. The \$73 thousand at 30 June, 2015 comprised of legal publications that were available for sale to the public. As at 30 June, 2016 management considered the net realisable value of inventory held in comparison to its carrying amount, and an impairment charge of \$73 thousand (2015: \$54 thousand) was recorded in the statement of financial performance.



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 5: Property and equipment

	Vehicles	Furniture and Fittings	Computer Hardware & Software	Office Equipment	Other Assets	Work in Progress	Total
Cost							
At 1 July 2014	66	319	178	280	1,809	38	2,690
Additions	-	8	7	17	27	-	59
Transfers	-	-	-	-	38	(38)	-
At 30 June 2015	66	327	185	297	1,874	-	2,749
Accumulated Depreciation							
At 1 July 2014	34	211	87	200	1,235	-	1,767
Depreciation charge for the year	7	17	36	23	136	-	219
At 30 June 2015	41	228	123	223	1,371	-	1,986
Carrying value 30 June 2015	25	99	62	74	503	-	763

	Vehicles	Furniture and Fittings	Computer Hardware & Software	Office Equipment	Other Assets	Work in Progress	Total
Cost							
At 1 July 2015	66	327	185	297	1,874	-	2,749
Additions	17	10	-	9	68	36	140
Transfers	-	-	-	-	-	-	-
At 30 June 2016	83	337	185	306	1,942	36	2,889
Accumulated Depreciation							
At 1 July 2015	41	228	123	223	1,371	-	1,986
Depreciation charge for the year	9	15	37	23	134	-	218
At 30 June 2016	50	243	160	246	1,505	-	2,204
Carrying value 30 June 2016	33	94	25	60	437	36	685



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 5: Property and equipment (continued)

Work-in-progress as at 30 June, 2016 were \$36 thousand (2015: \$0).

As of 30 June, 2016, other assets comprise:

Description	Cost Actual	Accumulated Depreciation Actual	Carrying Value Actual	2014/15 Carrying Value Actual
Library books	809	624	185	214
Lease improvements	501	368	133	188
Website	396	396	-	3
Electrical & A/C	99	76	23	31
Other	137	41	96	67
Total other assets	1,942	1,505	437	503

Note 6: Payables under exchange transactions and other payables and accruals

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
Payables under exchange transactions	3	4	1	5
Other payables	14	-	(14)	16
Ministries/ Portfolios	5	5	-	5
Accrued Expenses	94	180	86	97
Payroll deductions	-	-	-	-
Payables under exchange transactions and other payables and accruals	116	189	73	123

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

Note 7: Surplus payable

Surplus payable represents accumulated surplus of \$927 thousand as at 30 June, 2016 (2015: \$713 thousand). Under the *Public Management & Finance Law (2013 Revision)* section 39 (3) (f), the Entity may "retain such part of its net operating surplus as is determined by the Financial Secretary." Therefore, Judicial Administration has recorded an additional surplus payable amount to the Government of the Cayman Islands in the amount of \$214 thousand as of 30 June, 2016 (2015: \$0). The Financial Secretary has not confirmed whether they can retain the surplus achieved during this year and the prior year.



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 8: Employee entitlements

<i>expressed in Cayman Islands Dollars and in thousands</i>				
Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
Current employee entitlements payables are represented by:				
Annual Leave and time-in-lieu	112	165	53	159
Total employee entitlements (Current)	112	165	53	159

Leave entitlements are calculated based on current salary paid to those employees who are eligible for this benefit.

Note 9: Revenue from non-exchange transactions

During the year ended 30 June, 2016, the Entity received services-in-kind in the form of computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. The fair value of these services cannot be determined and therefore no expense has been recognized for the year ended 30 June, 2016 (2015: \$0).

Note 10: Revenues

Sale of Outputs to Cabinet consists of billings to the Government for services agreed under the Annual Budget Statement between the Entity and the Government.

Other revenue consists of fees and charges payable by the general public, including bailiff fees, photocopying fees, and sale of books.

Note 11: Personnel costs

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
Salaries, wages and allowances	3,155	3,151	(4)	2,889
Health care	480	604	124	506
Pension	147	161	14	148
Leave	(47)	10	57	-
Total Personnel Costs	3,735	3,926	191	3,543



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 12: Supplies and consumables

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
Lease of Property and Equipment	575	580	5	577
Purchase of services	608	655	47	668
Utilities	296	294	(2)	311
Supplies and Materials	143	150	7	187
Insurance	48	80	32	61
Others	53	47	(6)	40
Interdepartmental expenses	-	21	21	-
Recruitment and training	30	20	(10)	6
Travel and subsistence	-	5	5	-
Total Supplies & Consumables	1,753	1,852	99	1,850

Note 13: Litigation costs

The Attorney General's Office provides litigation services to the Entity, and accounted for together with other services-in-kind received by the Entity. During the year ended 30 June, 2016, there were no litigation costs (2015: \$0) recognized as expenses by the Entity.

Note 14: Reconciliation of net cash flows from operating activities to surplus

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
Surplus for the year	214	-	(214)	(85)
Non-cash movements				
Depreciation expense	218	213	(5)	219
Changes in current assets and liabilities:				
(Increase) in receivables from exchange transactions	4	(4)	(8)	(18)
Decrease/ (Increase) in prepayments	22	(33)	(55)	65
Decrease in inventory	73	(15)	(88)	4
(Decrease)/ Increase in total liabilities	(54)	10	64	(117)
Net cash flows from operating activities	477	171	(306)	68



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 15: Commitments

Type	One year or less	One to five years	Over five years	Total	2014/15 Actual
Operating commitments					
Non-cancellable accommodation leases	398	-	-	398	963
Total Commitments	398	-	-	398	963

The Entity has short-term accommodation leases for the premises it occupies in George Town. The annual leases will terminate in February 2017. The Entity also has a short-term accommodation lease for the warehouse premises it occupies in George Town. The lease expires on May 2017. The amounts disclosed above as future commitments are based on the current rental rates.

Note 16: Explanation of major variances against budget

Statement of financial position

Prepayments

The actual prepayments are lower than budget by \$32 thousand primarily because at the time of budget preparation it was assumed that Risk Management Insurance would have been paid in advance as the normal coverage is for the period April 1 – March 31. The Risk Management insurance is organised through Central Government but the invoice was only received towards the end of June 2016 and paid in July 2016.

Inventory

As at 30 June, 2016 management considered the net realisable value of inventory held in comparison to its carrying amount, and agreed to write-off the remaining balance. This was mainly due to the transfer of the funding of Law Reports from Entity to the Executive.

Property and equipment

The \$131 thousand increase in property and equipment over budget is primarily due to the purchase of \$140 thousand in fixed assets during 2015-16. No fixed asset purchases were considered in the budget.

Other payables and accruals

The \$67 thousand decrease in other payables and accruals to budget is as a result of over estimation at the time of budget preparation, as the actual figure is in line with the prior year actual.

Employee entitlements

The \$53 thousand decrease in employee entitlements to budget is as a direct result of management's effort to reduce this liability.



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 16: Explanation of major variances against budget (continued)

Surplus payable

Judicial Administration has recorded a surplus of \$214 thousand in the year as the result of the reduction in personnel cost for \$191 thousand, supplies and consumables for \$99 thousand. These reductions were offset by increases in impairment of inventory of \$73 thousand, depreciation of \$5 thousand and \$2 thousand other revenue. The budget did not include any provision for additional surplus.

Statement of financial performance

Judicial Administration recorded a surplus of \$214 thousand. Explanations for major variances for the Entity performance against the budget are as follows:

Personnel costs

The net reduction in personnel costs of \$191 thousand is primarily due to savings in health insurance of \$124 thousand and the reduction in the provision of employee entitlements of \$57 thousand at 30 June, 2016 (noted above). The main reason for the savings in health insurance is the difference in budgeted health insurance status (family, couple, employee and child, and single) compared to actual. Unfilled vacancies and lack of timely filling of staff replacements also contributed to the savings in health insurance. However, there was no effect on the actual salary as temporary relief staff were employed to fill these vacancies.

Supplies and consumables

Per note 12 total supplies and consumables were \$99 thousand under budget although varying fluctuations against budget within individual categories occurred.

The main reductions were recorded in repairs and maintenance of \$34 thousand, \$32 thousand in insurance and \$20 thousand in professional fees and \$9 thousand in purchase of service. The reduction in repairs and maintenance is mainly as a result of an over estimation in the budget as the actual figure is in line with the prior year's amount. Risk Management insurance is arranged through Central Government who seems to be negotiating better rates each year. Professional fees are budgeted as a contingency and varies each year depending on the number and type of cases. These include amounts for interpreters, temporary court reporters, taxation costs for legal aid bills and guardian *ad litem*.



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 16: Explanation of major variances against budget (continued)

The net decrease in purchase of service is due mainly to the reduction in attendance allowance of \$51 thousand. This was however offset by increases in security services of \$16 thousand; \$16 thousand in janitorial; and \$8 thousand in audit service. Attendance allowance is budgeted as a contingency and would vary depending on the number and type of cases (judge only or jury). The increase in security is due mainly to the increase use of external providers given the reduction in support by the Royal Cayman Islands Police Service. The increase in janitorial service is mainly as a result of the addition of Court 7 during last financial year and cleaning of common areas. Previously, cleaning of the common areas were included as part of the related rent. The increases in audit services are due to fees for supplementary billing relating to the audit of property and equipment and fixed asset management fees incurred. These fees were not considered at the time the budget was finalised.

Note 17: Related party and key management personnel disclosures

Related party disclosure

The Entity is a wholly owned entity of the Government of the Cayman Islands from which it derives a major source of its revenue. The Entity transacts 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 and were undertaken on terms and conditions that are normal for such transactions.

Statement of Financial Position	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	2014/15 Actual
Receivables from exchange transactions	499	500	1	503
Surplus payable	927	713	(214)	713
Statement of Financial Performance				
Sale of goods and services	5,946	5,946	-	5,516
Insurance expense	48	80	32	61



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 17: Explanation of major variances against budget

Key management personnel

Key management personnel, defined as Court Administrator, Chief Financial Officer, Clerk of Court, Deputy Clerk of Court, Senior Deputy Clerk of Court, Administrative and Finance Manager and Human Resources Manager are considered to be related parties.

There are six (2015: six) full-time equivalent personnel considered at the senior management level in addition to the chief financial officer. The total remuneration includes regular salary, allowances, pension contributions and health insurance contributions. Total remuneration for senior management in the year ended 30 June, 2016 was \$697 thousand (2015: \$639 thousand). There were no loans made to key management personnel or their close family members in the year ended 30 June, 2016 (2015: \$0).

Note 18: Financial instrument risks

The Entity is exposed to a variety of financial risks including credit risk, exchange rate risk and liquidity risk. The Entity's 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 counterparty will default on its contractual obligations resulting in financial loss to the Entity. Financial assets that potentially expose the Entity to credit risk comprise cash and cash equivalents and receivables from exchange transactions.

The Entity 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.

The Entity is also exposed to a significant concentration of credit risk in relation to receivables from exchange transactions, significant of which are due from other Government entities. No credit limits have been established. As at 30 June, 2016, no provision for doubtful debts (2015: \$0) has been made on these receivable as management considers these debts to be recoverable in full.

The carrying amount of financial assets recorded in the financial statements represents the Entity's maximum exposure to credit risk. No collateral is required from debtors.



Notes to the Financial Statements

For the year ended 30 June, 2016

(Expressed in thousands of Cayman Islands Dollars)

Note 18: Financial instrument risks (continued)

Exchange rate risk

The entity does not have significant exposure to currency exchange-rate risk as the Cayman Islands dollar is pegged to the United States Dollar.

Liquidity risk

Liquidity risk is the risk that the Entity is unable to meet its payment obligations associated with its financial liabilities when they are due.

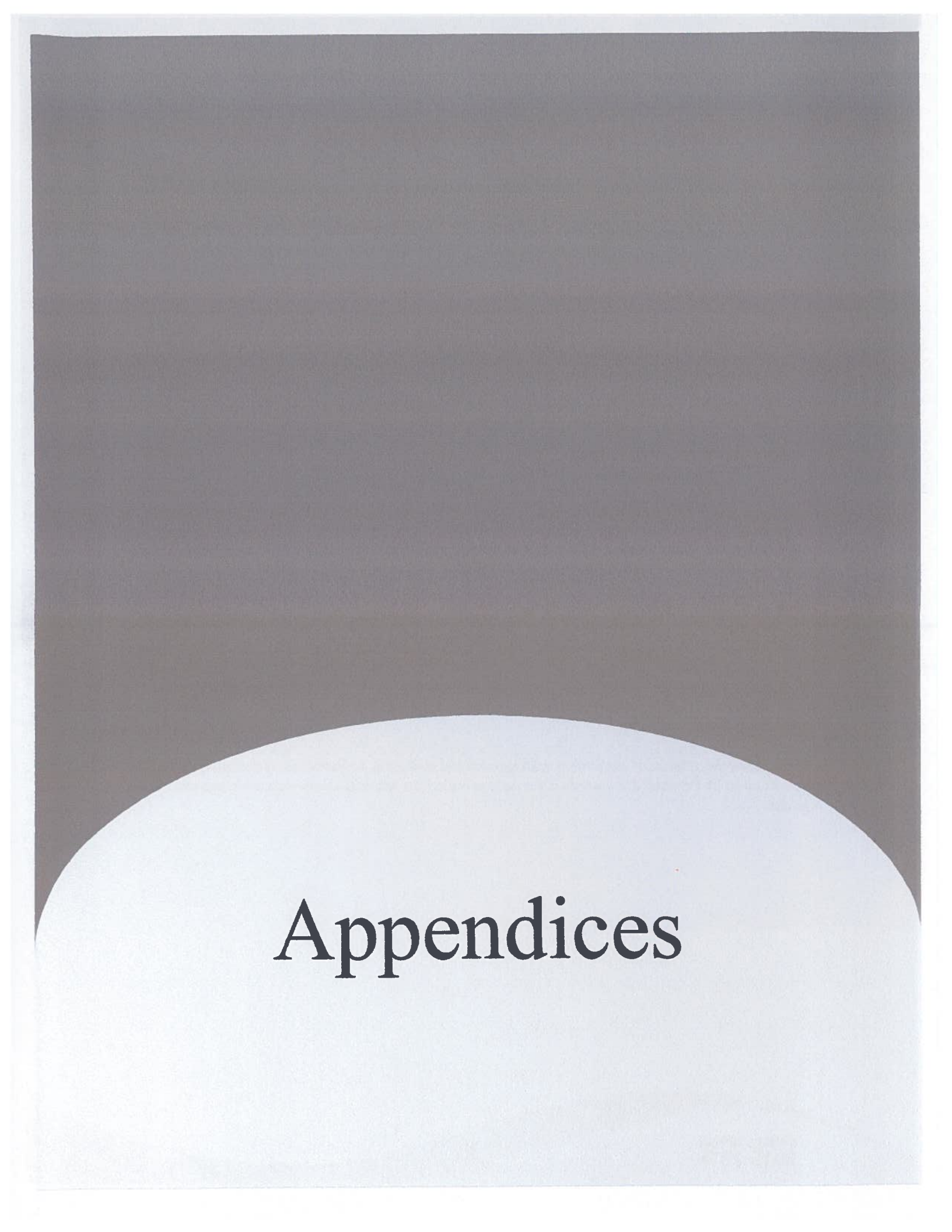
The ability of the Entity to meet its debts and obligation is dependent upon its ability to collect the debts outstanding to the Entity in a timely basis. In the event of being unable to collect its outstanding debts, it is expected that the Government would temporarily fund any shortfalls the Entity would have with its own cash flows. As at 30 June, 2016, all of the financial liabilities were due within three months of the year end date (2015: all within three months of the year-end date).

Note 19: 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, employee entitlements and surplus payable approximate their fair values due to their relative short-term maturities.

Note 20: 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 at which the financial statements were available to be issued.



Appendices



Governance and Risk Management

Judicial Administration is subject to normal risks associated with most public agencies. For 2015-16 those risks included:

Human Capital Risks

- Loss or absence of key staff along with their expertise and experience;
- Insufficient administrative support; and
- Performance risks.

Infrastructure Risks

- Physical building security;
- Natural disasters including hurricanes, fires and other perils; and
- File storage and retrieval.

Business Specific Risks

- Electronic/cyber (website and JEMS);
- Lack of buffer zone around Court building for transport of prisoners; and
- Court attendees who may be unhappy with a decision.

The Portfolio effectively managed these risks during the 2015-16 fiscal year without material interruption to operations. Appropriate strategies will be developed to manage future risks as part of an overall risk-management framework.



Internal and External Audit Updates

The Audit for Judicial Administration was completed by the Office of the Auditor General on 30th October 2015. Judicial Administration received a Qualified Opinion on the basis of its property plant and equipment.

According to the Auditor General, he was unable to form an opinion on the completeness, existence, accuracy and valuation of the property plant and equipment recorded as at 30 June, 2015.

However, in his opinion, except for the potential effects of the property plant and equipment, "the financial statements present fairly, in all material respects, the financial position of Judicial Administration as at 30 June, 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards."

In April 2016, Judicial Administration undertook a comprehensive inventory of its entire property plant and equipment base. All items owned were recorded, labelled and valued.

Number of FOI Requests

Requests received	Requests Closed	Requests Pending
14	13	1

Complaints received	Nature of Complaint	Complaints Closed	Complaints Open
3	Professional Misconduct – Attorney	1	2

Notes

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**CAYMAN ISLANDS
JUDICIAL ADMINISTRATION**

**ANNUAL REPORT
2015-2016**

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