

# Annual Report

## 2015-2016



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# Foreword from the Deputy Governor and Head of the Civil Service

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When I was appointed Deputy Governor in 2012, I advocated for a multi-year strategy for the senior leadership team which focused on four broad strategies, namely: (i) Being a fair and responsible employer, (ii) Empowering and supporting managers, (iii) Supporting professional development and personal growth and (iv) Encouraging professional performance.

The past year has been a pivotal one for the civil service. I am pleased to report that significant progress has been made against these strategies prompting me to expand these efforts in 2015/16 by commissioning the development of a new 5-Year Strategic Plan. Through the Civil Service Reimagined campaign hundreds of participants from both within the civil service and the broad community contributed their ideas of how the civil service can be its best. This work culminated in the simple but profound vision: *"To be a World Class Civil Service"*.

As we embark on the next phase of reforms, it seems appropriate to reflect on the past year's work, the result of which is crystallised in this year's Annual Report.

In 2015-16, the following key pieces of legislation were approved:

- The Public Service Pensions (Amendment) Law, 2016 and Public Service Management (Amendment) Law, 2016 to facilitate increasing the retirement age within the public service to age 65;
- The Parliamentary Pension (Amendment) Law, 2016 to expand pension entitlements for those former Members of the Legislative Assembly who have served at least one full term but who were previously ineligible to receive pension entitlements;
- The Judges Emoluments and Allowances (Amendment) Law, 2016 to allow Magistrates to be treated as members of the Judiciary;
- Anti-Corruption (Amendment) Law, 2016 which seeks to, amongst other things, change the composition, staffing and procedures of the Anti-Corruption Commission, change certain definitions and to clarify the provisions relating to conflicts of interest;
- The Whistle-blower Protection Law, 2015 to safeguard persons who report wrongdoing.

In April 2016, my office, supported by the Wellness Committee hosted the 3<sup>rd</sup> Annual DG 5K event, generating over 1,000 participants in the public and private sectors and raising some \$60,000 on behalf of the Cayman Heart Fund. Over the three years since it has been launched, the DG 5K has raised in total some \$120,000 for worthy charities.

On behalf of the Cabinet, the Portfolio of the Civil Service implemented a 4% Cost of Living Adjustment (July 2015) and the 2.2% one-time honorarium payment (June 2016). It also facilitated pay stagnation payments in December 2015 for teachers and police officers. These are important developments because our records had indicated that the vast majority of employees' earnings had been stagnant for at least 3 years, with many who had worked with us for over 10 years, not having seen any increase during this time. This led to negative impacts in employee engagement and was increasing as a risk to maintaining positive employee relations.

I am pleased to report that we achieved 100% compliance with performance agreements for 2015-2016 and performance appraisals for 2014-2015, up from a mere 17% in 2011. We updated the CIG Travel Policy, which has produced significant annual savings over the past two years and improves governance standards across the civil service. Civil Servants received training in relation to the CIG Anti-Sexual Harassment Policy, reinforcing our organisation's commitment to provide a safe workplace for all employees. During this past year we also made excellent progress in filling key senior roles. On behalf of Her Excellency the Governor and my Office, the PoCS facilitated the recruitment of numerous senior leaders, including Chief Officers for the Ministry of Education, Employment and Gender Affairs, the Ministry of Home Affairs, the Judicial Administration, and the Office of the Auditor General, to name a few.

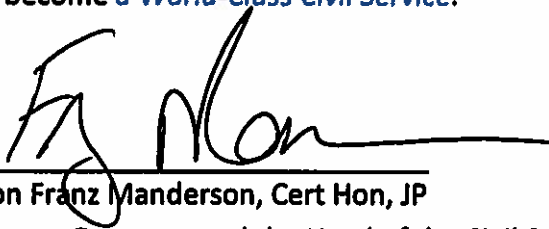
The Elections Committee completed the Report of the Boundaries Commission which paves the way for the historical achievement in the Cayman Islands of contesting elections on the basis of single-member constituencies.

In October 2015, the Honourable Premier and I launched the Project Future Programme, the largest potential change agenda in the history of the Cayman Islands Public Service, with projects informed by the 2014 Ernst & Young review. As at May 2016, the first six months of implementation, work had been initiated in 38 of the 57 projects and programmes. Coordinated by the newly created Strategic Reform Implementation Unit (SRIU), the programme has introduced the use of business cases as tools to strengthen the quality of our advice to the Government on how best we can achieve their policy priorities. We are also developing formal project management skills across the service, to improve our management and delivery of projects.

Such an ambitious programme of change within the Civil Service requires a committed, highly-skilled and passionate group of change makers at the helm. During this year, therefore, we have drawn on the learnings and commitments made by our senior leaders at our first leadership summit, in June 2016, which was facilitated by renown author, Vince Molinar, of the "The Leadership Contract". At that conference, leaders identified their greatest opportunities for making lasting change and personally committed to taking the necessary journey to bring about positive results.

Our journey towards excellence in service continues. Even as I reflect on the many important achievements of this past year, I am already looking forward to the challenges and

opportunities the upcoming year presents, as we formulate strategies to realise our new vision to become *a World-Class Civil Service*.

A handwritten signature in black ink, appearing to read 'F. Manderson', written over a horizontal line.

Hon Franz Manderson, Cert Hon, JP  
Deputy Governor and the Head of the Civil Service



# Foreword from the Chief Officer of the Portfolio of the Civil Service

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It is a privilege to present the 2015-16 Annual Report for the Portfolio of the Civil Service (PoCS). Given the myriad of challenges facing the Cayman Islands Civil Service, it is more important than ever to ensure that we pursue efficiencies, modernise our delivery of services, resume investments in our people and systems, and begin to measure our performance in ways that are relevant to the public we serve.

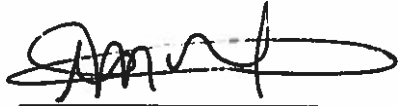
The PoCS plays a central role in facilitating this outcome, as it delivers central HR strategies and policies, facilitates government-wide public sector reforms and supports many of the bodies charged with the good governance of these Islands.

Overall, the PoCS enjoyed a successful year and the management framework for the Portfolio continues to be strong as marked by obtaining an unqualified audit opinion for the third successive year. The PoCS remains highly active in its support to other Ministries and Portfolios in achieving their management and HR objectives. We have rolled out numerous service-wide initiatives aimed at modernising terms and conditions within the civil service and improving governance which included commencing implementation of the pay stagnation remedy, launching pension reforms and updating the corporate Travel Policy.

PoCS has made significant strides this year by launching major initiatives aimed at improving leadership capabilities and enabling career-long learning, enhancing gateways to public service careers amongst school leavers and university students, supporting efforts to enhance performance accountability at the agency and employee level, and facilitating and reporting on major public sector reform initiatives meant to improve the delivery of government services.

The Portfolio has experienced some challenges having to meet an increased demand for services whilst simultaneously contending with vacancies in senior posts. Nonetheless, the PoCS committed to offering internal development opportunities and has hosted acting appointments and secondments for key managerial and technical roles during the year. These efforts have paid significant dividends, with two Senior Management Team vacancies having been successfully filled through internal promotions of qualified Caymanians.

I would like to express my sincere appreciation to the dedicated professionals within the PoCS team, as well as to other members of the Civil Service and the wider community, who aided our efforts this past year to realise our PoCS vision: *"To be a valued partner in achieving performance excellence across the Cayman Islands Government"*.

A handwritten signature in black ink, appearing to read 'G. McField-Nixon', written over a horizontal line.

Gloria McField-Nixon, JP  
Chief Officer

# Section 1: The Civil Service At A Glance

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Sections 24 and 25 of the Public Service Management Law (2013 Revision), prescribes the duties and powers of the Portfolio of the Civil Service (PoCS) in relation to civil service human resource matters. Generally, the PoCS advises Her Excellency the Governor and the Head of the Civil Service on the effectiveness of the Human Resources framework within the Cayman Islands Government. As such, the PoCS monitors global HR matters and reports on the same annually.

The below extract from the 2015/16 Annual Report, highlights HR Trends within the Civil Service during the 2015/16 financial year.



## EMPLOYEE INFORMATION - SUMMARY

### Headcount (CIG & SAGs/GOCs)

|                             | Jun-12      | Jun-13      | Jun-14      | Jun-15      | Jun-16*     |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| SA/GOC                      | 2262        | 2258        | 2275        | 2325        | 2361        |
| CIG                         | 3639        | 3601        | 3571        | 3484        | 3600        |
| <b>Total Public Service</b> | <b>5901</b> | <b>5859</b> | <b>5846</b> | <b>5809</b> | <b>5961</b> |

\* Note: June 2016 excludes 52 student interns & 3 employees of the London Office based in the UK

### Caymanians (CIG & SAGs/GOCs)

|                             | Jun-12              | Jun-13              | Jun-14              | Jun-15              | Jun-16              |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| SA/GOC                      | 1720 (76%)          | 1713 (75.9%)        | 1774 (78%)          | 1780 (76.6%)        | 1822 (77.2%)        |
| CIG                         | 2640 (72.5%)        | 2614 (72.6%)        | 2624 (73.5%)        | 2583 (74.1%)        | 2673 (74.3%)        |
| <b>Total Public Service</b> | <b>4360 (73.9%)</b> | <b>4327 (73.9%)</b> | <b>4398 (75.2%)</b> | <b>4363 (75.1%)</b> | <b>4495 (75.4%)</b> |

### Salary Grades (June 2016):

|               | A-B    | C-G   | H-K   | L-O   | P-R   | GFF-GAA |
|---------------|--------|-------|-------|-------|-------|---------|
| Caymanian     | 100.0% | 70.1% | 66.1% | 69.2% | 92.6% | 87.6%   |
| Non-Caymanian | 0.0%   | 29.9% | 33.9% | 30.8% | 7.4%  | 12.4%   |

### Gender (CIG)

|              | Jun-12      | Jun-13      | Jun-14      | Jun-15      | Jun-16      |
|--------------|-------------|-------------|-------------|-------------|-------------|
| Male         | 1740 (48%)  | 1689 (47%)  | 1658 (46%)  | 1623 (47%)  | 1650 (46%)  |
| Female       | 1899 (52%)  | 1912 (53%)  | 1913 (54%)  | 1861 (53%)  | 1950 (54%)  |
| <b>Total</b> | <b>3639</b> | <b>3601</b> | <b>3571</b> | <b>3484</b> | <b>3600</b> |

### Salary Grades (June 2016):

|        | A-B    | C-G   | H-K   | L-O   | P-R   | GFF-GAA |
|--------|--------|-------|-------|-------|-------|---------|
| Male   | 100.0% | 53.1% | 45.8% | 45.4% | 29.8% | 65.8%   |
| Female | 0.0%   | 46.9% | 54.2% | 54.6% | 70.2% | 34.2%   |

### Age (CIG)

|             | Jun-12 | Jun-13 | Jun-14 | Jun-15 | Jun-16 |
|-------------|--------|--------|--------|--------|--------|
| Average Age | 42     | 42     | 42     | 43     | 43     |

### Salary/Wages (CIG)

|                          | Jun-12   | Jun-13   | Jun-14   | Jun-15   | Jun-16   |
|--------------------------|----------|----------|----------|----------|----------|
| Average Full-Time Salary | \$43,932 | \$42,702 | \$42,511 | \$45,008 | \$45,729 |

## Section 2: Overview of the PoCS

The Portfolio of the Civil Service is responsible for supporting the further development of Human Resource Management across the Civil Service, including the provision of educational development through the Civil Service College, and the promotion of Human Resources best practice. We provide policy advice on HR matters to Her Excellency the Governor and the Head of Civil Service and monitor and evaluate compliance with the Public Service Management Law (PSML) and Personnel Regulations. The PoCS also provides a range of operational and corporate HR services and is responsible for the implementation and monitoring of Public Sector reform initiatives.

Through the various Departments and Units across the wider Portfolio we also facilitate and support good governance and continuous improvement in the management systems and processes across the Civil Service.

### Vision and Mission for the Portfolio of the Civil Service

#### Our Vision:

*To be a valued partner in achieving performance excellence across the Cayman Islands Government.*

#### Our Mission:

*To promote and support democracy and good governance, through efficient and effective Human Resource and General Management practices across the Cayman Islands Government*

### Our People & Teams

As at 30 June 2016, the PoCS employed 74 employees, 61 of whom are Caymanian. The Senior Management Team of the Portfolio is comprised of the following:

|                                              |                                    |
|----------------------------------------------|------------------------------------|
| Chief Officer:                               | Gloria McField-Nixon, JP           |
| Deputy Chief Officer (Public Sector Reform): | Deloris Gordon                     |
| Director, Human Capital Development:         | Andrea Fa'amoe                     |
| Chief Financial Officer:                     | Nadisha Walters                    |
| Senior HR Executive:                         | Charlene Howell-Litchmore (Acting) |
| Manager of Strategic & Corporate HR          | Cara Anderson-Linwood              |
| HR Audit Manager                             | Andy Bonner                        |

Following the 2013 general elections, the Portfolio of the Civil Service (PoCS) was reconstituted from being primarily concerned with HR matters to operate more akin to an office of personnel and management. The general ambit of the PoCS is to provide policy advice and administrative support to Her Excellency the Governor, the Deputy Governor and Civil Service agencies; to support democracy and to lead reform programmes and management initiatives which make government more effective and efficient.

The wider PoCS is now comprised of 13 entities who collectively contribute to three broad policy areas: namely Global HR & Management Practices, Public Sector Reform and Good Governance. In addition, the PoCS has oversight of 2 statutory authorities; the Public Service Pensions Board and the Civil Aviation Authority. The statutory authorities publish their annual reports separately.

Below is an overview of the entities which comprise the wider Portfolio grouped by their primary functional areas:

| <b>Global HR &amp; Management Practices</b>                                                                                                                                                                             | <b>Public Sector Reform</b>                                                                                                               | <b>Good Governance</b>                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Policy, Finance and Administration Section</li> <li>• Strategic &amp; Corporate HR Unit</li> <li>• Civil Service College</li> <li>• Cayman Islands National Archive</li> </ul> | <ul style="list-style-type: none"> <li>• Management Support Unit (MSU)</li> <li>• Strategic Reforms Implementation Unit (SRIU)</li> </ul> | <ul style="list-style-type: none"> <li>• Legislative Assembly (LA)</li> <li>• Elections Office</li> <li>• Office of HE the Governor</li> <li>• Office of Deputy Governor</li> <li>• Internal Audit</li> <li>• HR Audit Service</li> <li>• Commissions Secretariat</li> </ul> |

### **Learning and Talent Development**

The PoCS places a high premium on the continued learning and development of its staff to ensure that staff have the necessary tools and skills to perform their jobs. During the Financial Year, members of our staff undertook continuous learning and achieved numerous qualifications, as follows:

#### **Degree-level qualifications:**

- Master's in Human Resource Management
- Master's in Public Administration
- Diploma in Human Resource Management

**Certificate-level qualifications:**

- Executive Certificate in Global Leadership
- Certified Fraud Control Manager
- Business Case Development
- Procurement Training
  - a) Tendering
  - b) Drafting Commercial Contracts
- Professional Database Administrator
- Certified Internal Auditor (CIA)
- Project Management
- Advances in Office Administration

**Workshop/Seminars/Conference:**

- Introduction to Proof Reading
- Community Development
- Sustainable Development
- A New Approach to Public Law and Constitutional Challenges Under the Cayman Islands Bill of Rights
- CIG Professional Development Week
- Mediation
- Grievance Handling
- Conference for HR Professionals in the Overseas Territories
- IPAC Leadership Conference
- Customer Service
- Unconscious Bias
- Strategic Migration Management and Policy Planning

**Deputy Governor's Award**

As has occurred in prior years, in 2015/16 several employees within the Portfolio of the Civil Service were recognised for exceptional performance.

Mr. Tyrone Yen, General Records Assistant from the Cayman Islands National Archives was awarded the Employee of the Month Award and the Chief Officer's Choice Award in July 2015.

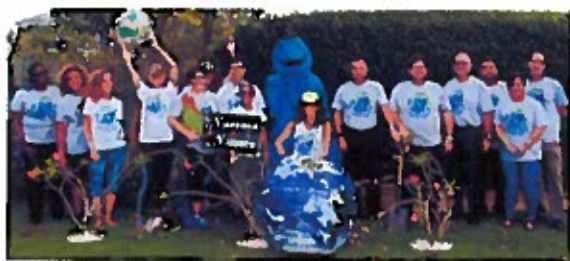
Ms. Tenisha Ebanks, Administrative Assistant in the Deputy Governor's Office was awarded the Chief Officer's Choice Award in November 2015.



*Tyrone Yen, General Records Assistant  
Employee of the Month - July 2015*



## Community Outreach



*Civil Servants Volunteering With The National Trust for Earth Day*



*Deputy Governor and Chairman of Cayman Heart Fund - Beneficiary of the 2016 DG 5K*

The PoCS coordinates the Cayman Islands Government's corporate community outreach by hosting a number of fundraising activities. During the year we supported numerous charities including the Lions Club of Tropical Gardens (Breast Cancer Awareness Month), National Trust (Earth Day), Feed our Future (fundraiser), Kiwanis Club of Grand Cayman (fundraiser), Cayman Islands Meals on Wheels (fundraiser), and Business & Professional Women's Club (Domestic Violence Awareness Month).

## Financial Performance and Analysis

The 2015/16 Annual Budget Allocation (excluding executive appropriations) to the Portfolio of the Civil Service was CI\$8.769M.

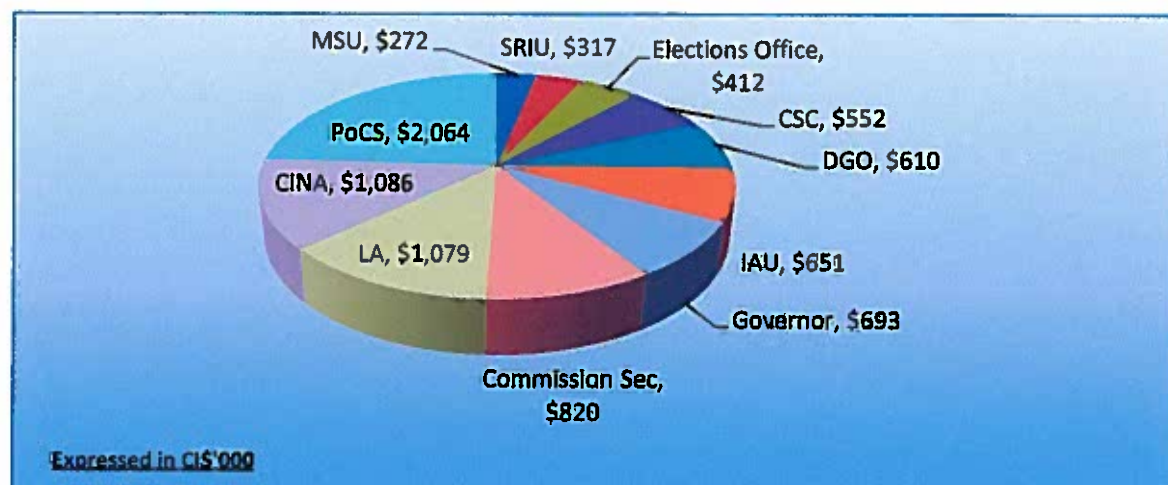
The below table shows the summary statement of financial performance for the Portfolio of the Civil Service. Information prior to the 2013-14 fiscal year would not be comparable to the 2015/16 year, owing to the significant change to the Portfolio's organization structure after the 2013 general elections. The PoCS grew from three (3) departments to eleven (11) departments (*Note: A number of Sections/Units are combined into one cost centre which explains the 13 entities versus only 11 departments with unique cost centres*).

| <b>Summary Statement of Financial Performance</b> |                |                |                |
|---------------------------------------------------|----------------|----------------|----------------|
|                                                   | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> |
|                                                   | <b>\$'000</b>  | <b>\$'000</b>  | <b>\$'000</b>  |
| <b>Revenue</b>                                    |                |                |                |
| Cabinet Revenue                                   | 6,922          | 7,130          | 8,116          |
| Inter-Agency Revenue                              | 33             | 8              | 6              |
| Third Party Revenue                               | 593            | 469            | 431            |
| <b>TOTAL Revenue</b>                              | <b>7,548</b>   | <b>7,607</b>   | <b>8,553</b>   |
| <b>Expense</b>                                    |                |                |                |
| Personnel Cost                                    | 4,780          | 4,982          | 5,617          |
| Supplies and Consumables                          | 2,151          | 2,149          | 1,809          |
| Depreciation                                      | 111            | 84             | 81             |
| <b>TOTAL Expenses</b>                             | <b>7,042</b>   | <b>7,214</b>   | <b>7,507</b>   |
| <b>Net Surplus for the period</b>                 | <b>506</b>     | <b>393</b>     | <b>1,046</b>   |

More detailed financial information is contained in our financial statements and accompanying notes. Included in our notes are explanation of variances between the 2015-16 results and budget.

### Revenue

The Portfolio's revenues were \$8.55M for the 2015-16 fiscal year. 95% of this revenue was generated by output deliverables to Cabinet. Third party revenue is primarily earned from Naturalization Fees that are collected by the Deputy Governor's Office.





## RISK ANALYSIS AND MANAGEMENT

The POCS acknowledges the changing internal and external factors that impact our performance across the Portfolio of the Civil Service. We continue to take steps to ensure that our management policies and practices adapt in tandem with these changes. As such, the POCS is continuing to identify, analyse and manage risks in the execution of our objectives. During the 2015/16 financial year, the Portfolio identified various operational and strategic risks to the delivery of our outputs. An analysis of these key risks and description of their impact on the Portfolio's operations during the year is highlighted below.

| Category           | Description                                                                                                                                                                                                                                                                                                          | Potential Impact during 2015/16                                                                                                                                                                                                                                                                                                          | Actions to mitigate risks                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Operational</b> | <ul style="list-style-type: none"> <li>Inadequate staffing</li> <li>loss of Key Personnel</li> <li>Lack of skills to effectively deliver programs and services</li> <li>Security of confidential high-risk electronic documents on servers</li> <li>Loss of personal information and other sensitive data</li> </ul> | <ul style="list-style-type: none"> <li>Operational delays in workflow and inability to deliver services</li> <li>Low staff morale and engagement due to over extension and burnout</li> <li>Limits programme delivery</li> <li>Slower work production rate</li> <li>Unintended exposure of personal and sensitive information</li> </ul> | <ul style="list-style-type: none"> <li>On-going cross-training of staff as part of our staff development through secondments and acting appointments.</li> <li>Provision of training through various means including informal on-the-job training and supervision.</li> <li>Hiring temporary services to maintain servers</li> <li>Restricted access to personal data and information and working closely with the committee managing CIG's Cybersecurity.</li> </ul> |
| <b>Strategic</b>   | <ul style="list-style-type: none"> <li>Audit Units lack impact on the wider CIG objectives</li> <li>Lack of public awareness of the roles of various Commissions</li> <li>Lack of senior management support for Project Future requirements</li> </ul>                                                               | <ul style="list-style-type: none"> <li>Low implementation rates of audit recommendations</li> <li>Reduced collaborative opportunities with the public and reduced effectiveness of Commissions to fulfill their mandates</li> <li>Operational delays in projects delivery and delays in achieving intended benefits</li> </ul>           | <ul style="list-style-type: none"> <li>Conduct follow-up audits and report to Deputy Governor</li> <li>Increased alignment of audit work program with CIG's strategic focus.</li> <li>Develop websites and other PR tools</li> <li>Increased engagement with DG and Chief Officers; developed guidance materials and templates; conducted training</li> </ul>                                                                                                         |

## Section 3: A Look at Entities in the Wider POCS

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### Entities Supporting Global HR & Management Practices

Four entities within the wider PoCS are primarily charged with setting global HR policies, monitoring and advising on HR trends and expenditures, managing personnel data and electronic records, advising on complex HR matters, facilitating talent development, developing central policies and promoting management practices to realise efficiencies and improve records management.

The entities primarily charged with the delivery of Strategic HR and Management Practices are Policy, Finance and Administration Section, Strategic & Corporate HR Services, Civil Service College and the Cayman Islands National Archive.

### Policy, Finance & Administration Section

#### Overview

The scope of activities for the Policy, Finance and Administration Section includes but not limited to the following:

- Developing and deploying Strategic HR Policies and HR initiatives which are applicable across the entire civil service including providing coordination and policy advice on human resource management, pay and benefits, and complex recruitment and disciplinary matters, etc.
- Providing policy advice and administration of the Recruitment Moratorium on behalf of the Deputy Governor to assist in managing and monitoring HR expenditures at the Ministry /Portfolio level.
- Executing strategic projects on behalf of the Deputy Governor
- Providing financial management and reporting services to the Chief Officer of the PoCS and the Cabinet Secretary;



- Providing operational HR services to Her Excellency the Governor and the Deputy Governor in their respective roles as Appointing Officers for the Judiciary, Official Members and Chief Officers, amongst others;
- Providing centralised operational HR services within the PoCS to the Chief Officer and Departments within the wider POCS;
- Facilitating orientation sessions for all new hires across CIG and the Deputy Governor's Employee Recognition and Award Programme
- Serving as the CIG's primary liaison with the Cayman Islands Civil Service Association to foster positive employee engagement.

The Policy, Finance and Administration team is led by the Chief Officer and is supported by 9 staff. The senior management team includes 2 Deputy Chief Officers, the Chief Financial Officer and the Senior HR Executive.

### Highlight of 2015/16 Achievements

#### 1. Modernising Civil Service Terms and Conditions

- The POCS successfully supported legislation to raise the retirement age within the public service from age 60 to age 65. This was achieved after significant stakeholder consultation including face to face meetings with more than 400 managers, HR professionals and employees.
- Successfully introduced legislation to amend the Parliamentary Pensions Law and the Judges Emoluments and Allowances Law.
- Implemented pay awards including Cost of Living Adjustment (COLA) of 4% in July 2015 (this payment reversed the 3.2% pay cut originally adopted in 2010) and a one-off honorarium (2.2%) in June 2016.
- Successfully advocated for funding to rectify pay stagnation, commencing with payments to police officers and teachers in December 2015.



#### 2. Enhancing Leadership and Accountability

- Hosted CIG's first leadership summit for 100 leaders across the civil service
- Continued to expose Civil Service leaders and bring greater awareness of what other public sector leaders face, through attendance at the IPAC Leadership Conference in Canada
- Commenced work to support managers through streamlining the disciplinary process and automating performance management support.

- Facilitated the recruitment of 4 Chief Officers across various Ministries/Portfolios.
- Facilitated 20 assessment centres supporting senior-level hires across CIG to ensure merit based hiring.
- Provided orientation training to 157 civil servants to reinforce public service values and explain unique obligations applicable to those in public service.
- Promoting accountability through continuous monitoring to ensure annual performance agreements and appraisals are undertaken for 100% of civil servants; up from merely 17% in 2011.
- In 2015/16, the PoCS processed 1,101 HR moratorium requests aiding CIG's management of HR expenditures.

### **3. Global Management Reforms**

- Obtained Cabinet approval of an Outline Business Case (OBC) to establish the Office of the Ombudsman.
- Submitted an OBC to the Business Case Review Panel (BCRP) and progressing work to merge the Internal Audit Unit and HR Audit Services

## **Looking Forward - 2016/17 Goals & Objectives**

### **1. Modernising Civil Service Terms and Conditions**

- Commenced project to develop Outline Business Case to identify and assess options to allow civil servants to cost-share for provision of healthcare benefits
- Continue project to eliminate pay stagnation across the civil service, which saw civil servants unable to obtain salary increments.

### **2. Civil Service Reform Initiatives**

- Support the development of a 5-Year Strategic Plan for the Civil Service.
- Undertake amendments to the Personnel Regulations in order to streamline the disciplinary process within the Civil Service.

## Civil Service College



*CSC Graduating Class of 2016*

### Overview

The Civil Service College (CSC) is the Cayman Islands Government's primary advisor and facilitator of training and development for Civil Servants. Headed by the Director, Ms. Andrea Fa'amoe and supported by one additional staff, the CSC relies heavily upon external partners for the delivery of training courses. Our partners include the University College of the Cayman Islands (in class accredited training courses), Institute of Leadership & Management (Special/ Blended Learning courses) and Degreed.com (Online learning).

The CSC also partners with the Cayman Islands Institute of Professional Accountants (CIIPA) and the Office of the Auditor General to host the annual professional development week for Civil Servants and deliver seminars and workshops that are relevant to the work of the finance and leadership professional groups across the core Civil Service but also open to the wider public sector. Topics typically include accounting, leadership, governance, human resources, performance management and financial management and reporting.

Additionally, we facilitate access to the United Kingdom's Civil Service Learning (The UK government's online learning platform).

### Highlight of 2015/16 Achievements

#### 1. Associates Degree in Public Administration

The CSC saw its largest graduating class this past year. In November 2015, twenty Civil Servants completed the joint CSC/UCCI Associates Degree in Public Administration; 16 of whom were Honour Graduates.

#### 2. Bachelor's Degree Support

The CSC expanded its support to Civil Servants by offering Caymanian CSC Honour Graduates tuition sponsorship to continue on and undertake Bachelor's Degree level programmes at the UCCI. The first Bachelor's Degree cohort began in January 2016 with three students.



### 3. Online / Blended Learning

The College also launched its new online learning platform through its partnership with Degreed.com. We also continued to serve as an official centre for The UK's Institute of Leadership & Management.

#### Key Output Deliverables linked to Cabinet revenues:

| Outputs                                           | Budget | Actuals |
|---------------------------------------------------|--------|---------|
| <b>PCS15 - Civil Service College</b>              |        |         |
| <b>Number of accredited courses delivered</b>     | 40-60  | 79      |
| <b>Number of professional groupings supported</b> | 3-6    | 6       |
| <b>Special courses</b>                            | 20-30  | 59      |

#### Looking Forward - 2016/17 Goals & Objectives

During 2016/17 the CSC will embark on the following areas as we continue to support Civil Servants in their quest to grow personally and professionally:

##### 1. Grow Online & Blended Learning

Grow Online Learning and Blended Learning among core Civil Servants, expand learning pathways to other fields, increase the number of Civil Servants who are undertaking online learning.

##### 2. Grow Student Base

Expand our reach and offer Learning and Development opportunities to Statutory Authorities at a cost-effective.

##### 3. Expand Roster of Facilitators

Expand resources available to deliver Blended Learning Programmes and utilize more in-house experts as course facilitators.

## **Strategic & Corporate HR Unit**

### **Overview**

The Strategic and Corporate HR Unit provides a variety of HR services across the civil service as well as Statutory Authorities and government owned companies on demand. These services include:

- Recruitment
- Maintenance and management of the HR database (HRIRIS)
- HAY job evaluation and job design services
- Guidance and advice on HR best practice, the PSML and Regulations
- Maintenance and management of the employee records database (Electronic Content Management/ECM)
- Provision of HR forums
- Provision of statistical reports, strategic analysis and special HR projects



The SCHR unit is staffed by five officers and currently maintains two vacancies. The Unit was led by Acting Manager Cara Anderson-Linwood. During the past year, the Unit supported three secondments with two of their staff seconded to other units and hosting one secondee from another Ministry.

### **Highlight of 2015/16 Achievements**

#### **1. Data analysis & Policy advice**

Provided analysis about Civil Service demographics and personnel expenditures to facilitate major policy initiatives related to Pay Stagnation, and Raising the Normal Retirement Age.

#### **2. HR IRIS Projects**

The SCHR team also undertook work to restate the Civil Service pay scale to reflect the July 2015 COLA payment, process the 2.2% honorarium awarded in June 2016, and develop electronic pay slips inclusive of reflecting the cost of health insurance premiums. The team also facilitated pay stagnation award for two professional groups, namely teachers and police officers.

### 3. Remuneration/ Job Evaluation

At the request of the Ministry of Home Affairs and Finance & Economic Development, the SCHR continued the review of uniformed roles in 2015-16 focusing on RCIPS and Customs resulting in pay awards to the officers in those departments. This followed on prior years work for the Prison Department and Immigration Department.

#### Key Output Deliverables linked to cabinet revenues.

| Outputs                                                           | Budget  | Actuals |
|-------------------------------------------------------------------|---------|---------|
| <b>PCS2 – Strategic Human Resources Services</b>                  |         |         |
| Number of Reports                                                 | 13-15   | 52      |
| Number of HRIRIS Projects                                         | 2       | 26      |
| Number of meetings or HR Forums                                   | 2-3     | 16      |
| <b>PCS19 – Human Resources Services to Civil Service Agencies</b> |         |         |
| Number of Job Evaluations                                         | 200-210 | 203     |
| Number of Hrs. on Job Advice                                      | 300-400 | 403     |
| Number Hrs. on Recruitment Services                               | 600-800 | 1209    |

#### Looking Forward - 2016/17 Goals & Objectives

For the 2016/17 financial year, the Unit will give focus to the following areas in order to effectively support HR management across the Civil Service.

##### 1. Business Process Improvements

Streamline current business processes and develop standard operating procedures for the delivery of services. This is include exploring opportunities to deliver more of their services through digital channels.

##### 2. Data Analysis & Policy Advice

Provide accurate HR data analysis to support the POCs in the development of effective HR policies to support Civil Service reforms and other strategic HR benefits.

## **Cayman Islands National Archive**

### **Overview**

The Cayman Islands National Archive which is led by the Director, Kimlon Lawrence provides two primary functions as mandated by the National Archive and Public Records Law. The first service is to address information assets needs of the CIG by providing a records and information management framework across the public service. The second service is to facilitate access by members of the public to historical information and archives.



*CINA Staff- DG SK Awardee for Highest Participation in a Small Team*

The overarching goal of the National Archive is to strengthen the management of government's information assets, and to enhance the current records and information management infrastructure, to address both current and future needs.

To accomplish this goal, the National Archive enacted three broad objectives as follows:-

1. Develop and establish policy, guidelines and build capacity to support public entities in the proper management of Government's information assets regardless of media.
2. Continuously monitor and evaluate records and information management gaps across the Civil Service and develop practical recordkeeping tools for improvement.
3. As a secondary function, preserve, protect and provide access to key public information, both current and historic.

The National Archive and Public Records Law (2015 Revision) provides the legislative mandate to enact CINA's primary responsibility as the governing authority on records and information management public sector wide. A number of other legislations support this mandate including:

- Freedom of Information Law (2015 Revision) - sections 44 (2) (b) and 52 (1) and (3) -.
- PSML Personnel Regulations (2013 Revision) - section 49 (1), (2) (a), (3) -
- PMFL Financial Regulations (2013 Revision) - section 44 (2)
- Electronic Transaction Law (2003 Revision) - part II, Section 6. (a) and (b); 9. (1) (a) and (b), (2) (a) and (b), 3 (a) and (b); and 10 (1) (a), (b) and (c) and (2).

The staff of the Cayman National Archives are actively engaged and are continuously supporting the Civil Service's efforts in the community. For the third consecutive year, the National Archive team received the Deputy Governor's 5K Challenge trophy for highest participation level by a small department.

### Highlight of 2015/16 Achievements

During the 2015/16 year the National Archive accomplished the following key objectives:

1. **Records and information management policies**  
Developed the disposal schedule for 'Transitory Records' and accompanying guidance and guidelines for 'Managing Electronic Records' and 'Records of Boards and Committees'.
2. **Monitor and evaluate records and information management across the civil service and develop recordkeeping.**  
Delivered 7 support sessions to public agencies. Delivered 5 operational schedules for the following agencies: Health Practice Commission, Office of the Complaints Commissioner, National Gallery, Office of the Deputy Governor and the Portfolio of the Civil Service.
3. **Preserve, protect and provide access to key public information, both current and historic.**  
Conducted 9 oral history interviews and produced 50 photographic prints/scans.

### Key Output Deliverables linked to cabinet revenues.

| Outputs                                             | Budget           | Actuals |
|-----------------------------------------------------|------------------|---------|
| <b>CNA24 - Preservation Management</b>              |                  |         |
| <b>Number of Images</b>                             | 18,000 to 20,000 | 25,214  |
| <b>CNA25 - Records &amp; Information Management</b> |                  |         |
| <b>Number of Government files processed</b>         | 600 to 610       | 732     |
| <b>CNA26 - Archives Management &amp; Promotions</b> |                  |         |
| <b>Number of research enquiries</b>                 | 300 to 310       | 336     |
| <b>Number of documents reproduced</b>               | 1,000 to 1,200   | 1,208   |



## **Looking Forward - 2016/17 Goals & Objectives**

During the 2016/17 financial year, the CI National will continue to seek ways to improve its service delivery and specifically focus on:-

- 1. Expanding the records and information management infrastructure across the entire public sector.**
- 2. Conducting records and information management training to promote good governance and efficiencies.**
- 3. Providing a policy framework for enhancing access to and preservation of public records and historical information including the expansion of the current Oral History Programme.**
- 4. In collaboration with CSD, E-Government and the Cybersecurity team undertake a review of current records and information management policies and programmes in order to streamline processes and improve service delivery.**
- 5. Facilitate enhanced access to information and archives through representation on the Culture and Heritage Steering Committee responsible for developing a National Culture and Heritage Policy and Strategic Plan.**

## Entities Supporting Public Sector Reform

Two entities within the wider PoCS are primarily charged with developing, facilitating, monitoring and reporting on reform initiatives that cut across the entire civil service and providing management advice and technical support to civil service entities. The entities primarily charged with public sector reform are the MSU and the SRIU.

### Management Support Unit

#### Overview

The goal of the Management Support Unit is to facilitate the enhancement of management systems and development of a culture of high performance and continuous improvement in Civil Service entities. The Unit also:



- Facilitates implementation of public sector reform initiatives,
- Provides free internal consultancy advice and capability support to civil service entities in relation to strategic management, financial management, operational management issues, and human resource management issues.
- Provides support for development of corporate policy.

The Management Support Unit is led by the Deputy Chief Officer (Public Sector Reform and Governance) and includes a team of three professionals.

#### Highlight of 2015/16 Achievements

##### 1. Facilitate implementation of service-wide policies

- The MSU facilitated the implementation of the Anti-sexual Harassment Policy, the Revised Official Travel Policy, and the Draft Hospitality Policy (scheduled to be finalized during the 1st quarter of the 2016/17 year).
- The MSU also assisted in drafting a policy framework for safeguarding civil servants impacted by restructuring, and a draft leadership strategy in support of the 5-Year Strategic Plan.

## **2. Facilitate Improved Management Outcomes**

The MSU provided consultancy in leadership and management issues for the DEH at the request of the Ministry of Health which culminated in a department retreat for the DEH management and staff.

## **3. Improve Performance Management across the Civil Service**

As part of the improvements to performance management, the Unit commenced work to establish an automated support for managers to increase accountability standards. This will facilitate the development of performance improvement plans and increase efficiencies in the execution of disciplinary processes.

**Key Output Deliverables linked to cabinet revenues.**

| <b>Outputs</b>                                | <b>Budget</b>  | <b>Actuals</b> |
|-----------------------------------------------|----------------|----------------|
| <b>PCS5 – Public Sector Reform</b>            |                |                |
| <b>Number of hours</b>                        | 900 to 1,100   | 1,145          |
| <b>PCS7 – Management Advice &amp; Support</b> |                |                |
| <b>Number of hours</b>                        | 1,900 to 2,100 | 873            |

## **Looking ahead to 2016/17 Goals & Objectives**

1. During 2016/17 the key focus for the Management Support Unit will be to play a lead role in the implementation of specified segments of the 5-Year Strategic Plan, in particular the goals relating to Customer Service, Leadership and Governance.

## **Strategic Reforms Implementation Unit (SRIU)**

### **Overview**

The Strategic Reforms Implementation Unit (SRIU) is a new unit within the Office of the Deputy Governor. Led by the Chief Advisor of Strategic Reforms, Mary Rodrigues, the SRIU provides strategic oversight and support for public sector reforms to the Deputy Governor, Chief Officers and their project teams, with the aim of promoting a consistent, best-practice approach to strategic change within the Civil Service. The Unit's main initial focus is the implementation of the Project Future programme.



SRIU activities include:

- Policy advice to the Deputy Governor on public sector reform initiatives.
- Developing and maintaining an implementation strategy, framework, tools and templates for Project Future.
- Advising and supporting Chief Officers and their project teams.
- Facilitating training (e.g. project management, business case development).
- Providing secretariat support to the Project Future Steering Committee, the Chief Officer Transformation Leadership Team, and the Business Case Review Panel.
- Monitoring and reporting on progress to Cabinet and Project Future Steering Committees.
- Providing support to the Deputy Governor on key strategic projects.

### **Highlight of 2015/16 Achievements**

1. Preparations for implementing Cabinet's Project Future programme were advanced with:
  - The finalisation and external validation of standard business case templates and guidance documents for the Civil Service.
  - The launch of a standard project management methodology, tools, templates and guidance.
  - The training of over 80 individuals, from all key internal stakeholder groups, in business case development skills, followed by a workshop to provide more one on one support for writers.
  - The establishment of a Business Case Review Panel, to provide quality reviews and feedback to Chief Officers and writers of Outline Business Cases.

- Support for the establishment and operations of Project Future Steering Committees.
2. By May, 2016, within six(6) months of the formal launch of the programme of the Project Future programme:
    - Progress tracking and reporting were established, and the first “Project Future Update Report” was laid in the Legislative Assembly by the Hon. Premier. Thirty-eight (38) projects had been initiated out of a total of fifty-seven (57) projects.
    - Six (6) business case documents had been approved by Cabinet and a further nine (9) had been submitted for quality review and were in the process of being finalised or submitted for approval. All but two were prepared internally, by civil servants.
  3. The SRIU led the “Civil Service Re-Imagined” initiative, a consultation and planning process for the development of a new Strategic Plan for the Civil Service.
  4. The SRIU coordinated and project managed a cross-Ministry team which designed and implemented a major new employment initiative: “Ready2Work KY”.

**Key Output Deliverables linked to cabinet revenues.**

| <b>Outputs</b>                                                          | <b>Budget</b>  | <b>Actuals</b> |
|-------------------------------------------------------------------------|----------------|----------------|
| <b>SRI 1 – Project Future Oversight</b>                                 |                |                |
| <b>Number of hours monitoring and supporting Project Future reforms</b> | 1,000 to 1,200 | 1,053          |
| <b>Number of policy papers or reports to Deputy Governor</b>            | 1 to 3         | 2              |
| <b>Number of programme level progress reports</b>                       | 1 to 2         | 3              |
| <b>Number of Steering Committee meetings supported</b>                  | 5 to 8         | 6              |
| <b>Number of Training courses facilitated</b>                           | 1 to 2         | 2              |



## **Looking ahead to 2016/17 Goals & Objectives**

The 2016/17 goals and key strategies are as follows:

- 1. To facilitate the effective implementation of robust programme and project management frameworks, methodologies, tools and templates, for Project Future projects.**
  - Review and update Project Future methodologies, tools and templates, based on stakeholder feedback and lessons learned.
- 2. To facilitate capacity-building opportunities for public servants, in areas critical to public service reform.**
  - Further develop SRIU team members as an internal training, coaching and facilitating resource.
  - Provide business case development and project management training, advice and support to Chief Officers and their project teams.

## Entities Supporting Good Governance

Seven entities within the wider PoCS are primarily charged with supporting democratic institutions in performing their constitutional responsibilities. The entities primarily charged with supporting democracy and good governance are the Governor's Office, the Office of the Deputy Governor, the Legislative Assembly, the Elections Office, the Commissions Secretariat, the Internal Audit Unit, and the HR Audit Services.

### Office of HE The Governor

#### Overview

The Office of the Governor is responsible for servicing and supporting Her Excellency the Governor including managing the Government House, coordinating engagement programmes, providing administrative support and office accommodations for the Foreign and Commonwealth Office (FCO) staff in the Governor's Office.

The Office of the Governor employs 5 Cayman Islands civil servants, one of whom is Caymanian. The Accountable Officer in charge of administrative, HR and financial matters within that office is the Social Secretary, Ms. Jacqueline Hennings.

**Key Output Deliverables linked to cabinet revenues.**

| Outputs                                                                      | Budget         | Actuals |
|------------------------------------------------------------------------------|----------------|---------|
| <b>GOV 1 – Management and Maintenance of Government House</b>                |                |         |
| <b>Numbers of guests served/catered to</b>                                   | 3,500 to 4,000 | 4,850   |
| <b>Days of upkeep of house and grounds</b>                                   | 365            | 365     |
| <b>GOV 2 – Coordination of Engagement Programme and Support for Governor</b> |                |         |
| <b>Number of invitations prepared and issued</b>                             | 6,000 to 8,500 | 6,363   |
| <b>Local/overseas events attended</b>                                        | 150 to 250     | 655     |
| <b>Travel itineraries/plans</b>                                              | 7 to 10        | 10      |

## **Office of the Deputy Governor**

### **Overview**

The Office of the Deputy Governor is responsible for leadership of the Civil Service, Public Sector Reform, citizenship, legislative matters, archives and providing administrative support to the Conditional Release and Prisons' Inspection Board and the Advisory Committee for the Prerogative of Mercy.

The following Laws govern major activities of the Office of the Deputy Governor:

- The Cayman Islands Constitution Order 2009
- Public Service Management Law (2013 R)
- Public Management and Finance Law (2013 R)
- British Nationality Act, 1981
- Conditional Release Law 2016
- Section 34 of the Cayman Islands Constitution Order 2009
- PART V of the Public Service Management Law speaks directly to the duties, responsibilities and powers of Head of Civil Service



The Office of the Deputy Governor is led by the Administrative Manager, Ms. Jodie Whittaker and consists of seven employees, all of whom are Caymanian.

### **Highlight of 2015/16 Achievements**

#### **1. Legislative Reforms**

The Conditional Release Law and Regulations came into effect on 15 February, 2016 as part of the Governments Crime Reduction Strategy to reduce re-offending. This will involve setting tariffs for lifers and increasing the time spent in prison to 60% of the prisoner's sentence as opposed to one third for minor offences and 50% for more serious offences. The Law also requires that all prisoners released from prison be on a license to the end of their sentence.

#### **2. Bill of Rights**

The Office of the Deputy Governor provided human rights sensitisation training for the public service to 125 persons.

### 3. National Community Enhancement Project

The Office of the Deputy Governor managed the program to provide work for 750 unemployed Caymanians over a 3 week period.

Key Output Deliverables linked to cabinet revenues.

| Outputs                                                                                                  | Budget         | Actuals |
|----------------------------------------------------------------------------------------------------------|----------------|---------|
| <b>DGO1 – Policy Advice &amp; Admin Support provided to Deputy Governor</b>                              |                |         |
| <b>Number of hours spent on providing policy advice</b>                                                  | 1,600 to 2,000 | 1,701   |
| <b>Applications for British Overseas Territories Citizenship &amp; registrations as British Citizens</b> | 850 to 1,150   | 282     |
| <b>Number of interviews conducted with eligible inmates</b>                                              | 35 to 45       | 24      |
| <b>Number of inspection reports produced</b>                                                             | 30 to 40       | 24      |
| <b>Number of ACPM applications processed</b>                                                             | 15 to 20       | 22      |
| <b>Number of deportation and exclusion orders issued</b>                                                 | 20 to 25       | 3       |

### Looking ahead to 2016/17 Goals & Objectives

#### 1. Legislative Reforms:

During the 2016/2017 Financial Year, the Office of the Deputy Governor will facilitate various legislative amendments including:

- **Public Authorities Bill** – The Public Authorities Bill will be presented to the Legislative Assembly and will provide improved governance of Statutory Authorities and Government Owned Companies.
- **Procurement Bill** – In response to recommendations made by the Auditor General, a new Procurement Bill will be presented to Parliament that will improve governance and transparency of the procurement process. It will also establish a central procurement function for the Cayman Islands Government.
- **Marriage Amendment Bill** – the Marriage Amendment Bill will be presented to Parliament and will modernize the marriage process and prevent/minimize the occurrence of marriages of convenience and illegal marriages.

- **FOI Amendment Bill –the FOI Amendment Bill will be presented to Parliament in 2016. This law will incorporate the recommendations of the FOI Committee of the Legislative Assembly that was chaired by Hon. Mary Lawrence.**
- **Prisons Inspection Board Bill – a new Law will modernize the inspection regime and will include other places of detention, the Immigration Detention and Young Persons Facilities in addition to HMP Northward and Fairbanks.**

## **2. Special Projects:**

**Complete ongoing work to establish the Office of the Ombudsman. The Office of the Ombudsman will provide an independent body to investigate and resolve complaints made by citizens against government. In so doing, it will improve governance, create a one stop shop for public complaints into maladministration, appeals on denied information requests and requests for investigations into alleged police misconduct. The initiative will save Government approximately \$200K and achieve cost avoidance of \$700k.**



## **Legislative Assembly**

### **Overview**

The Legislative Assembly is one of the three arms of the Government – the Executive, the Judiciary and the Parliament. Through the Office of the Clerk, the Procedural Clerks provide professional and administrative services and impartial advice to the Speaker and Members of the Legislative Assembly in regard to all House business, including legislation, regulations, the Government's budget and policies, motions, questions, papers and reports and Committee work as well as a range of services and facilities for Members of Parliament. The Office fosters parliamentary democracy and promotes the aims and objectives of the Commonwealth Parliamentary Association.



### **Scope of Activities:**

- Servicing the Legislative Assembly and the Members of the Legislative Assembly including:
- Sale of Cayman Laws to the Public
- Servicing and supporting sittings of the House and Committees
- Administrative support and research for the Speaker and MLAs and the local branch of the Commonwealth Parliamentary Association
- Managing the Legislative Assembly Building

The proceedings of the Legislative Assembly are governed by the Legislative Assembly Standing Orders, the Cayman Islands Constitution Order and the Legislative Assembly (Immunities, Powers and Privileges) Law. The other laws which relate directly to the Members of the Legislative Assembly are the Register of Interest Law and the Parliamentary Pensions Law.

The Legislative Assembly employs 11 staff and is managed by the Clerk of the Legislative Assembly, Zena Merren-Chin with the assistance of a Deputy Clerk and Assistant Clerk. The other staff consists of a Committee Clerk, Hansard Officers, Recording Technician, Sergeant at Arms, Parliamentary Officer and Sales/Receptionist.

## Highlight of 2015/16 Achievements

| Outputs                                                                       | Budget         | Actuals |
|-------------------------------------------------------------------------------|----------------|---------|
| <b>LGL1 – Sale Of Laws</b>                                                    |                |         |
| Laws sold                                                                     | 600 to 800     | 1587    |
| <b>LGL2 – Servicing and supporting Sittings of the House</b>                  |                |         |
| Sitting days for House                                                        | 30 to 40       | 35      |
| Committee meetings scheduled                                                  | 40 to 60       | 21      |
| Hansards produced                                                             | 60 to 80       | 71      |
| Order papers, daily journals, agendas and minutes of proceedings prepared     | 100 to 150     | 110     |
| Reports from Committees prepared                                              | 15 to 35       | 27      |
| Hours spent on House and Committees                                           | 1,500 to 1,700 | 5202    |
| <b>LGL3 – Support for the Speaker and Members of the Legislative Assembly</b> |                |         |
| Hours spent on administrative support and research                            | 2,000 to 2,500 | 2,206   |
| Tours conducted                                                               | 30 to 40       | 74      |
| CPA meetings organized                                                        | 10 to 12       | 18      |
| Overseas meeting, conferences, seminars, visits organized for CPA             | 6 to 8         | 23      |
| <b>LGL4 – Management of the Legislative Assembly</b>                          |                |         |
| Working days that the Legislative Building is operative                       | 235 to 250     | 273     |

## Looking ahead to 2016/17 Goals & Objectives

For the 2016/17 financial year the Legislative Assembly will focus on some key areas including:

### 1. Establishment of a Library

- Identify any and all Legislative Assembly documents to be included in the library
- Ensure that a proper bound volume of all Hansards are created for prosperity
- Identify and train a research analyst.
- Create a Document Management System (DMS)
- Identify appropriate software environment
- Facilitate in house training

### 2. Enhance the Hansard Office

- With a staff compliment of four who will be cross-trained in all aspects of the Hansard Production
- Improve on the timeline of the publication of the Hansards

### **3. Upgrade Audio/Visuals**

Upgrade the recording including the replacement of microphones and cameras, and upgrade the mixing board from analogue to digital environment.

## **Internal Audit Unit**

### **Overview**

The Internal Audit Unit (IAU) falls under the remit of the Office of the Deputy Governor. The Director of Internal Audit reports to the Deputy Governor and has support and strategic oversight from the Chief Officer of the Portfolio of the Civil Service. The Internal Audit Unit is led by the Acting Director of Internal Audit Mr. Andy Bonner who jointly leads the HR Audit Services Unit in anticipation of the merger that is underway and is expected to be completed in the 2016/17 financial year. Mr. Bonner leads the team with the assistance of the Internal Audit Manager, Ms. Lauren Knight. The Unit is comprised of a total of 6 employees.



The primary function of the IAU is to provide independent and objective assessment to evaluate and improve the effectiveness of the CIG's risk management, control and governance processes. Section 57 of the Public Management and Finance Law (PMFL) provide its authority to achieve this responsibility. The IAU audit scope reaches all government departments, statutory authorities and government companies in the Cayman Islands.

In carrying out our work, the Unit follows closely the requirements of the International Professional Practices Framework (IPPF) for the professional practice of Internal Auditing.

### **Highlight of 2015/16 Achievements**

#### **1. Audits**

The IAU carried out audits in the Planning Department, Maritime Authority, Electricity Regulatory Authority, Civil Aviation Authority, Law School. The IAU also completed a number of unannounced cash audits, ensured due process at the Monetary Authority's cash destruction sessions and provided advice and assistance on request to numerous entities including the Department of Commerce and Investment, Department of Environmental Health, and the National Workforce

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Institute of Internal Auditors (IIA)

Development Agency. The Unit also carried out one special investigation assignment on the CarePay procurement process.

**Key Output Deliverables linked to cabinet revenues.**

| <b>Outputs</b>                                                                   | <b>Budget</b> | <b>Actuals</b> |
|----------------------------------------------------------------------------------|---------------|----------------|
| <b>IAU3 - Internal Auditing Assurance and Advisory &amp; Assistance Services</b> |               |                |
| <b>Audit Reports</b>                                                             | 16 to 20      | 13             |
| <b>Hours of Advisory &amp; Assistance Services</b>                               | 750 to 800    | 2,321          |

**Looking ahead to 2016/17 Goals & Objectives**

During the 2016/17 year, in addition to the delivery of our core services the Unit have set the following strategic goals and objectives for service improvement:

**1. Formal Merger**

During the upcoming year we anticipate the formal completion of the merger of the Internal Audit Unit and HR Audit Service. This is an approved Project Future project (CST02.6). A draft outline business case has been developed and is currently under review.

**2. Team Development**

Capacity-building through recruitment to our vacant positions and ongoing professional training and development of existing personnel including advancement towards Certified Internal Auditor qualifications.

**3. Process Realignment**

We will review the alignment of our processes against the International Professional Practices Framework for Internal Audit.



## Human Resources Audit Services



### Overview

The primary function of HRAS is to review compliance with the Public Service Management Law (PSML) and to advise the Head of the Civil Service and the Governor accordingly. This is a specific obligation given to the Portfolio of the Civil Service under Section 24 of the PSML. The HRAS audit scope is currently limited to just government departments. The Unit also carry out special investigations in Human Resource related issues and practices, including alleged breaches of code of conduct by Chief Officers.

HRAS was managed throughout 2015/16 by the HR Audit Services Manager Mr. Andy Bonner. At the beginning of the year, HRAS had 1 HR Audit Senior and 2 persons seconded to HR Auditor positions. At the end of the year HRAS was operating with just the HR Audit Senior.

### Highlight of 2015/16 Achievements

The completed HR Audits included reviews at the Portfolio of Legal Affairs, the department of Children & Family Services, Public Safety Communications, the Department of Labour & Pensions, the National Workforce Development Agency and the Economics & Statistics Office. We also provided monitoring and support for the performance management process and continued our programme of continuous auditing throughout the year looking at advertising, non-advertised appointments and acting allowances. We also conducted one investigation at the request of the Chief Officer from the Ministry of Education, Employment & Gender Affairs and related to a review of complaint handling processes at the Department of Education Services.

### Key Output Deliverables linked to cabinet revenues.

| Outputs                                                         | Budget | Actuals |
|-----------------------------------------------------------------|--------|---------|
| <b>PCS 4- Auditing Compliance with Human Resources Policies</b> |        |         |
| <b>HR Audits</b>                                                | 45-50  | 46      |
| <b>HR Investigations</b>                                        | 0-10   | 1       |



## **Looking ahead to 2016/17 Goals & Objectives**

During the 2016/17 year the Unit have set the following strategic goals and objectives:

- 1. Continue to deliver high quality audit services**
- 2. Update online presence.**
- 3. Develop a means of reporting back to staff engaged during the audit site visits.**
- 4. Implement a new strategic initiative to move to electronic record for audit files**
- 5. Develop a compliance Self-Assessment tool to be utilised for small entities.**

## Elections Office



### Overview

2015/2016 was a busy fiscal year for the Elections Office which is led by the Supervisor of Elections, Elections Office, Wesley Howell. The office provided administrative support for the independent Electoral Boundary Commission, kicked off voter registration, and launched a social media led public relations campaign to register voters and update voter information.

### Highlight of 2015/16 Achievements

#### 1. Electoral Boundary Commission

Elections Office staff members provided logistical and administrative support as requested by the Chairman and members of the Independent Electoral Boundary Commission (EBC). The EBC held two public meetings in early July as they sought comments on the draft boundaries for 19 Single member Electoral Districts. The EBC went on to submit their final report to the Governor and the LA on Thursday, 20th August. The EBC report was passed by the LA on 5th October 2015.

#### 2. Voter Registration Drive

In February of 2016, The Elections Office launched a voter registration drive at the Agricultural Show. New Electoral District Boundary maps were on display. Registration drives continued at Camana Bay and UCCI, focusing on the young persons who are underrepresented on the list of electors.

#### 3. General Elections

The Elections Office accelerated preparations for the 2017 General Elections by training returning officers and deputies, and delivering a series of public awareness appearances on radio, television and a widely covered press conference. A new, modern logo was unveiled along with a revamped website: The new website [elections.ky](http://elections.ky) provides easy access to key information, forms and contact details.

**Key Output Deliverables linked to cabinet revenues.**

| <b>Outputs</b>                                      | <b>Budget</b> | <b>Actuals</b> |
|-----------------------------------------------------|---------------|----------------|
| <b>ELO 1 - Maintenance of Electoral Register</b>    |               |                |
| <b>Electoral registers produced and distributed</b> | <b>4</b>      | <b>4</b>       |

**Looking ahead to 2016/17 Goals & Objectives**

Voter education is a key priority for the May 2017 General Elections and this will be ramped up in the coming month.

**1. Door To Door Registration**

To facilitate these significant changes, the Elections Office, initiated a door to door voter registration and list verification process with the aim of compiling a very accurate list of electors within each of the 19 Electoral Districts. During the process, volunteers will knock on the doors of more than 32,500 households across all 3 islands.

**2. One Person One Vote**

The Acceptance of the Boundaries report by the Legislative Assembly means that each candidate will contest the May General Elections in one of the nineteen electoral districts. With the one person one vote system, voters in the 2017 Elections will be eligible to vote for only one candidate from the candidates who are nominated in the same electoral district in which the voter is registered.

**3. May 2017**

The Elections Office is committed to delivering the May 2017 General Elections results, maintaining the well-earned reputation for transparent, free and fair elections; in accordance with the Nineteen Single Member Electoral Order (2015), the Cayman Islands Constitutional Order (2009) and the Elections Law.

## **Commissions Secretariat**

### **Overview**

The Commissions Secretariat is responsible for providing administrative, research, policy, strategic, operational, and investigative support to the Anti-Corruption Commission, the Civil Service Appeals Commission, the Commission for Standards in Public Life, the Constitutional Commission, the Human Rights Commission and the Judicial and Legal Services Commission in order for each to fulfil their respective constitutional and/or legal mandates in an autonomous manner.



The work of the Commissions is governed by the following legislations

- Cayman Islands Constitution Order 2009
- Anti-Corruption Law (2014 Revision) and Anti-Corruption (Amendment) Law 2016
- Standards in Public Life Law (2014) and Standards in Public Life (Amendment) Law 2016
- Public Service Management Law

During 2015/2016 the Commissions Secretariat was staffed by 9 employees and managed by Deborah Bodden.

### **Highlight of 2015/16 Achievements**

#### **1. Published reports**

- 2015 Human Rights Commission Annual Report
- Ninth Report of the Commission for Standards in Public Life (01 02 15 – 31 07 15)
- Tenth Report of the Commission for Standards in Public Life (01 08 15 – 31 01 16)
- Anti-Corruption Commission Annual Report 2014-2015

#### **2. Increase public awareness and education**

Complete procurement exercise to develop websites for each of the Commissions

#### **3. Enhancement to Legislation supporting Democracy**

Facilitated the successful passage of the Standards in Public Life (Amendment) Law 2016 and the Anti-Corruption (Amendment) Law 2016

**4. Enhance the Capacity of the Commissions Secretariat to Support the work of the Commissions**

Recruited permanent Investigators (a Senior Investigator and two Investigators to) the Anti-Corruption Commission and two Administrators/Analysts to the Secretariat.

**Key Output Deliverables linked to Cabinet revenues.**

| <b>Outputs</b>                                         | <b>Budget</b> | <b>Actuals</b> |
|--------------------------------------------------------|---------------|----------------|
| <b>COS 1 – Support for Constitutional Commissions</b>  |               |                |
| <b>Commissions supported</b>                           | 7             | 6              |
| <b>COS 2 – Support for Anti-Corruption Commissions</b> |               |                |
| <b>Commissions supported</b>                           | 1             | 1              |
| <b>COS 3 – Support for PPC Commissions</b>             |               |                |
| <b>Commissions supported</b>                           | 1             | 6              |

**Looking ahead to 2016/17 Goals & Objectives**

In the 2016/17 financial year the Commissions Secretariat will undertake to deliver the following:

**1. Education**

- Host a conference for all board members in order to educate persons about responsibilities which the Secretariat oversees (anti-corruption, human rights, standards in public life).
- Enhance websites for all 6 Commissions in order to improve visibility and education.

**2. Succession Planning**

Introduce succession planning into the Anti-Corruption Unit to ensure Caymanians are given the opportunity to receive training in this specialised field.

**3. Standards in Public Life**

Facilitate the commencement of the Standards in Public Life (Amendment) Law 2016.

# SECTION 4: Audited Financial Statements for the Year Ending 30 June 2016

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## **Portfolio of the Civil Service**

### **FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**



## **Portfolio of the Civil Service**

### **Financial Statements for the year ended 30 June 2016**

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2<sup>nd</sup> Floor, Government Administration Building  
Elgin Avenue  
Grand Cayman KY1-9000  
Cayman Islands  
Tel: (345) 244-2305  
Email: gloria.mcfield@gov.ky

#### STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

The financial statements fairly present the financial position, financial performance and cash flows of the Portfolio of the Civil Service 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 Portfolio of the Civil Service 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. Where guidance is not available, the financial statements comply with International Accounting Standards issued by the International Accounting Standards Committee or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

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

Gloria McField-Nixon  
Chief Officer

Date- 31 October 2016

Nadisha Walters  
Chief Financial Officer

Date- 31 October 2016

## AUDITOR GENERAL'S REPORT

**To the Members of the Legislative Assembly of the Cayman Islands and the Chief Officer Portfolio of the Civil Service**

I have audited the accompanying financial statements of the Portfolio of the Civil Service which comprise the statement of financial position as at 30 June 2016, and the statement of financial performance, statement of changes in net worth and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 11 to 25 in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2013 Revision)*.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair representation of these financial statements in accordance with International Public Sector Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **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 I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 upon 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 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 I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Opinion***

In my opinion, the financial statements present fairly, in all material respects, the financial position of Portfolio of the Civil Service 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.

***Emphasis of Matter***

Without qualifying my opinion, I call the reader's attention to Note 27 to the financial statements which discloses matters pertaining to prior period correction of previously unrecognized revenues. It has not been determined in the course of resolving the matter when the accounting error originated, however the prior period presented in the financial statements have been restated to reflect the correction. Note 27 outlines the details of the restatement.



Sue Winspear, CPFA  
Auditor General

31 October 2016  
Cayman Islands

**PORTFOLIO OF THE CIVIL SERVICE  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 June 2016  
(Expressed in Cayman Islands Dollars)**

| Restated Prior<br>Year Actual<br>C\$000 |                                  | Note | Current Year<br>Actuals<br>C\$000 | Original<br>Budget<br>C\$000 | Final Budget<br>C\$000 | Variance<br>(Original vs<br>Actual)<br>C\$000 |
|-----------------------------------------|----------------------------------|------|-----------------------------------|------------------------------|------------------------|-----------------------------------------------|
|                                         | <b>Current Assets</b>            |      |                                   |                              |                        |                                               |
| 3,343                                   | Cash and cash equivalents        | 2    | 4,111                             | 2,283                        | 2,283                  | (1,828)                                       |
| 897                                     | Trade Receivables                | 3    | 1,023                             | 1,310                        | 1,310                  | 287                                           |
| 5                                       | Other Receivables                | 3    | 50                                | 15                           | 15                     | (35)                                          |
| 1                                       | Inventories                      | 4    | 1                                 | -                            | -                      | (1)                                           |
| 22                                      | Prepayments                      | 5    | 40                                | 27                           | 27                     | (13)                                          |
| <b>4,268</b>                            | <b>Total Current Assets</b>      |      | <b>5,225</b>                      | <b>3,635</b>                 | <b>3,635</b>           | <b>(1,590)</b>                                |
|                                         | <b>Non-Current Assets</b>        |      |                                   |                              |                        |                                               |
| 572                                     | Property, plant and equipment    | 6    | 860                               | 472                          | 472                    | (388)                                         |
| 6                                       | Intangible Assets                | 6b   | 4                                 | -                            | -                      | (4)                                           |
| <b>578</b>                              | <b>Total Non-Current Assets</b>  |      | <b>864</b>                        | <b>472</b>                   | <b>472</b>             | <b>(392)</b>                                  |
| <b>4,846</b>                            | <b>Total Assets</b>              |      | <b>6,089</b>                      | <b>4,107</b>                 | <b>4,107</b>           | <b>(1,982)</b>                                |
|                                         | <b>Current Liabilities</b>       |      |                                   |                              |                        |                                               |
| 197                                     | Trade Payables                   | 7    | 25                                | 40                           | 40                     | 15                                            |
| 393                                     | Accruals and other liabilities   | 7    | 389                               | 301                          | 301                    | (88)                                          |
| 82                                      | Unearned revenue                 | 8    | 82                                | -                            | -                      | (82)                                          |
| 158                                     | Employee entitlements            | 9    | 165                               | 105                          | 105                    | (60)                                          |
| 2,436                                   | Repayment of surplus             | 10   | 3,482                             | -                            | -                      | (3,482)                                       |
| <b>3,266</b>                            | <b>Total Current Liabilities</b> |      | <b>4,143</b>                      | <b>446</b>                   | <b>446</b>             | <b>(3,697)</b>                                |
| <b>3,266</b>                            | <b>Total Liabilities</b>         |      | <b>4,143</b>                      | <b>446</b>                   | <b>446</b>             | <b>(3,697)</b>                                |
| <b>1,580</b>                            | <b>Net Assets</b>                |      | <b>1,946</b>                      | <b>3,661</b>                 | <b>3,661</b>           | <b>1,715</b>                                  |
|                                         | <b>Equity</b>                    |      |                                   |                              |                        |                                               |
| 1,582                                   | Contributed capital              |      | 1,673                             | 3,661                        | 3,661                  | 1,988                                         |
| 114                                     | Revaluation reserve              |      | 398                               | -                            | -                      | (398)                                         |
| (116)                                   | Accumulated surplus/(deficit)    |      | (125)                             | -                            | -                      | 125                                           |
| <b>1,580</b>                            | <b>Total net assets/equity</b>   |      | <b>1,946</b>                      | <b>3,661</b>                 | <b>3,661</b>           | <b>1,715</b>                                  |

The accounting policies and notes on pages 10-33 form an integral part of these financial statements.

Unearned revenue for the prior year was increased by \$80K due to Naturalization fees collected but not yet earned as the applications were not approved by year-end. (see Note 27)

**PORTFOLIO OF THE CIVIL SERVICE  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 June 2016  
(Expressed in Cayman Islands Dollars)**

| <b>Prior Year<br/>Actual<br/>CI\$000</b> |                                                    | <b>Note</b> | <b>Current<br/>Year<br/>Actual<br/>CI\$000</b> | <b>Original<br/>Budget<br/>CI\$000</b> | <b>Final<br/>Budget<br/>CI\$000</b> | <b>Variance<br/>(Original<br/>vs Actual)<br/>CI\$000</b> |
|------------------------------------------|----------------------------------------------------|-------------|------------------------------------------------|----------------------------------------|-------------------------------------|----------------------------------------------------------|
| <b>Revenue</b>                           |                                                    |             |                                                |                                        |                                     |                                                          |
| 7,604                                    | Sales of goods & services                          | 11          | 8,542                                          | 8,768                                  | 8,768                               | 226                                                      |
| 1                                        | Investment revenue                                 | 11          | 1                                              | -                                      | -                                   | (1)                                                      |
| <b>7,605</b>                             | <b>Total Revenue</b>                               |             | <b>8,543</b>                                   | <b>8,768</b>                           | <b>8,768</b>                        | <b>225</b>                                               |
| <b>Expenses</b>                          |                                                    |             |                                                |                                        |                                     |                                                          |
| 5,000                                    | Personnel costs                                    | 12          | 5,617                                          | 6,325                                  | 6,325                               | 708                                                      |
| 1,813                                    | Supplies and consumables                           | 13          | 1,592                                          | 2,047                                  | 2,047                               | 456                                                      |
| 295                                      | Leases                                             | 14          | 193                                            | 247                                    | 247                                 | 53                                                       |
| 83                                       | Depreciation & Amortisation                        | 6           | 81                                             | 88                                     | 88                                  | 7                                                        |
| 26                                       | Litigation costs                                   | 15          | 24                                             | 61                                     | 61                                  | 37                                                       |
| <b>7,217</b>                             | <b>Total Expenses</b>                              |             | <b>7,507</b>                                   | <b>8,768</b>                           | <b>8,768</b>                        | <b>1,261</b>                                             |
| <b>Other Gains</b>                       |                                                    |             |                                                |                                        |                                     |                                                          |
| 3                                        | Gains on foreign exchange transactions             | 16          | 2                                              | -                                      | -                                   | (2)                                                      |
| 2                                        | Gains on disposal of property, plant and equipment | 16          | 8                                              | -                                      | -                                   | (8)                                                      |
| <b>5</b>                                 | <b>Total Other Gains</b>                           |             | <b>10</b>                                      | <b>-</b>                               | <b>-</b>                            | <b>(10)</b>                                              |
| <b>393</b>                               | <b>Surplus for the period</b>                      |             | <b>1,046</b>                                   | <b>-</b>                               | <b>-</b>                            | <b>(1,046)</b>                                           |

The accounting policies and notes on pages 10-33 form an integral part of these financial statements.



**PORTFOLIO OF THE CIVIL SERVICE  
STATEMENT OF CHANGES IN NET WORTH  
FOR THE YEAR ENDED 30 June 2016  
(Expressed in Cayman Islands Dollars)**

|                                                         | Contributed<br>Capital | Revaluation<br>Reserve | Accumulated<br>Surplus/<br>(deficits) | Total<br>Net worth | Original<br>Budget | Final<br>Budget | Variance<br>(Orig. vs<br>Actual) |
|---------------------------------------------------------|------------------------|------------------------|---------------------------------------|--------------------|--------------------|-----------------|----------------------------------|
| Balance at 30 June 2014 brought forward                 | 1,582                  | 114                    | (110)                                 | 1,586              | 1,586              | 1,586           | -                                |
| <b>Changes in net worth for 2013/14</b>                 |                        |                        |                                       |                    |                    |                 |                                  |
| Prior Year Adjustments                                  | -                      | -                      | (6)                                   | (6)                | (172)              | (172)           | (166)                            |
| Restated balance                                        | 1,582                  | 114                    | (116)                                 | 1,580              | 1,414              | 1,414           | (166)                            |
| <b>Changes in net worth for 2014/15</b>                 |                        |                        |                                       |                    |                    |                 |                                  |
| Repayment of surplus to Cabinet                         | -                      | -                      | (393)                                 | (393)              | 2,156              | 2,156           | 2,549                            |
| Net revenue / expenses recognised directly in net worth | -                      | -                      | (393)                                 | (393)              | 2,156              | 2,156           | 2,549                            |
| Surplus for the period 2014/15                          | -                      | -                      | 393                                   | 393                | -                  | -               | (393)                            |
| Total recognised revenues and expenses for the period   | -                      | -                      | -                                     | -                  | 2,156              | 2,156           | 2,156                            |
| Restated Balance at 30 June 2015                        | 1,582                  | 114                    | (116)                                 | 1,580              | 3,570              | 3,570           | 1,990                            |

|                                                         | Contributed<br>Capital<br>\$'000 | Revaluation<br>Reserve<br>\$'000 | Accumulated<br>Surplus/<br>(deficits)<br>\$'000 | Total<br>Net worth<br>\$'000 | Original<br>Budget<br>\$'000 | Final<br>Budget<br>\$'000 | Variance<br>(Orig. vs<br>Actual)<br>\$'000 |
|---------------------------------------------------------|----------------------------------|----------------------------------|-------------------------------------------------|------------------------------|------------------------------|---------------------------|--------------------------------------------|
| Restated Balance at 30 June 2015                        | 1,582                            | 114                              | (116)                                           | 1,580                        | 3,570                        | 3,570                     | 1,990                                      |
| Prior Year Adjustments                                  | -                                | -                                | (9)                                             | (9)                          | -                            | -                         | 9                                          |
| Restated balance                                        | 1,582                            | 114                              | (125)                                           | 1,571                        | 3,570                        | 3,570                     | 1,999                                      |
| <b>Changes in net worth for 2015/16</b>                 |                                  |                                  |                                                 |                              |                              |                           |                                            |
| Gain/(loss) on property revaluation                     | -                                | 284                              | -                                               | 284                          | -                            | -                         | (284)                                      |
| Equity Investment from Cabinet                          | 91                               | -                                | -                                               | 91                           | 91                           | 91                        | -                                          |
| Repayment of surplus to Cabinet                         | -                                | -                                | (1,046)                                         | (1,046)                      | -                            | -                         | 1,046                                      |
| Net revenue / expenses recognised directly in net worth | 91                               | 284                              | (1,046)                                         | (671)                        | 91                           | 91                        | 762                                        |
| Surplus/(deficit) for the period 2015/16                | -                                | -                                | 1,046                                           | 1,046                        | -                            | -                         | (1,046)                                    |
| Total recognised revenues and expenses for the period   | 91                               | 284                              | 0                                               | 375                          | 91                           | 91                        | (284)                                      |
| Balance at 30 June 2016                                 | 1,673                            | 398                              | (125)                                           | 1,946                        | 3,661                        | 3,661                     | 1,715                                      |

The accounting policies and notes on pages 10-33 form an integral part of these financial statements.

**PORTFOLIO OF THE CIVIL SERVICE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 June 2016  
(Expressed in Cayman Islands Dollars)**

| Prior Year<br>Actual |                                                                  | Current Year<br>Actual | Final<br>Budget | Original<br>Budget | Variance  |
|----------------------|------------------------------------------------------------------|------------------------|-----------------|--------------------|-----------|
| CI\$'000             |                                                                  | CI \$'000              | CI \$'000       | CI \$'000          | CI \$'000 |
|                      | <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |                        |                 |                    |           |
|                      | <i>Cash received</i>                                             |                        |                 |                    |           |
| 599                  | Sale of goods and services - third party                         | 369                    | 486             | 486                | 117       |
| 6                    | Outputs to other government agencies                             | -                      | -               | -                  | -         |
| 7,348                | Outputs to Cabinet                                               | 8,001                  | 8,241           | 8,241              | 240       |
| 4,935                | Other receipts                                                   | -                      | 42              | 42                 | 42        |
| 12,888               | <b>Total cash received</b>                                       | 8,370                  | 8,769           | 8,769              | 399       |
|                      | <i>Cash used</i>                                                 |                        |                 |                    |           |
| (4,701)              | Personnel costs                                                  | (5,628)                | (6,325)         | (6,325)            | (697)     |
| (2,353)              | Supplies and consumables                                         | (1,976)                | (2,294)         | (2,294)            | (318)     |
| (3,255)              | Other payments                                                   | -                      | (62)            | (62)               | (62)      |
| (10,309)             | <b>Total cash used</b>                                           | (7,604)                | (8,681)         | (8,681)            | (1,077)   |
| 2,579                | <b>Net cash flows from (used by) operating activities</b>        | 766                    | 88              | 88                 | (678)     |
|                      | <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                        |                 |                    |           |
|                      | <i>Cash used</i>                                                 |                        |                 |                    |           |
| (82)                 | Purchase of property, plant and equipment                        | (88)                   | (91)            | (91)               | (3)       |
| (82)                 | <b>Total cash used</b>                                           | (88)                   | (91)            | (91)               | (3)       |
| (82)                 | <b>Net cash flow used by investing activities</b>                | (88)                   | (91)            | (91)               | (3)       |
|                      | <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |                        |                 |                    |           |
|                      | <i>Cash received</i>                                             |                        |                 |                    |           |
| -                    | Equity Investment from Org 40                                    | 91                     | 91              | 91                 | -         |
| -                    | <b>Total cash received</b>                                       | 91                     | 91              | 91                 | -         |
| -                    | <b>Net cash flows from (used by) financing activities</b>        | 91                     | 91              | 91                 | -         |
| 2,497                | <b>Net increase/(decrease) in cash and cash equivalents held</b> | 769                    | 88              | 88                 | (681)     |
| 845                  | Cash and cash equivalents at beginning of period                 | 3,342                  | 2,195           | 2,195              | (1,147)   |
| 3,342                | <b>Cash and cash equivalents at the end of the period</b>        | 4,111                  | 2,283           | 2,283              | (1,828)   |

The accounting policies and notes on pages 10-33 form an integral part of these financial statements.

**PORTFOLIO OF THE CIVIL SERVICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2016  
(Expressed in Cayman Islands Dollars)**

**Description and principal activities**

The Portfolio of the Civil Service ("the Portfolio") is a government owned entity as defined by section 2 of the Public Management and Finance Law (2013 Revision) ("PMFL") and it is domiciled in the Cayman Islands.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Deputy Governor as defined in the Annual Plan and Estimates for the Government of Cayman Islands for the financial year ending 30 June 2016.

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

**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. There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will impact these financial statements.

**(a) Basis of preparation**

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

**Changes in Accounting Policies**

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

**PORTFOLIO OF THE CIVIL SERVICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2016  
(Expressed in Cayman Islands Dollars)**

**Note 1: Significant Accounting Policies (continued)**

**(a) Basis of preparation (continued)**

The details and presentation of the Statement of Changes in Net Worth has been changed to show greater detail and to reflect changes in accounting policies and corrections of errors and omissions.

Segment reporting has been included in accordance with IPSAS 18.

**(b) Reporting Period**

The reporting period is the year ended 30 June 2016.

**(c) Budget amounts**

The original budget amounts for the financial year are as presented in the 2015/2016 Annual Budget Statement and approved by the Legislative Assembly on the 25 June 2015. The final budget is those budget amounts approved in Supplementary Budget.

**(d) Judgments and Estimates**

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

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

**(e) Cash and Cash Equivalents**

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

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

**(f) Prepayments**

The portion of recognised expenditure paid in advance of receiving goods and services is recognised as a prepayment.

**PORTFOLIO OF THE CIVIL SERVICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2016  
(Expressed in Cayman Islands Dollars)**

**Note 1: Significant Accounting Policies (continued)**

**(g) Property, Plant and Equipment**

***Buildings and structures***

Property were revalued as at July 1, 2016 by in-house professionals with the exception of specialized buildings which were contracted to independent evaluators and is stated at revalued amounts less accumulated depreciation. Plant and equipment, is stated at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

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

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

| <b><u>Asset Type</u></b>                           | <b><u>Estimated Useful life</u></b>                                      |
|----------------------------------------------------|--------------------------------------------------------------------------|
| • Buildings and structures                         | 10 – 60 years                                                            |
| • Building fit-out (when accounted for separately) | 5 – 25 years                                                             |
| • Leasehold Improvement                            | Over the unexpired period of lease or the useful life of the improvement |
| • Computer Equipment                               | 3 – 10 years                                                             |
| • Developed software                               | 4 – 10 years                                                             |
| • Office equipment and furniture                   | 3 – 25 years                                                             |
| • Motor vehicles                                   | 3 – 20 years                                                             |
| • Boats and marine equipment                       | 3 – 25 years                                                             |
| • Cleaning, refuse and recycling equipment         | 3 – 15 years                                                             |
| • Construction and other equipment                 | 3 – 25 years                                                             |
| • Telecommunications                               | 5 – 50 years                                                             |
| • Books, Music, manuscripts and works of art       | 2 – 10 years                                                             |
| • Clothing                                         | 0 – 4 years                                                              |
| • Aeroplanes and airport/aviation equipment        | 8 – 33 years                                                             |
| • Fire fighting plant and equipment                | 10 – 12 years                                                            |
| • Other equipment                                  | 5 - 20 years                                                             |

**PORTFOLIO OF THE CIVIL SERVICE  
NOTES TO THE FINANCIAL STATEMENTS  
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(Expressed in Cayman Islands Dollars)**

**Note 1: Significant Accounting Policies (continued)**

**(g) Property, Plant and Equipment (continued)**

| <b><u>Asset Type</u></b>                   | <b><u>Estimated Useful life</u></b> |
|--------------------------------------------|-------------------------------------|
| • Medical and medical laboratory equipment | 1 – 25 years                        |
| • Library assets                           | 5 – 10 years                        |
| • Scientific and laboratory equipment      | 4 – 25 years                        |

**Disposals**

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

**(h) Employee Benefits**

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

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

Prior to 1 January 2000 the Board operated a defined benefit scheme. With effect from 1 January 2000, the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees. Obligations for contribution to defined contribution retirement plans are recognised in the Statement of Financial Performance as they are earned by the employees. Obligations for defined benefit retirement plans are centralized in the government and therefore, reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

**(i) Revenue**

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

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



**PORTFOLIO OF THE CIVIL SERVICE  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 1: Significant Accounting Policies (continued)**

**(j) Expenses**

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

**(k) Operating leases**

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

**(l) Financial Instruments**

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

**Classification**

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and receivables. A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise of accounts payables, accrued expenses and surplus repayments.

**Recognition**

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

**Measurement**

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

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

**De-recognition**

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

**PORTFOLIO OF THE CIVIL SERVICE  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 1: Significant Accounting Policies (continued)**

**(m) Contingent Liabilities and Assets (including guarantees)**

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

**(n) Foreign Currency**

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

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

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at 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.

**(o) Comparative Figures**

The presentation of the 2015/16 financial statements has been changed to include a comparison of actual amounts with amounts in the original and final budget. Comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

**(p) Revenue from Non-Exchange Transactions**

The Portfolio receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include accommodation in the central government building, computer repairs and software maintenance by the computer services department. The Portfolio has designated these non-exchange transactions as Services in-Kind as defined under IPSAS 23- Revenue from non-exchange Transactions. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of a fixed asset, such service in-kind is recognized in the cost of the fixed asset.

**PORTFOLIO OF THE CIVIL SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 2: Cash and cash equivalents**

Cash and cash equivalents include cash on hand; bank accounts in the name of Portfolio maintained at Royal Bank of Canada; and short term deposits invested with the Cayman Islands Government Treasury. As at 30 June 2016, the Portfolio unrestricted cash balances were as presented below. No restricted cash balances were held by the Portfolio at 30 June 2016.

| Prior Year<br>Actual<br>CI\$'000 | Description                       | Current Year<br>Actual<br>CI\$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|----------------------------------|-----------------------------------|------------------------------------|--------------------|----------------------|
| 3,311                            | Operational Current Account - KYD | 4,055                              | 2,283              | (1,772)              |
| 17                               | Cash in Transit                   | 24                                 | -                  | (24)                 |
| 15                               | Payroll Current Account           | 32                                 | -                  | (32)                 |
| 3,343                            | Cash and cash equivalents         | 4,111                              | 2,283              | (1,828)              |

**Note 3: Trade receivables and other receivables**

| Prior Year<br>Actual<br>CI \$'000 | Trade Receivables         | Current Year<br>Actual<br>CI \$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|-----------------------------------|---------------------------|-------------------------------------|--------------------|----------------------|
| 19                                | Sale of Good and Services | 30                                  | -                  | (30)                 |
| 878                               | Outputs to Cabinet        | 993                                 | 1,310              | 317                  |
| 897                               | Total Trade receivables   | 1,023                               | 1,310              | 287                  |

**Maturity Profile**

| Prior Year<br>Actual<br>CI \$'000 | Maturity Profile        | Current Year<br>Actual<br>CI \$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|-----------------------------------|-------------------------|-------------------------------------|--------------------|----------------------|
| 878                               | Current                 | 994                                 | 768                | (226)                |
| -                                 | Past due 31-60 days     | 2                                   | 271                | 269                  |
| -                                 | Past due 61-90 days     | -                                   | 271                | 271                  |
| 19                                | Past due 90 and above   | 27                                  | -                  | (27)                 |
| 897                               | Total Trade Receivables | 1,023                               | 1,310              | 287                  |

**PORTFOLIO OF THE CIVIL SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 3: Trade receivables and other receivables (continued)**

| Prior Year<br>Actual<br>CI\$'000 | Other Receivables                  | Current Year<br>Actual<br>CI\$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|----------------------------------|------------------------------------|------------------------------------|--------------------|----------------------|
| 1                                | Advances                           | -                                  | -                  | -                    |
| 82                               | Other                              | 128                                | 15                 | (113)                |
| 83                               | <b>Total Other Receivables</b>     | <b>128</b>                         | <b>15</b>          | <b>(113)</b>         |
| (78)                             | Less: provision for doubtful debts | (78)                               | -                  | 78                   |
| 5                                | <b>Net Total Other Receivables</b> | <b>50</b>                          | <b>15</b>          | <b>(35)</b>          |

**Maturity Profile**

| Prior Year<br>Actual<br>CI \$'000 | Maturity Profile                   | Current Year<br>Actual<br>CI \$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|-----------------------------------|------------------------------------|-------------------------------------|--------------------|----------------------|
| 5                                 | Current                            | 45                                  | 15                 | (30)                 |
| -                                 | - Past due 31-60 days              | -                                   | -                  | -                    |
| -                                 | - Past due 61-90 days              | -                                   | -                  | -                    |
| -                                 | - Past due 90 and above            | 5                                   | -                  | (5)                  |
| 5                                 | <b>Net Total Other Receivables</b> | <b>50</b>                           | <b>15</b>          | <b>(35)</b>          |

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

**Note 4: Inventories**

| Prior Year<br>Actual<br>CI \$'000 | Description                                 | Current Year<br>Actuals<br>CI \$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|-----------------------------------|---------------------------------------------|--------------------------------------|--------------------|----------------------|
| 1                                 | Raw Materials (including consumable stores) | 1                                    | -                  | (1)                  |
| 1                                 | <b>Total Inventories</b>                    | <b>1</b>                             | <b>-</b>           | <b>(1)</b>           |

**Note 5: Accrued Prepayments**

| Prior Year<br>Actual<br>CI\$'000 | Description              | Current Year<br>Actual<br>CI\$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|----------------------------------|--------------------------|------------------------------------|--------------------|----------------------|
| 22                               | Other Prepayments        | 40                                 | 27                 | (13)                 |
| 22                               | <b>Total Prepayments</b> | <b>40</b>                          | <b>27</b>          | <b>(13)</b>          |

**PORTFOLIO OF THE CIVIL SERVICE  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 6: Property, plant and equipment**

| <i>Cost of Property, plant &amp; equipment</i> | <i>Plant and equip-ment</i> | <i>Buildings</i> | <i>Furniture and Office Equipment</i> | <i>Computer Hardware</i> | <i>Office Equip-ment</i> | <i>Leasehold Improve-ments</i> | <i>Infra-structure</i> | <i>Motor Vehicles</i> | <i>Assets under construct-ion OR develop-</i> | <i>Total</i> | <i>Budget C\$'000</i> | <i>Variance C\$'000</i> |
|------------------------------------------------|-----------------------------|------------------|---------------------------------------|--------------------------|--------------------------|--------------------------------|------------------------|-----------------------|-----------------------------------------------|--------------|-----------------------|-------------------------|
| Balance as at 1 July 2014                      | 629                         | 316              | 355                                   | 388                      | 449                      | 300                            | 36                     | 159                   | 20                                            | 2,651        | 2,632                 | (19)                    |
| Additions                                      | -                           | -                | -                                     | 11                       | 12                       | -                              | -                      | 53                    | -                                             | 76           | -                     | (76)                    |
| Disposal/ Derecognition                        | (6)                         | -                | (1)                                   | (80)                     | (5)                      | -                              | -                      | (48)                  | -                                             | (140)        | -                     | 140                     |
| Transfers                                      | -                           | -                | -                                     | -                        | -                        | -                              | -                      | -                     | (18)                                          | (18)         | -                     | 18                      |
| Prior Period Adjustment                        | -                           | 2                | -                                     | -                        | -                        | -                              | -                      | -                     | -                                             | 2            | -                     | (2)                     |
| Balance as at 30 June 2015                     | 623                         | 318              | 354                                   | 319                      | 456                      | 300                            | 36                     | 165                   | 2                                             | 2,572        | 2,632                 | 60                      |

| <i>Cost of Property, plant &amp; equipment</i> | <i>Plant and equip-ment</i> | <i>Buildings</i> | <i>Furniture and Office Equipment</i> | <i>Computer Hardware</i> | <i>Office Equip-ment</i> | <i>Leasehold Improve-ments</i> | <i>Infra-structure</i> | <i>Motor Vehicles</i> | <i>Assets under construct-ion OR develop-ment</i> | <i>Total</i> | <i>Budget C\$'000</i> | <i>Variance C\$'000</i> |
|------------------------------------------------|-----------------------------|------------------|---------------------------------------|--------------------------|--------------------------|--------------------------------|------------------------|-----------------------|---------------------------------------------------|--------------|-----------------------|-------------------------|
| Balance as at 01 July 2015                     | 623                         | 318              | 354                                   | 319                      | 456                      | 300                            | 36                     | 165                   | 2                                                 | 2,572        | 2,632                 | 60                      |
| Additions                                      | 28                          | -                | -                                     | 7                        | 11                       | -                              | 2                      | 39                    | -                                                 | 87           | 91                    | 4                       |
| Revaluations                                   | -                           | 219              | -                                     | -                        | -                        | -                              | -                      | -                     | -                                                 | 219          | -                     | (219)                   |
| Disposal/ Derecognition                        | (25)                        | -                | (10)                                  | (49)                     | (12)                     | (169)                          | (11)                   | (66)                  | -                                                 | (342)        | -                     | 342                     |
| Transfers                                      | -                           | -                | -                                     | -                        | -                        | -                              | -                      | 21                    | -                                                 | 21           | -                     | (21)                    |
| Balance as at 30 June 2016                     | 626                         | 536              | 344                                   | 277                      | 456                      | 131                            | 27                     | 158                   | 2                                                 | 2,558        | 2,723                 | 166                     |

**PORTFOLIO OF THE CIVIL SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 6: Property, plant and equipment (continued)**

| <i>Accumulated Depreciation and impairment losses</i> | <i>Plant and equip-ment</i> | <i>Buildings</i> | <i>Furniture and Office Equipment</i> | <i>Computer Hardware</i> | <i>Office Equip-ment</i> | <i>Leasehold Improve-ments</i> | <i>Infra-structure</i> | <i>Motor Vehicles</i> | <i>Assets under construct-ion OR develop-ment</i> | <i>Total</i> | <i>Budget C\$'000</i> | <i>Variance C\$'000</i> |
|-------------------------------------------------------|-----------------------------|------------------|---------------------------------------|--------------------------|--------------------------|--------------------------------|------------------------|-----------------------|---------------------------------------------------|--------------|-----------------------|-------------------------|
| Balance as at 1 July 2014                             | 511                         | 32               | 232                                   | 366                      | 426                      | 300                            | 32                     | 155                   | -                                                 | 2,056        | 2,060                 | 4                       |
| Eliminate on Disposal/Derecognition                   | (8)                         | (1)              | (1)                                   | (77)                     | (6)                      | -                              | -                      | (48)                  | -                                                 | (140)        | -                     | 140                     |
| Depreciation Expense                                  | 25                          | 15               | 18                                    | 13                       | 7                        | -                              | -                      | 6                     | -                                                 | 82           | 104                   | 21                      |
| Prior Period Adjustment                               | -                           | 2                | -                                     | -                        | -                        | -                              | -                      | -                     | -                                                 | 2            | -                     | (2)                     |
| Balance as at 30 June 2015                            | 528                         | 48               | 249                                   | 302                      | 427                      | 300                            | 32                     | 112                   | -                                                 | 2,000        | 2,164                 | 164                     |

| <i>Accumulated Depreciation and impairment losses</i> | <i>Plant and equip-ment</i> | <i>Buildings</i> | <i>Furniture and Office Equipment</i> | <i>Computer Hardware</i> | <i>Office Equip-ment</i> | <i>Leasehold Improve-ments</i> | <i>Infra-structure</i> | <i>Motor Vehicles</i> | <i>Assets under construct-ion OR develop-ment</i> | <i>Total</i> | <i>Budget C\$'000</i> | <i>Variance C\$'000</i> |
|-------------------------------------------------------|-----------------------------|------------------|---------------------------------------|--------------------------|--------------------------|--------------------------------|------------------------|-----------------------|---------------------------------------------------|--------------|-----------------------|-------------------------|
| Balance as at 1 July 2015                             | 528                         | 48               | 249                                   | 302                      | 427                      | 300                            | 32                     | 112                   | -                                                 | 2,000        | 2,164                 | 164                     |
| Eliminate on Disposal/Derecognition                   | (25)                        | -                | (7)                                   | (49)                     | (12)                     | (169)                          | (9)                    | (66)                  | -                                                 | (338)        | -                     | 338                     |
| Transfers                                             | -                           | -                | -                                     | -                        | -                        | -                              | -                      | 21                    | -                                                 | 21           | -                     | (21)                    |
| Depreciation Expense                                  | 20                          | 17               | 16                                    | 7                        | 8                        | (1)                            | 1                      | 12                    | -                                                 | 81           | 88                    | 7                       |
| Revaluation                                           | -                           | (65)             | -                                     | -                        | -                        | -                              | -                      | -                     | -                                                 | (65)         | -                     | 65                      |
| Balance as at 30 June 2016                            | 522                         | (1)              | 258                                   | 260                      | 424                      | 131                            | 23                     | 79                    | -                                                 | 1,699        | 2,251                 | 553                     |
| Net Book value 30 June 2015                           | 95                          | 269              | 105                                   | 16                       | 29                       | -                              | 3                      | 51                    | 2                                                 | 573          | 469                   | (103)                   |
| Net Book value 30 June 2016                           | 104                         | 537              | 86                                    | 17                       | 32                       | -                              | 4                      | 80                    | 2                                                 | 860          | 472                   | (388)                   |

**PORTFOLIO OF THE CIVIL SERVICE  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 6b: Intangible Assets**

| <i>Cost of Property, plant &amp; equipment</i> | <i>Computer Software</i> | <i>Total</i> | <i>Budget<br/>CIS\$'000</i> | <i>Variance<br/>CIS\$'000</i> |
|------------------------------------------------|--------------------------|--------------|-----------------------------|-------------------------------|
| Balance as at 1 July 2014                      | 46                       | 46           | 46                          | -                             |
| Additions                                      | 6                        | 6            | -                           | (6)                           |
| Balance as at 30 June 2015                     | 52                       | 52           | 46                          | (6)                           |

| <i>Cost of Property, plant &amp; equipment</i> | <i>Computer Software</i> | <i>Total</i> | <i>Budget<br/>CIS\$'000</i> | <i>Variance<br/>CIS\$'000</i> |
|------------------------------------------------|--------------------------|--------------|-----------------------------|-------------------------------|
| Balance as at 1 July 2015                      | 52                       | 52           | 46                          | (6)                           |
| Balance as at 30 June 2016                     | 52                       | 52           | 46                          | (6)                           |

| <i>Accumulated Depreciation and impairment losses</i> | <i>Computer Software</i> | <i>Total</i> | <i>Budget<br/>CIS\$'000</i> | <i>Variance<br/>CIS\$'000</i> |
|-------------------------------------------------------|--------------------------|--------------|-----------------------------|-------------------------------|
| Balance as at 1 July 2014                             | 46                       | 46           | 46                          | -                             |
| Balance as at 30 June 2015                            | 46                       | 46           | 46                          | -                             |

| <i>Accumulated Depreciation and impairment losses</i> | <i>Computer Software</i> | <i>Total</i> | <i>Budget<br/>CIS\$'000</i> | <i>Variance<br/>CIS\$'000</i> |
|-------------------------------------------------------|--------------------------|--------------|-----------------------------|-------------------------------|
| Balance as at 1 July 2015                             | 46                       | 46           | 46                          | -                             |
| Amortization Expense                                  | 1                        | 1            | -                           | (1)                           |
| Prior Period Adjustment                               | 1                        | 1            | -                           | (1)                           |
| Balance as at 30 June 2016                            | 48                       | 48           | 45                          | (3)                           |
| Net Book value 30 June 2015                           | 6                        | 6            | -                           | (6)                           |
| Net Book value 30 June 2016                           | 4                        | 4            | -                           | (4)                           |



**PORTFOLIO OF THE CIVIL SERVICE**  
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**Note 7: Trade payables, accruals and other liabilities**

| Restated<br>Prior Year<br>Actual<br>CIS\$'000 | Description                                                 | Current Year<br>Actual<br>CIS\$'000 | Budget<br>CIS\$'000 | Variance<br>CIS\$'000 |
|-----------------------------------------------|-------------------------------------------------------------|-------------------------------------|---------------------|-----------------------|
| 197                                           | Trade Payables                                              | 25                                  | 40                  | 15                    |
| (19)                                          | Payroll Deductions                                          | -                                   | 55                  | 55                    |
| 402                                           | Accruals                                                    | 373                                 | 240                 | (133)                 |
| 4                                             | Core government trade with other public entities            | 3                                   | -                   | (3)                   |
| 6                                             | Other                                                       | 13                                  | 6                   | (7)                   |
| 590                                           | <b>Total Trade Payables, Accruals and Other Liabilities</b> | <b>414</b>                          | <b>341</b>          | <b>(73)</b>           |

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

**Note 8: Unearned Revenue**

| Restated<br>Prior Year<br>Actual<br>CIS\$'000 | Description                   | Current Year<br>Actual<br>CIS\$'000 | Budget<br>CIS\$'000 | Variance<br>CIS\$'000 |
|-----------------------------------------------|-------------------------------|-------------------------------------|---------------------|-----------------------|
| 82                                            | Other Deposits Held           | 82                                  | -                   | (82)                  |
| 82                                            | <b>Total unearned revenue</b> | <b>82</b>                           | <b>-</b>            | <b>(82)</b>           |

Unearned revenue for the prior year was increased by \$80K due to Naturalization fees collected but not yet earned as the applications were not approved by year-end. (see Note 27)

**Note 9: Employee entitlements**

| Prior Year<br>Actual<br>CIS\$'000 | Details                                          | Current Year<br>Actual<br>CIS\$'000 | Budget<br>CIS\$'000 | Variance<br>CIS\$'000 |
|-----------------------------------|--------------------------------------------------|-------------------------------------|---------------------|-----------------------|
|                                   | <i>Employee entitlements are represented by:</i> |                                     |                     |                       |
| 138                               | Annual leave                                     | 147                                 | 10                  | (137)                 |
| 20                                | Comp Time Liability                              | 18                                  | 95                  | 77                    |
| 158                               | <b>Total employee entitlements</b>               | <b>165</b>                          | <b>105</b>          | <b>(60)</b>           |

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

**PORTFOLIO OF THE CIVIL SERVICE  
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**Note 10: Repayment of Surplus**

**Surplus Payable**

The Portfolio budgeted to break even and therefore did not budget for any change in the surplus payable. The Portfolio experienced surpluses as follows:

| <b>Year</b>                                     | <b>Surplus/(Deficit)</b> |
|-------------------------------------------------|--------------------------|
| 2004-5 Deficit                                  | (308)                    |
| 2005-6 Deficit                                  | (8)                      |
| 2006-7 Surplus (less prior period adjustments)  | 329                      |
| 2007-8 Surplus                                  | 597                      |
| 2008-9 Surplus                                  | 255                      |
| 2009-10 Surplus (less prior period adjustments) | 166                      |
| 2010-11 Surplus (plus prior period adjustments) | 881                      |
| 2011-12 Surplus (less prior period adjustments) | 358                      |
| 2012-13 Surplus (less prior period adjustments) | 411                      |
| 2013-14 Surplus (restated)                      | 474                      |
| 2014-15 Surplus (restated )                     | 313                      |
| 2015-16 Surplus                                 | 1046                     |
| <b>Total</b>                                    | <b>4,514</b>             |
| Less repayment of Surplus (net 2004/5-2009/10)  | (1,032)                  |
| <b>Total</b>                                    | <b>3,482</b>             |

Therefore, the Portfolio has a surplus payable to the Cayman Islands Government in the amount of \$3.48M as at 30 June 2016. The Portfolio intends to engage the Ministry of Finance during the 2016-17 fiscal year to repay the surplus.

Surplus of \$1.032M consisting of fiscal years 2006-07 through 2009-10 surpluses (net of 2004-5 and 2005-6 deficits) were paid to Cabinet in February 2012. No additional payments have been made since that time.

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**Note 11: Revenue**

| Prior Year<br>Actual<br>CI\$'000 | Description                               | Current Year<br>Actual<br>CI\$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|----------------------------------|-------------------------------------------|------------------------------------|--------------------|----------------------|
| 426                              | Fees and charges                          | 364                                | 470                | 106                  |
| 17                               | General sales                             | 23                                 | 16                 | (7)                  |
| 7,130                            | Outputs to Cabinet                        | 8,116                              | 8,240              | 124                  |
| 8                                | Outputs to Other Government Agencies      | 7                                  | -                  | (7)                  |
| 22                               | Other                                     | 32                                 | 42                 | 10                   |
| 7,604                            | <b>Total Sale of Goods &amp; Services</b> | <b>8,542</b>                       | <b>8,768</b>       | <b>226</b>           |

| Prior Year<br>Actual<br>CI\$'000 | Description                     | Current Year<br>Actual<br>CI\$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|----------------------------------|---------------------------------|------------------------------------|--------------------|----------------------|
| 1                                | Royalties                       | 1                                  | -                  | (1)                  |
| 1                                | <b>Total Investment Revenue</b> | <b>1</b>                           | <b>-</b>           | <b>(1)</b>           |

*Outputs to Cabinet*

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

Outputs to other government agencies comprise trade between the Portfolio of the Civil Service and government bodies. These are arm length transactions governed by Service Level Agreements (SLAs) between the contracting parties.

Fees & charges, general sales, rentals & others includes administrative fees and user charges levied on the public for the delivery of government services. Certain respective rates and fee structures are gazetted and governed by the relevant revenue laws and regulations.

**Note 12: Personnel costs**

| Prior Year<br>Actual<br>CI\$'000 | Description                    | Current Year<br>Actual<br>CI\$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|----------------------------------|--------------------------------|------------------------------------|--------------------|----------------------|
| 4,182                            | Salaries, wages and allowances | 4,757                              | 5,259              | 502                  |
| 560                              | Health care                    | 615                                | 777                | 162                  |
| 205                              | Pension                        | 227                                | 278                | 51                   |
| 29                               | Leave                          | 7                                  | 2                  | (5)                  |
| 24                               | Other Personnel related costs  | 11                                 | 9                  | (2)                  |
| 5,000                            | <b>Total Personnel Costs</b>   | <b>5,617</b>                       | <b>6,325</b>       | <b>708</b>           |

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**Note 13: Supplies and consumables**

| Prior Year<br>Actual<br>CI\$'000 | Description                             | Current Year<br>Actual<br>CI\$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|----------------------------------|-----------------------------------------|------------------------------------|--------------------|----------------------|
| 205                              | Supplies and Materials                  | 195                                | 216                | 21                   |
| 761                              | Purchase of services                    | 803                                | 961                | 158                  |
| 400                              | Utilities                               | 289                                | 433                | 144                  |
| 99                               | General Insurance                       | 75                                 | 117                | 42                   |
| 89                               | Travel and Subsistence                  | 61                                 | 90                 | 29                   |
| 110                              | Recruitment & Training                  | 103                                | 145                | 42                   |
| 68                               | Interdepartmental expenses              | 60                                 | 58                 | (2)                  |
| 81                               | Other                                   | 6                                  | 28                 | 22                   |
| <b>1,813</b>                     | <b>Total Supplies &amp; Consumables</b> | <b>1,592</b>                       | <b>2,048</b>       | <b>456</b>           |

**Note 14: Leases**

| Prior Year<br>Actual<br>CI\$'000 | Type of Lease                        | Current Year<br>Actual<br>CI\$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|----------------------------------|--------------------------------------|------------------------------------|--------------------|----------------------|
| 295                              | Lease and Rent of Property and Sites | 193                                | 247                | 54                   |
| <b>295</b>                       | <b>Total Leases</b>                  | <b>193</b>                         | <b>247</b>         | <b>54</b>            |

**Note 15: Litigation Costs**

| Prior Year<br>Actual<br>CI\$'000 | Description                   | Current Year<br>Actual<br>CI\$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|----------------------------------|-------------------------------|------------------------------------|--------------------|----------------------|
| 26                               | Legal Fees                    | 24                                 | 61                 | 37                   |
| <b>26</b>                        | <b>Total Litigation Costs</b> | <b>24</b>                          | <b>61</b>          | <b>37</b>            |

**Note 16: Gains and Losses on Disposal and Foreign Exchange Transactions**

| Prior Year<br>Actual<br>CI\$'000 | Description                                           | Current Year<br>Actual<br>CI\$'000 | Budget<br>CI\$'000 | Variance<br>CI\$'000 |
|----------------------------------|-------------------------------------------------------|------------------------------------|--------------------|----------------------|
| 2                                | Net gain on disposal of property, plant and equipment | 8                                  | -                  | (8)                  |
| 3                                | Net gain on foreign exchange Transactions             | 2                                  | -                  | (2)                  |
| <b>5</b>                         | <b>Total Gains</b>                                    | <b>10</b>                          | <b>-</b>           | <b>(10)</b>          |

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**Note 17: Revenue from Non- Exchange Transactions**

During the year ended 30 June 2016, the Portfolio received services in-kind in the form of accommodation in the central government building, computer repairs and software maintenance by the computer services department. The fair value of these services cannot be determined and therefore no expense has been recognized in these financial statements.

**Note 18: Reconciliation of net cash flows from operating activities to surplus**

| Prior Year<br>Actual | Reconciliation of Surplus to Net Operating Cash            | Current Year<br>Actual | Final<br>Budget | Original<br>Budget | Variance     |
|----------------------|------------------------------------------------------------|------------------------|-----------------|--------------------|--------------|
| CI \$'000            |                                                            | CI \$'000              | CI \$'000       | CI \$'000          | CI \$'000    |
| 393                  | Surplus/(deficit) from ordinary activities                 | 1,046                  | -               | -                  | (1,046)      |
| (6)                  | Prior Period Adjustment                                    | 9                      | -               | -                  | (9)          |
|                      | <b>Non-cash movements</b>                                  |                        |                 |                    |              |
| 83                   | Depreciation                                               | 81                     | 88              | 88                 | 7            |
| (3)                  | (Gain)/losses on Foreign Exchange                          | (2)                    | -               | -                  | 2            |
| (2)                  | (Gain)/losses on sale of property plant and equipment      | (8)                    | -               | -                  | 8            |
| 78                   | Increase in provision for bad debt                         | -                      | -               | -                  | -            |
|                      | <b>Changes in current assets and liabilities:</b>          |                        |                 |                    |              |
| 1,916                | (Increase)/decrease in receivable                          | (172)                  | -               | -                  | 172          |
| 25                   | (Increase)/decrease in other current assets                | (18)                   | -               | -                  | 18           |
| 65                   | Increase/(decrease) in payables and other accruals         | (172)                  | -               | -                  | 172          |
| 1                    | Increase/(decrease) in other current liabilities           | (5)                    | -               | -                  | 5            |
| 28                   | Increase/decrease in provisions relating to employee costs | 7                      | -               | -                  | (7)          |
| <b>2,579</b>         | <b>Net cash flows from operating activities</b>            | <b>766</b>             | <b>88</b>       | <b>88</b>          | <b>(678)</b> |

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**Note 19: Related party and key management personnel disclosures**

**Related party**

The Portfolio is a wholly owned entity of the government of the Cayman Islands from which it derives a major source of its revenue. The Portfolio and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost 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.

**Key management personnel**

Key management personnel, defined as Ministers of the Government, are also considered to be related parties.

| Prior Year<br>(Gross)<br>CIS'000 | Description                                   | Current Year<br>(Gross)<br>CIS'000 |
|----------------------------------|-----------------------------------------------|------------------------------------|
| 1,426                            | Salaries & other short term employee benefits | 1,509                              |
| 1,426                            | Total Remuneration                            | 1,509                              |
| 14                               | Number of Key Management Personnel            | 15                                 |

No loans were granted to key management personnel or their close relatives during the financial year. In the prior year the health insurance premiums of key management personnel was not included.

**Note 20: Explanation of major variances against budget**

Explanations for major variances for the Portfolio of the Civil Service performance against the original budget are as follows:

**Statement of financial performance**

**Cabinet Revenue**

Total Revenues were \$226K below budget mainly because of Cabinet Revenue. Almost all of the Portfolio's departments were able to deliver their output targets and invoice Cabinet in full. Two departments, Management Support Unit (MSU) and Commission's Secretariat, were unable to invoice their full allocation. For MSU, a key post was vacated from the first quarter and therefore they did not provide as much hours or advice as was budgeted. The Commission's Secretariat was not required to provide investigatory services to the Public Police Complaints Commission as the commission was not formed before the end of the fiscal year.

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**Note 20: Explanation of major variances against budget (continued)**

*Personnel Costs*

Personnel costs were \$708K below budget mainly from delayed recruitment within the organization. The three primary departments that contributed to the savings were POCS-Administration; Management Support Unit and Commissions Secretariat. Their vacancies significantly impacted the basic salary account by \$502K; as well as related personnel costs such as healthcare premiums by \$162K and pensions of \$51K.

*Supplies and consumables*

Supplies and consumables has an overall savings of \$455K. The two major areas, making up over half of the were from Electricity Costs (\$136K) and Professional Fees (\$127K). Each department experienced major savings with their electricity cost averaging 50% savings on their budget partly from the decline in fuel prices during the period. In addition, Commissions Secretariat's office relocation also contributed to the overall savings.

The savings in Professional Fees were primarily from two departments, POCS-Admin and Civil Service College. Savings were generated by renegotiating contract terms with suppliers coupled with a decrease in demand for consultation services that were previously provided to the Portfolio.

In addition another \$128K worth of savings were generated from other accounts such as Official Travel Expenses; Maintenance of Building; Programme Services; Property Insurance and Liability Insurance; which each had saving between \$20-30K.

*Leases*

There was \$54K of savings in lease costs. The savings incurred was mainly generated from the Elections Office that transferred a storage unit to the Ministry of Home Affairs (Hazard Management Unit).

*Litigation Costs*

Legal Fees had \$37K savings. The Deputy Governor's Office and the Strategic Reform Implementation Unit (SRIU) are the two departments that generated significant savings in this account. SRIU being newly formed during 2015-16 did not have historical data to rely on during their budget preparations and during the year legal services was not needed by the department. The Deputy Governor's Office had previously incurred costs for legal services provided to the Governor and had budgeted accordingly. However, the legal matter was finalized before the start of the fiscal year and hence no fees were incurred.



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**Note 20: Explanation of major variances against budget (continued)**

**Statement of financial position**

***Cash and cash equivalents***

The actual year-end cash balances were \$1.8M above budget. The Portfolio generated a surplus which was in excess of \$1M. This is the net effect of billing out 98% of its Cabinet Revenue allocation while also experiencing significant savings in both Personnel Costs which was under budget by \$708K and a decrease in the Supplies and Consumables by \$455K.

***Property Plant and Equipment***

The Property Plant and Equipment closing balance is \$388K better than the budget. This is because the actual opening balance was greater than what was budgeted. The current year overall purchase amount was in line with the budget.

***Trade and other receivables***

The actual year-end trade and other receivables balances were \$252K below budget. This is the net of 2 month Cabinet billings of \$1.2M being owed instead of the one month (\$500K) that was budgeted. However, the Portfolio had budgeted for 3-month's worth (\$813K) of Executive Salary being outstanding; but the full year was billed and collected before year-end. The average monthly Cabinet Billing for POCs is around \$500K per month. Only one month's worth of Cabinet billing was budgeted to be outstanding as a receivable at year-end.

***Trade payables, accruals and other liabilities***

Trade payables, accruals and other payables were \$73K higher than the original budget. This is from a more detailed monthly and annual accrual process to improve the completeness and accuracy which generate \$123K more than budget. However, this was netted by a reduction on the liabilities as the pension payable for June was paid before the year-end instead of the following month.

***Net assets***

Net assets are \$1.7M below budget mainly because the repayment of surplus that was budgeted in the opening balance had not been paid over.

**Statement of cash flows**

***Cash from operating activities***

The favorable variance in cash from operating activities of \$678K is mainly due to a significant savings of \$697K and \$318K in both the Personnel Cost and Supplies and Consumables respectively that were expected to be paid out during the year. However these savings in expenses were netted by decreases compared to budget in the Cabinet Revenue of \$240K and Sales of goods and services of \$117K.

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**Note 21: Financial Instrument risks**

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

**Credit risk**

In the normal course of its business the Portfolio is subject to credit risk from debtors other than the Cabinet. The Portfolio does not have significant concentrations of credit risk for its other financial instruments.

**Currency and interest rate risk**

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

**Liquidity risk**

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

**Note 22: Commitments**

| Property                  | Area  | Location                       | Occupier                | Commitment                    | Vendor Name | Months remaining as at 30 June 2016 | Monthly Rental Charge \$000 | Total Committed at 30 June 2016 \$000 |
|---------------------------|-------|--------------------------------|-------------------------|-------------------------------|-------------|-------------------------------------|-----------------------------|---------------------------------------|
| <b>One year or less:</b>  |       |                                |                         |                               |             |                                     |                             | <b>20</b>                             |
| Smith Road Center         | 3,487 | Part 2nd Floor - Office        | Elections               | Monthly                       | TPC         | 2                                   | 9                           | 18                                    |
| Smith Road Center         | 1,200 | Ground Floor, Unit 8 - Storage | Elections               | Monthly                       | TPC         | 2                                   | 1                           | 2                                     |
|                           |       |                                |                         |                               |             |                                     |                             |                                       |
| <b>One to five years:</b> |       |                                |                         |                               |             |                                     |                             | <b>247</b>                            |
| Highgrove Business Park   | 506   | UNIT 28                        | PoCS (File Store)       | 1 April 2016 to 31 March 2018 | Artemis     | 21                                  | 1                           | 29                                    |
| Highgrove Business Park   | 400   | UNIT 4                         | PoCS (File Store)       | 1 April 2016 to 31 March 2018 | Artemis     | 21                                  | 1                           | 23                                    |
| Artemis House             |       | 2nd Floor                      | Commissions Secretariat | 31 April 2015 to 31 May 2020  | Appleby     | 47                                  | 4                           | 195                                   |
|                           |       |                                |                         |                               |             |                                     |                             |                                       |
| <b>TOTAL COMMITMENTS</b>  |       |                                |                         |                               |             |                                     |                             | <b>267</b>                            |

**PORTFOLIO OF THE CIVIL SERVICE  
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**Note 23: Segment reporting**

|                          | Policy Advice and Support for the Governor & Deputy Governor |              | Elections Office |              | Commissions Secretariat |              | Legislative Assembly |              | Internal Audit |              | Cayman National Archives |              | Civil Service College |              | GRAND TOTAL  |              |
|--------------------------|--------------------------------------------------------------|--------------|------------------|--------------|-------------------------|--------------|----------------------|--------------|----------------|--------------|--------------------------|--------------|-----------------------|--------------|--------------|--------------|
|                          | 14/15 Actual                                                 | 15/16 Actual | 14/15 Actual     | 15/16 Actual | 14/15 Actual            | 15/16 Actual | 14/15 Actual         | 15/16 Actual | 14/15 Actual   | 15/16 Actual | 14/15 Actual             | 15/16 Actual | 14/15 Actual          | 15/16 Actual | 14/15 Actual | 15/16 Actual |
| <b>Total Revenue</b>     | 3,368                                                        | 3,953        | 422              | 412          | 755                     | 820          | 1,071                | 1,079        | 558            | 651          | 1,145                    | 1,086        | 287                   | 552          | 7,608        | 8,553        |
| <b>Total Expenses</b>    | 3,183                                                        | 3,404        | 400              | 346          | 678                     | 727          | 1,025                | 1,014        | 617            | 663          | 938                      | 929          | 373                   | 424          | 7,215        | 7,507        |
| <b>Surplus/(Deficit)</b> | 185                                                          | 549          | 22               | 66           | 77                      | 93           | 46                   | 65           | (60)           | (12)         | 207                      | 157          | (86)                  | 128          | 393          | 1,046        |
| <b>Total Assets</b>      | 4,685                                                        | 5,613        | 10               | 2            | 16                      | 18           | 5                    | 26           | 12             | 14           | 106                      | 393          | 12                    | 23           | 4,846        | 6,089        |
| <b>Total Liabilities</b> | 3,016                                                        | 3,939        | 21               | 10           | 113                     | 66           | 51                   | 78           | 18             | 20           | 31                       | 18           | 16                    | 12           | 3,266        | 4,143        |

**Policy Advice and Support for the Governor and the Deputy Governor**

This includes services provided by the Governor's Office, the Deputy Governor's Office and the core Portfolio of the Civil Service.

*Operational Human Resource Services*

- Technical and administrative support to the Head of Civil Service (and where relevant the Governor) in relation to the Chief Officer. Human Resources services for the Ministries and Portfolio as required including recruitment, job analysis and the preparation of job descriptions, records management, succession planning and advice on specific HR matters.

*H.E. Governor's Office*

- The office is responsible for servicing and supporting Her Excellency the Governor including managing the Government House; coordinating engagement programmes and providing support including administrative and accommodations, for the Foreign and Commonwealth Office (FCO) staff in the Governor's Office.

*Deputy Governor's Office*

- The office is responsible for servicing and supporting the Deputy Governor including the provision of policy advice on public administration and other matters

*Strategic Human Resource Services*

- Policy advice and support relating to service-wide, human resource policies and practices for the civil service and the personnel functions of the Governor and the Head of the Civil Service

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NOTES TO THE FINANCIAL STATEMENTS  
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**Note 23: Segment reporting (continued)**

*Human Resources Audit Services*

- Audits of Civil Service entity HR systems, to establish the extent of compliance with the Public Service Management Law and PR and relevant legislative requirements.

*Management Support of Civil Service Agencies*

- Provision of free internal consultancy support to Government Agencies to enhance and improve performance in their strategic, financial or HR management functions.

*Public Sector Reform*

- Monitor and support the effective implementation of Civil Service Reform, and other public sector management reform initiatives

**Elections Office**

The office maintains the electoral register involving addition of eligible voters and deletion of deceased or ineligible voters. Also, it is responsible for administering and holding general elections as well as the planning and execution of referendums.

**Commission Secretariat**

Provision of research, analytical, operational, policy, strategic and administrative support services to the Human Rights Commission, the Constitutional Commission, the Commission for Standards in Public Life, the Judicial and Legal Services Commission, the Civil Service Appeals Commission and the Anti-Corruption Commission.

**Legislative Assembly**

Servicing the Legislative Assembly and the Members of the Legislative Assembly including:

- Sale of Cayman Laws to the Public
- Servicing and supporting sittings of the House
- Administrative support and research for the Speaker and MLAs and the local branch of the Commonwealth Parliamentary Association
- Managing the Legislative Assembly Building

**Internal Audit**

- Evaluation of management systems in order to determine whether financial and operating information is accurate and reliable; risks to government agencies are being identified and minimized; regulations, policies and procedures are followed; assets are adequately safeguarded; resources are used efficiently and economically; agencies are operating efficiently and effectively.

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**NOTE 23: Segment reporting (continued)**

**Cayman National Archives**

- Identification and acquisition of archives and historical records and access to archives and historical information of various media through the Reading Room service. Preservation and recovery of historical archives and government records.
- Monitor and evaluate records and information management gaps within the public service and develop practical recordkeeping tools for improvement.
- Policy development, advice and guidance on records and information management to promote efficient administration, ease of access to information, accountability and transparency.
- Promotion of the historical and cultural holdings through outreach programmes.

**Civil Service College**

**Learning and Development Opportunities within the Civil Service**

- Identification of priorities for human capital development within the civil service.
- Implementation of learning and development interventions to meet the identified needs.
- Strategic development and management of a Civil Service College, to provide learning and development opportunities for all civil servants.

**Note 24: Financial Instruments – Fair Values**

As at 30 June 2016, the forecasted carrying value of cash and cash equivalents, trade and other receivable, trade and other payable and employee entitlements approximate their fair values due to their relative short-term maturities. Fair values estimates are made at a specific point in time, based on market conditions and the information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

**NOTE 25: Contingent Liabilities**

As at 30 June 2016, there are no quantifiable and non-quantifiable contingent liabilities and therefore no contingent liabilities have been provided for within these financial statements.

**NOTE 26: Events Occuring After Reporting Date**

1. Conditions existing at reporting date
  - (a) Management is not aware of any events existing at the reporting date which will have an impact on the financial statements at 30 June 2016.
2. Conditions after reporting date
  - (b) Management is not aware of any occurrences subsequent to the reporting date which will have an impact on the financial statements at 30 June 2016.

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**NOTE 27: Prior Period Adjustment**

The following prior year adjustments were made in order to restate corresponding figures relating to the prior year beginning from 1 July 2014 to 30 June 2015:  
See details of changes in the table below:

| <b>Financial Statement Area</b>        | <b>As reported in<br/>30 June 2015<br/>audited<br/>financials</b> | <b>Adjustments<br/>arising from<br/>current year<br/>restatement</b> | <b>Restated<br/>30 June 2015<br/>balances</b> |
|----------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------|
|                                        | <b>CI\$'000</b>                                                   | <b>CI\$'000</b>                                                      | <b>CI\$'000</b>                               |
| <b>STATEMENT OF FINANCIAL POSITION</b> |                                                                   |                                                                      |                                               |
| <b>Liabilities</b>                     |                                                                   |                                                                      |                                               |
| Unearned Revenue                       | 2                                                                 | 80                                                                   | 82                                            |
| Repayment of surplus                   | 2,516                                                             | 80                                                                   | 2,436                                         |
|                                        |                                                                   |                                                                      |                                               |
| <b>Note 8: Unearned Revenue</b>        |                                                                   |                                                                      |                                               |
| Other Deposits Held                    | 2                                                                 | 80                                                                   | 82                                            |