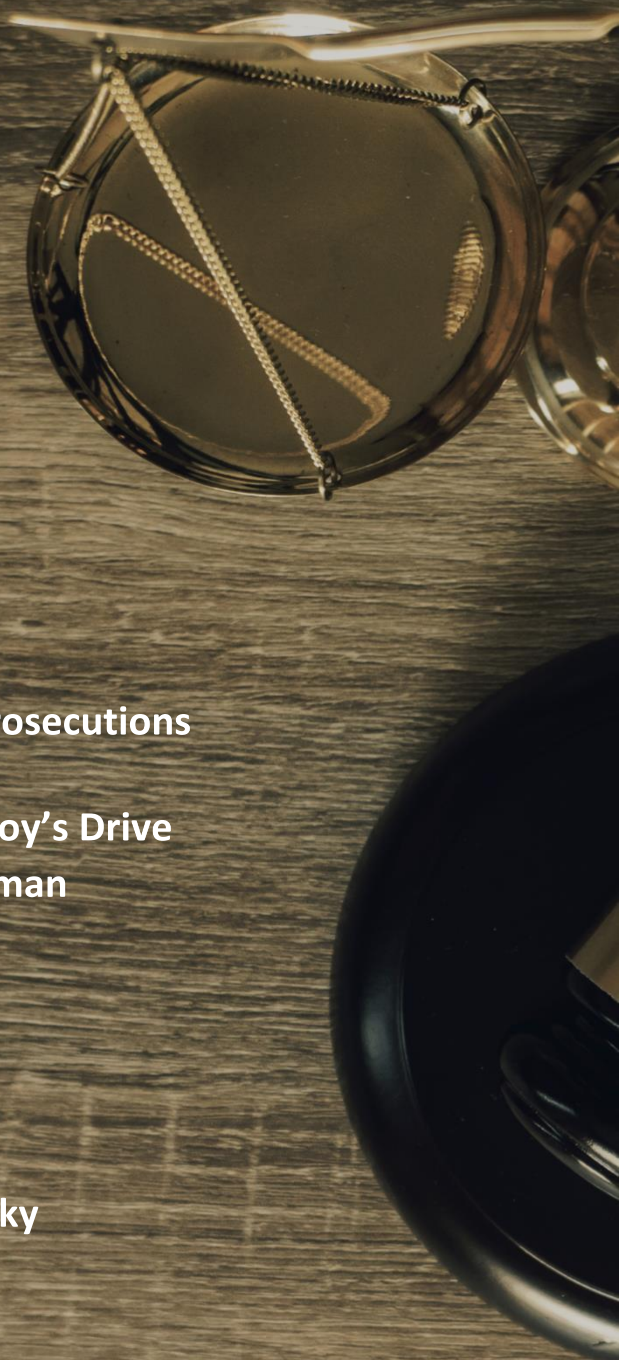
OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

ANNUAL REPORT 2016-2017



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Forward

This Annual Report is for the Office of the Director of Public Prosecutions (DPP). The DPP is responsible for all criminal proceedings brought within the Cayman Islands, and is the Government's principal legal adviser on criminal matters.

The Annual Report outlines the Office's performance during the 2016-17 fiscal period and compares it to the budgeted performance for the corresponding period.

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

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

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

Whilst the DPP is constitutionally independent, it must also account for the manner in which it uses public funds. This report outlines important aspects of DPP's work during 2016-17 and presents the financial results of the Office for the corresponding period.

The annual report covers four main areas:

- Organizational overview;
- Service Delivery;
- Financial performance; and
- Governance.

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

The financial performance section shows the financial resources the Office was afforded in the 2016-17 budget and the inputs purchased to provide services. The financial performance is presented in the form of financial statements, prepared in accordance with International Public Sector Accounting Standards (IPSAS), and the supporting notes to those financial statements.

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

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Report Guide

This report has been prepared in accordance with the requirements stipulated in the Public Management and Finance Law (2017 Revision) for Ministries and Portfolios.

Overview

This chapter summarizes the overall responsibilities of the Office of the Director of Public Prosecutions (DPP), describes the functions and activities of the DPP, and displays the organisational structure.

Achievements

The DPP's accomplishments highlighted in this section, and key objectives achieved over the period are discussed.

Human Resources Management

This section reports on key information and statistics relating to the DPP's work force.

Financial Statements

This section includes the Auditor General's report, a Management Discussion and analysis of the financial results for the DPP over the period, and the corresponding statements of Financial Position, Performance and Net Worth.

Appendices

This chapter summarizes major laws impacting the DPP, and other information regarding risk and requests under the Freedom of Information framework. This section also provides definitions and explanations for abbreviations.

Nature & Scope of Activities

Nature of Activities

The DPP is responsible for all criminal proceedings brought within the Cayman Islands and is the Government's principal legal adviser on criminal matters.

Scope of Activities

- The prosecution of criminal offences; and
- International legal cooperation activity

Customers and Location of Activities

The DPP's Office works with colleagues in the Royal Cayman Islands Police Service, Customs, Immigration, and other Government agencies. For international activities, it is overseas requesting agencies or states. All services are provided in the Cayman Islands.

Strategic Goals for 2016-17

- Provision of optimum prosecution services to the Government and Government entities;
- Ensure optimum use of Government resources so that costs are reduced as much as possible;
- Continuation of Staff Retention Program to ensure that the Office continues to be adequately staffed;
- Training of Articled Clerks;
- The continuing professional education of qualified attorneys in Government service;
- Continuation of succession plans for staff;
- Continuation of compliance with the performance appraisal system;
- Maintain legal research tools and database;
- The maintenance of equipment conducive to the production of the Office's outputs.

MISSION STATEMENT

The Office of the Director of Public Prosecution is Committed to the prosecution of all criminal and traffic proceedings in a timely and efficient manner consistent with the interests of justice, and to providing international legal cooperation in all Mutual Legal Assistance, Extradition and Convention matters.

It is our mission to uphold our responsibility as Ministers of Justice while seeking to serve the public interest and the criminal justice system with consistency, impartiality and integrity.

Message from the Director of Public Prosecutions

I am pleased to present the annual report for the Office of the Director of Public Prosecutions (DPP) for the 18-month fiscal period ended December 31st, 2017.

The report highlights the achievements of the Office and explains the steps taken in furtherance of the Government's policy outcome goals to create a more Secure Community and ensure Equity and Justice in our Society.

This is my 2nd full annual report providing fiscal accountability for the resources afforded to the DPP to discharge its function in ensuring due process and the right to a fear hearing in our criminal justice system.

In 2015-16, I reported on the increased workload being generated at the DPP following increased enforcement efforts by colleagues in the Royal Cayman Islands Police Service.

The volume of work continued unabated for the Office during 2016-17, with some 2,655 cases received for filing during the 2017 calendar year. This represented an additional 237 files when compared to the previous calendar year. Included in those matters were several major cases, particularly including fraud, which were resource intensive and complex. The effective and efficient discharge of these matters rely on our prosecution lawyers, administrative officers and back office support staff who rise to the challenge daily by providing a professional and effective prosecution service.

The high reputation of our jurisdiction and the international demand for talent resulted in several staff members being recruited into higher positions in other jurisdictions during 2016-17. Notably among these, Senior Crown Counsels Tanya Lobban- Jackson and Tricia Hutchinson demitted office and joined the Bench in other jurisdictions. They provided many years of dedicated service during which they lead the respective Summary and Grand Court teams with distinction. I thank them for their service and wish them well in their new posts.

Vacancies and changes in staff during the year increased the workload for several members of our prosecution team. This required innovation and resilience to meet the continued demands for services. Through diligence and hard work, the DPP successfully prosecuted 72 of the 104 cases tried before the Grand Court in 2017 and 1,278 of the 1,981 cases tried in Summary Court. Only 2% of the cases tried in Summary Court resulted in acquittals, the remaining cases were either withdrawn, dismissed, left on file, adjourned sine die, or the defendant was found guilty.

In 2016-17, the DPP placed an increased focus on case management with more timely interaction among the Listing Officer and her team. The number of matters disposed in the Grand Court

"Our people truly are at the heart of everything we do at the DPP; they are challenged daily to prosecute without fear or favour, and to provide a prosecution service that is independent, fair and effective."

rose by 51% between 2015 and 2017. The DPP's ability to facilitate this increase was significantly aided by this new case management process.

Looking ahead the Office will continue our focus on improving our internal processes, the development of standard operating procedures, performance management, and the training and education of staff.

Our people truly are at the heart of everything we do at the DPP; they are challenged daily to prosecute without fear or favour, and to provide a prosecution service that is independent, fair and effective.

Our calendar changes from year to year, but the principles of justice remain the same. The DPP will continue to uphold the tenets of our justice system and remain accountable to the public we serve.

Yours sincerely,

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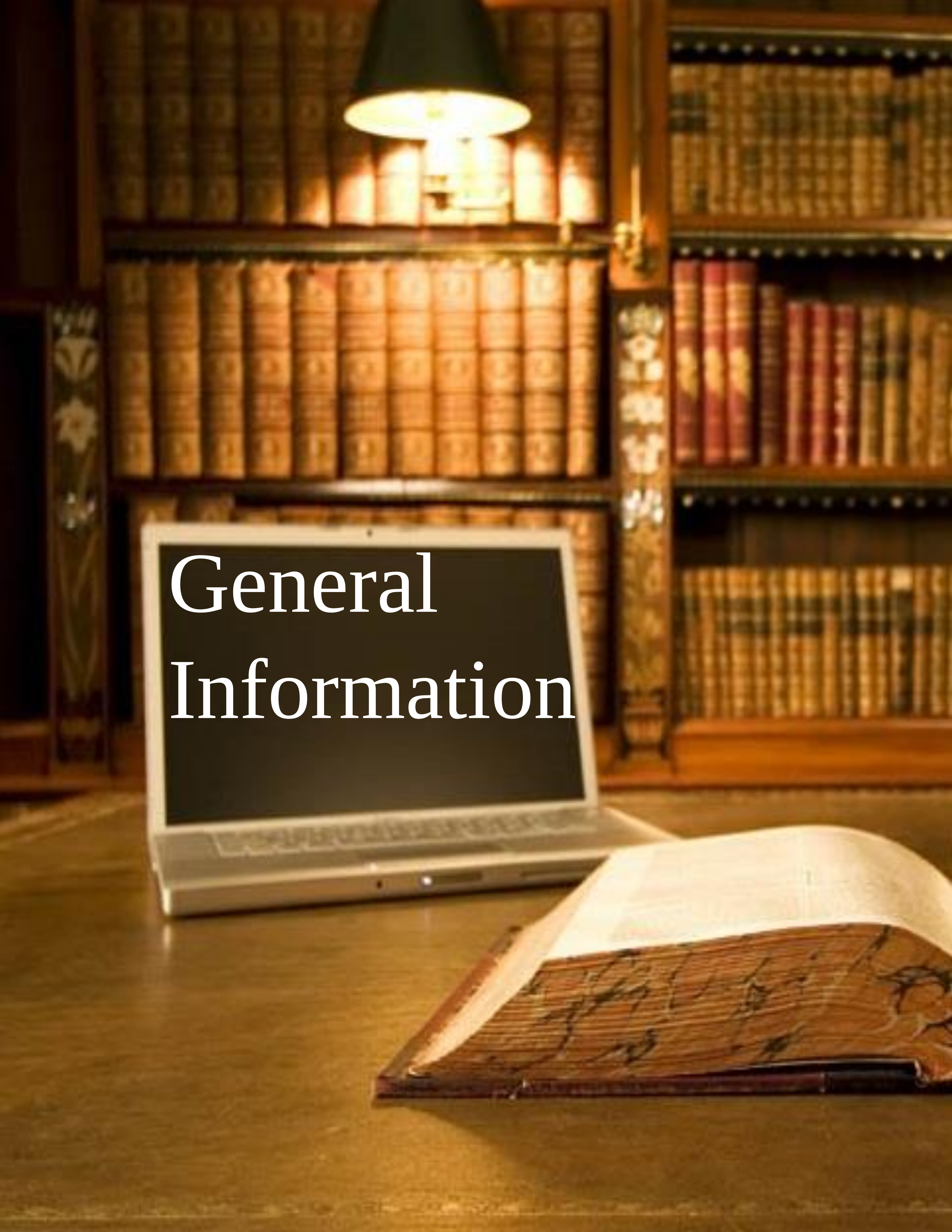
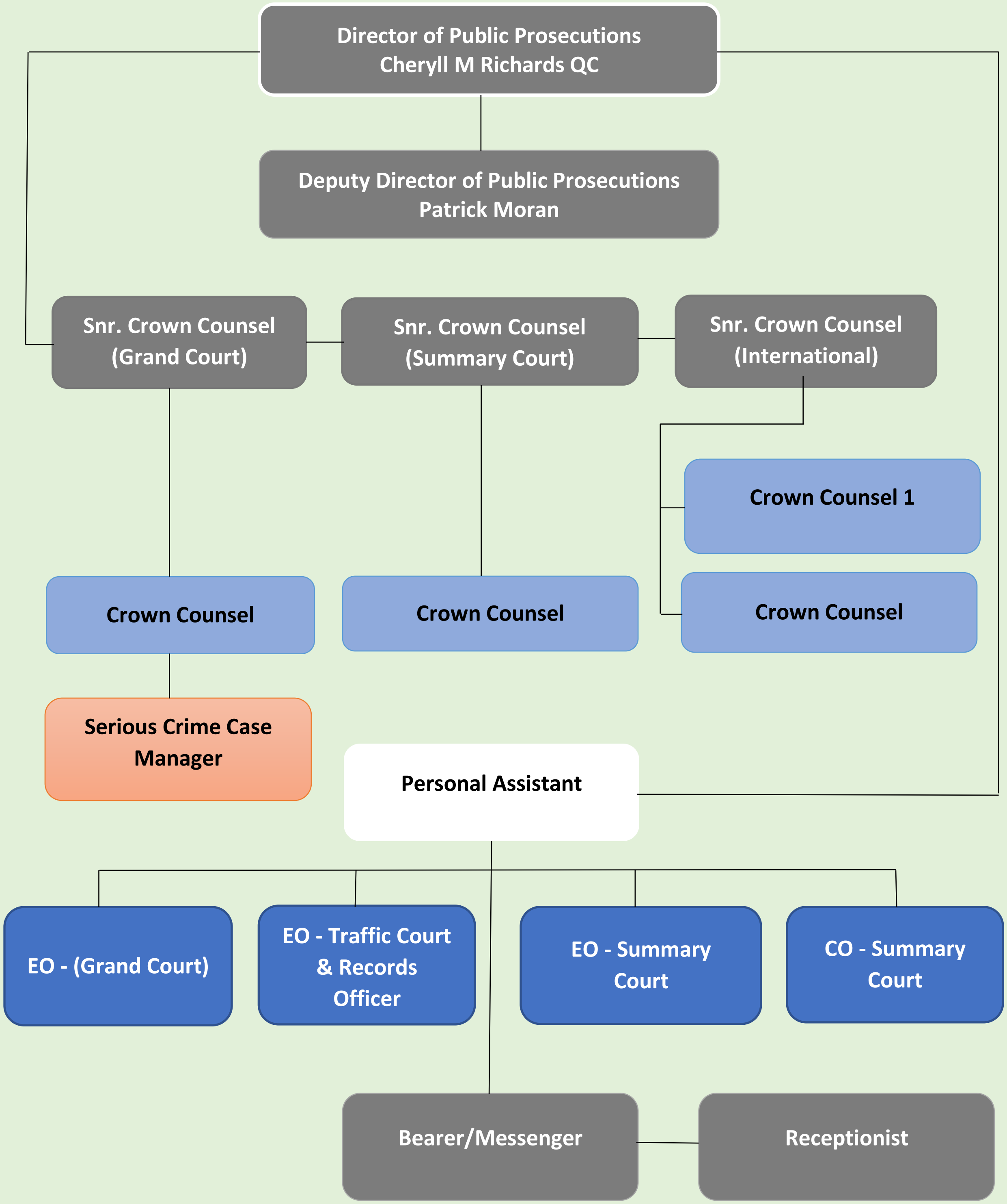
Cheryll M. Richards QC
Director of Public Prosecutions



General Information

Organizational Chart



2016-17 at a Glance

Financial Performance Measures	2016-17 Target	2016-17 Actual
Revenue from Cabinet	4,747,000	4,748,000
Revenue from ministries, portfolios, statutory authorities, government companies	-	-
Revenue from others		
Total Revenue	4,747,000	4,748,000
Expenses	4,747,000	4,330,000
Surplus	**-**	**418,000**

Net-Worth	2016-17 Target	2016-17 Actual
Net Worth	376,000	376,000

Cash Performance	2016-17 Target	2016-17 Actual
Cash Flows from Operating activities	61,000	530,000
Cash Flows from Investing activities	(10,000)	(64,000)
Cash Flows from Financing activities	10,000	(104,000)
Change in cash balances	**61,000**	**362,000**

Financial Performance Ratios	2016-17 Target	2016-17 Actual
Current Assets: Current Liabilities	2.15%	1.27%
Total Assets: Total Liabilities	2.68%	1.51%

Human Capital Measures	2016-17 Target	2016-17 Actual
Total full Time Equivalent Staff Employed	24	23

Physical Capital Measures	2016-17 Target	2016-17 Actual
Value of total assets	616,000	1,118,000
Asset replacements: total assets	0.016	0.36
Book value: initial cost	0.28	0.42
Depreciation: cash flow on asset purchases	6.800	1.00

Organizational Overview

Role and Function

The role of the DPP as outlined in Section 57 of the Cayman Islands Constitution is as follows:

1. To institute and undertake criminal proceedings against any person by any Court in respect of any offense against any Law in force in the Cayman Islands;

2. To take over and continue any criminal proceedings that have been instituted or undertaken by himself or herself or any other person or authority; and

3. To discontinue at any stage before judgement is delivered, any such criminal proceedings instituted or undertaken by himself or herself or any other person or authority.

The DPP is primarily responsible for the prosecution of criminal matters in the Traffic Court, Magistrates Court, Grand Court and Court of Appeal. Crown Counsel are responsible for ruling on all files submitted by the Royal Cayman Islands Police Service (RCIPS) pursuant to section 82 of the Police Law. The decision to charge is made in accordance with the Full Code Test set out in the UK Code for Crown Prosecutors which is referred to for guidance.

The DPP is also responsible for providing general legal advice to the RCIPS and other Government departments on criminal proceedings. The Office receives and processes requests from Co-operating Countries in respect of Mutual Legal Assistance, Extradition, and Convention Matters. Under the Criminal Justice International Co-operation Law, the DPP is the Central Authority in respect of such matters.

Decision to Charge (Rulings)

The decision to charge is made in accordance with the tests set out in the UK Code for Crown Prosecutors. In applying the Full Code test, Crown Counsel considers whether:

There is sufficient evidence against the defendant - When deciding whether there is sufficient evidence to charge, Crown Counsel must consider whether the evidence can be used in court and is reliable and credible;

It is in the public interest for the DPP to bring the case to court - A prosecution will usually take place unless the Prosecutor is sure that the public interest factors tending against prosecution outweigh those tending in favour;

There is a realistic prospect of conviction - Prosecutors must be satisfied that there is at least a realistic prospect that a conviction would be secured in a court of law. This must be determined by considering the evidence available such as witness statements, material or other information.

Highlights and Achievements

The work volume for the Office continues to increase with some 2,655 case files received for ruling in 2017 compared to 2,418 in the previous calendar year. In 2017, 19 matters were heard in the Court of Appeal; in 17 of the 19 cases, matters were either dismissed, withdrawn or abandoned; in the other 2 cases the sentences were reduced.

104 indictments were filed in the Grand Court in 2017. More than two-thirds of those indictments resulted in the defendant pleading guilty or being found guilty after trial.

The number of indictments in 2017 was an 18% increase over the previous year, and a 51% increase when compared to 2015. The conviction rate of 69% remained static for both years.

The Office also dealt with a number of complex and notable cases including the former President of the University College of the Cayman Islands, Mr. Syed, who was successfully prosecuted for dishonesty offences arising from his behaviour in that post between 2006 and 2008. Mr. Syed unexpectedly left the Cayman Islands in early 2008 shortly before the completion of an audit which led to the discovery of his crimes. He was successfully extradited to the Cayman Islands in 2014 to face prosecution.

Rodney Ebanks became the first person against whom a sexual harm prevention order was granted, following the passage of that law in 2017. Rodney Ebanks was convicted after trial by judge alone for the indecent assault of a tourist. Mr. Ebanks had previous convictions for rape and burglary with intent to rape.

In 2016 the Office reviewed and recommended the draft Adult Cautions Bill. This Bill was subsequently passed into Law by the Legislative Assembly in March of 2017. It will bring into force a system which allows for first offenders in non-major matters to be cautioned in appropriate circumstances. The system will be underpinned by a guideline policy to ensure a uniformity of approach and annual reports to ensure transparency.

2/3 of indictments filed in the Grand Court resulted in the defendant pleading guilty, or being found guilty after trial.

In August 2016, the Justice Protection Law (as amended), was brought into force. This requires the Office to establish a Justice Protection Administrative Centre for administering a witness protection Programme. Under the programme, the centre may offer a participant, protection, or assistance, or both, in respect of criminal proceedings for certain scheduled offences and for certain civil proceedings.

The Criminal Procedure Code was also amended to allow for alternative methods for serving summonses on witnesses. Summonses for Police Officers and other Government employees may now be served electronically provided that such witnesses have an e-mail address for the purposes of their work.

To ensure the effectiveness of this process, force orders or work place rules must require such employees to regularly read and access their e-mails and provide for action to be taken if they fail to do so.

On the human resources front, Mr. Gavin Dixon joined the Office on September 1st, 2016 as Crown Counsel II having been called to the Bar of the Cayman Islands on January 21st, 2016. In January 2017, we also welcomed Ms. Candia James and Ms. Nicole Petit as Senior Crown Counsel for Summary Court and Grand Court respectively. Both bring extensive experience to their respective positions and are welcome additions to the team.

Legal Developments

Criminal Records (Spent Convictions) (Amendment) Law, 2017. This Legislation was passed by the Legislative Assembly on the 27th March 2017 and makes provision for the expungement of cautions and to clarify the application process in relation to the expungement of certain convictions.

Penal Code (Amendment) No. 2 Law, 2017 -

This law creates the following offence:

Intent to defraud the Government

247A. A person who, with intent to defraud the Government, -

(a) willfully makes, delivers or causes false or fraudulent information to be made to a person employed in the public service relating to the collection of money for the purposes of general revenue;

(b) willfully omits information required to be provided to a person employed in the public service relating to the collection of money for the purposes of general revenue, where required by law; or

(c) willfully obstructs, hinders, intimidates or resists a person employed in the public service in the collection of money for the purposes of general revenue,

commits an offence.”.

This section came into force on the 1st December 2017.

By creation of this offence, tax evasion in a foreign jurisdiction is a now a predicate offence for money laundering.

It therefore also provides for dual criminality for international cooperation in such matters.

The Penal Code (Amendment) Law, 2017. This Legislation was passed by the Legislative Assembly on the 27th March, 2017 and amends the penal code (2013 Revision) to make provision for the making of sexual harm prevention orders; the offenses of possession of articles for use to defraud and making or supplying articles for use to defraud. It allows the Director of Public Prosecution, after consultation with the Royal Cayman Islands Police Service or any other relevant agency, to apply to a court for a sexual harm prevention order.

The Police (Complaints by the Public) Law, 2016. This Legislation was passed by the Legislative Assembly on the 27th of March 2017. This law confers responsibilities and powers upon the Ombudsman to investigate and resolve complaints by members of the public against a police officer. It also amends the Police Law (2014 Revision) in order to discontinue the Police Public Complaints Authority.

The Cautions (Adult) Law, 2017. This Legislation was passed by the Legislative Assembly on the 27th March 2017 and provides for the administering of cautions in relation to adults. Clause 11 mandates the Commissioner of Police, with the approval of the Director of Public Prosecutions, to prepare a written policy in relation to the administration of cautions. It also mandates him to issue Standing Orders to the members of the Royal Cayman Islands Police Service in relation to the administration of cautions.

The Evidence (Amendment) Law, 2017. This Legislation was passed by the Legislative Assembly on the 27th, March 2017 and amends the Evidence Law (2011 Revision) to make provision for giving evidence through television links at trials of offences that are triable only summarily. Section 37 of the principal law enables witnesses to give evidence through video links in specified circumstances (for example, if the witness is outside the Cayman Islands). The section sets out the types of proceedings at which video link evidence can be given and these include summary trials of category B offences (that is, offences which are triable upon indictment but which, with the consent of the prosecution and the person charged, may be tried summarily).

Given the many instances in which essential witnesses are overseas when a matter comes to trial and the need to deal expeditiously with summary offences, this law seeks to extend the provisions of section 37 of the principal law in order to enable evidence to be given through television links at summary trials of Category C offences (that is, offices that are triable only summarily).

The Criminal Records (Spent Convictions) Law, 2016. This Legislation was passed by the Legislative Assembly on the 24th October 2016. The Law repeals and replaces the rehabilitation of offenders law (1998 Revision) to establish a Board for the purposes of expunging criminal records and to enhance the rehabilitation process.

The Misuse of Drugs (Amendment) Law, 2016. This Legislation was passed by the Legislative Assembly on the 24th October 2016. It amends the Misuse of Drugs Law (2014 Revision) to include Cannabis extracts and tinctures of Cannabis as controlled drugs; to restrict the power to prescribe Cannabis extracts and tinctures of Cannabis to a medical doctor.

The Proceeds of Crime (Amendment) Law, 2016. This Legislation was passed by the Legislative Assembly on the 24th October 2016. It amends the Proceeds of Crime Law (2016 Revision) to make further changes necessary for compliance with international standards relating to the prevention of money laundering, terrorist financing and proliferation financing.

The Police (Amendment) Law, 2016. This Legislation was passed by the Legislative Assembly on the 24th October 2016. It amends the Police Law (2014 Revision) to make provision for regulations to be made to permit the sharing of information with other law enforcement or regulatory agencies as required for compliance with international standards relating to the prevention of money laundering, terrorist financing and proliferation financing.

The Penal Code (Amendment) Law, 2016. This Legislation was passed by the Legislative Assembly on the 24th October 2016. It amends the Penal Code (2013 Revision) to provide for a new graduated scale of increased maximum terms of imprisonment in relation to the default of payment of costs, compensation, or fines ordered by a court in criminal trials.

The Criminal Procedure Code (Amendment) Law, 2016. This Legislation was passed by the Legislative Assembly on the 24th, October 2016. It amends the Criminal Procedure Code (2014 Revision) to authorize persons other than the Police, such as Bailiffs and other designated persons, to serve summonses; to provide for service of witness summonses by electronic means to designated Public Officers.

The Judicature (Amendment) Law, 2016. This Legislation was passed by the Legislative Assembly on the 24th October 2016. It amends the Judicature Law (2013 Revision) to clarify the number of persons needed to properly constitute a jury in a criminal trial for money laundering offences.

Output performance

DPP 1	Prosecutions and Victims Support			
Description	-Provision of prosecution services relating to criminal matters.			
Measures		2016/17 - 1 Jul 16 to 31 Dec. 2017		
		Actual	Budget	Variance
Quantity	- Number of cases for which legal rulings provided - Number of cases prosecuted	3,563 3,083	3,000-3,750 2,550-2,781	- 302
Cost		**$4,356,414**	**$4,356,414**	-
Related Broad Outcome:	3. A More Secure Community			

DPP 2	International Legal Cooperation Activities			
Description	Administer, manage and implement the various forms of International Legal Assistance available through the Portfolio. Conduct criminal prosecutions and make ancillary applications arising out of international requests for assistance.			
Measures		2016/17 - 1 Jul 16 to 31 Dec. 2017		
		Actual	Budget	Variance
Quantity	Number of request of assistance from Authority	45	30-42	3
Cost		**$391,057**	**$391,057**	-
Related Broad Outcome:	3. A More Secure Community			

- In a significant proportion of criminal matters, multiple charges are laid arising from a single incident, some of which are laid in the alternative. Where an individual is convicted of one or more offences arising from such an incident (either on his own plea or following a trial), non-conviction disposals may result in relation to other charges faced by that individual. It is also possible for a court to impose a non-conviction disposal notwithstanding a charge (or charges) being proved to the criminal standard.
- In 2016 thirty-two requests for International Legal Assistance were received, three of these were received from the United States under Mutual Legal Assistance. Four of the requests were civil in nature. The remaining twenty-five requests were received under the Criminal Justice (International Cooperation) Law (2015 Revision). The requests ranged from requests for company documents, bank documents and shipping registry documents to requests for restraint and the taking of evidence.

Notable Cases

R v. Hassan Syed

Hassan Syed, the former President of the University College of the Cayman Islands, was successfully prosecuted for offences of dishonesty arising from his behaviour in that post between 2006 and 2008. Mr. Syed unexpectedly left the Cayman Islands in early 2008, shortly before the completion of an audit which led to the discovery of his crimes. Many years passed. He next came to the attention of the R.C.I.P.S. when he was found in Switzerland in 2013. Mr. Syed initially sought to prevent his extradition by launching an application in the High Court of Justiciary in England & Wales. He was successfully extradited to the Cayman Islands in 2014. His efforts to derail the subsequent criminal proceedings with numerous pre-trial applications failed, and his trial by jury began in January 2017. Notwithstanding serious difficulties arising from the passage of time between his crimes and the trial (and the departure from the jurisdiction of several important prosecution witnesses) he was convicted by the jury of all charges and sentenced to a total of 8 years' imprisonment.

R v. Ebanks and Others

The arrest of Mr Ebanks on suspicion of offences involving drug dealing led to a wider R.C.I.P.S. investigation into the supply of controlled drugs in Grand Cayman. The investigation resulted in the bringing of charges against 8 defendants, involving dealings in hard drugs and money laundering. Whilst 4 Defendants pleaded guilty, 4 stood trial by jury in October 2017. The case involved a vast amount of telephone evidence, and a prosecution expert witness from the United States Drug Enforcement Administration. All defendants were convicted. The sentencing proceedings, including confiscation proceedings, are due to be concluded early in 2018.

R v. Mothen and Others

A shooting incident outside a George Town nightclub led to the prosecution of a number of defendants for offences of violence. Due to the complexities of legal arguments, based upon a decision of the United Kingdom Supreme Court which changed the common-law principles of joint liability (Regina v. Joghee), the main defendants were represented by Queen's Counsel. The prosecution successfully argued that Joghee has no application in the Cayman Islands. The trial concluded with the conviction of two defendants and the imposition of sentences totaling 25 years' imprisonment.

R v. Rae-Smith and Others

An investigation into a gunpoint robbery of staff and customers at commercial premises in George Town led to the prosecution of 3 defendants. The pre-trial proceedings were protracted by complications arising from the assertions made about the mental health of one of the defendants, and an unsuccessful application on the part of another to vacate his plea of guilty. The organiser of the robbery (the woman who had posed as a customer) was tried by judge alone. Following the trial, sentences totaling 33 years' imprisonment were imposed.

R v Rodney Ebanks

Rodney Ebanks was convicted after trial by judge for indecent assault of a tourist. Mr. Ebanks had previous convictions for rape and burglary with intent to rape. At sentencing, the prosecution applied for a Sexual Harm Prevention Order pursuant to section 45A (1) of the Penal Code

(2013 Revision) as amended by the Penal Code (Amendment) Law 2017 (Law 32 of 2017).

The prosecution successfully submitted that such an order was necessary for the protection of the public from sexual harm by the defendant upon his release from any custodial sentence likely to be passed as he was a repeat offender who typically reoffended within weeks to months of being released from prison.

The defendant was sentenced to six years' imprisonment with a Sexual Harm Prevention Order imposed for a duration of seven years upon his release.

This was the first such Order granted under the new law.

R v Michelle Bouchard

Michelle Bouchard was convicted on 25 of 26 counts of an indictment charging her with multiple offences of theft, money laundering, forgery and obtaining property by deception. Bouchard had, over a period of 27 months, taken advantage of her relationship with an elderly and vulnerable businessman, stealing more than a $1 million in cash and jewelry. She was sentenced to a total of 12 years imprisonment which was reduced to 10 years on appeal to reflect the totality principle.

This was the largest fraud on an individual in Cayman Islands history.

R v Paul Hume Ebanks

Paul Hume Ebanks was convicted of multiple counts of obtaining property by deception for an ongoing scam in which he falsely represented to various persons that he could get them Permanent Residence or Caymanian Status in exchange for cash. Ebanks had dishonestly received $167,000 by targeting vulnerable members of society with his false promises. He was sentenced to 14 years imprisonment. Ebanks had been previously convicted of similar offences in 2004.

R v Tamara Butler

Tamara Butler was convicted for the murder of her six year old. Butler had sought to rely on diminished responsibility which was rejected by the trial judge after hearing psychiatric evidence.

Butler became the first person sentenced for murder under the Conditional Release Law receiving a sentence of 26 years.

R v Mitchell Garcia

Mr. Garcia (26) was sentenced for six offences of indecent assault and two offences of rape against one victim who he believed was 16 and who had been a close friend of his, whilst she was unconscious through excessive drinking; and two allegations of gross indecency and seven offences of taking indecent photographs of children in relation to a five-year-old girl.

There were further charges for indecent images of children, which were images that had been downloaded from the internet. The case involved collating scientific evidence from DNA, detailed analysis of technical data from electronic devices and from accounts from vulnerable witnesses. This was a challenging and disturbing case which resulted in guilty pleas and a twelve-year imprisonment sentence.

Human Resource Management

Leadership Profiles

Cheryll Richards was appointed by the Governor on 1st May 2011 as the Cayman Islands' first **Director of Public Prosecutions.** Ms. Richards is a Queens Counsel and has over thirty years' experience as a Prosecutor appearing before all tiers of Court. Before her appointment, Ms. Richards was the Solicitor General and Chief Officer in the Portfolio of Legal Affairs.

Mr. Patrick Moran is the **Deputy Director of Public Prosecutions.** He was called to the Bar of England and Wales in 1997 and joined the Office of the Director of Public Prosecution in March 2015. Mr. Moran specializes in white collar crimes including money laundering and asset forfeiture.

Ms. Candia James is a **Senior Crown Counsel** at the DPP. Ms. James is a graduate of the London School of Economics and the Inns of Court School of Law. She previously practiced as State Counsel in the Office of the DPP in Trinidad and Tobago and as Legal Adviser in the Ministry of National Security, Trinidad and Tobago.

Elizabeth Lees is a **Senior Crown Counsel** at the DPP. She was called to the Bar in 2002 and holds both a Bachelor's degree and a Master's degree in Law. Prior to taking up her position in the Cayman Islands, Ms. Lees practiced from 23 Essex Street chambers in London specialising in Regulatory & Disciplinary Proceedings.

Nicole Petit is a **Senior Crown Counsel** at the DPP. She joined the Civil Service in 2007 and previously worked for 10 years as an Advocate at the Private Bar in Trinidad and Tobago. In this role she was the head of her own chambers and had a wide and varied practice. She has also served as Special Counsel to His Excellency, the Governor of the Cayman Islands.

Training and Development

Staff engaged in the following training and development activities during 2016-17:

September 2016

Director Ms. Cheryll Richards QC attended the Plenary Meeting of the Commonwealth Network on 22nd – 23rd September 2016 of Contact Persons in London. The meeting covered:

i. International Cooperation Mechanisms
   (a) MLAT in Criminal Matters & Criminal Justice Administration
   (b) International Cooperation – Formal & Informal Cooperation Mechanisms
   (c) Cooperation in Cybercrime Investigations & Gathering of Electronic Evidence – Challenges & Prospects
ii. Network(s) of Informal Cooperation
   (a) Networking the Networks of Effective Cooperation
   (b) State Practice & Informal Cooperation
   (c) Block Chain Technology – CNCP Secure Platform for Exchange of Information & Communication
   (d) Practical Information and the use of the Huddle Platform for Information Sharing

Senior Crown Counsel Elisabeth Lees attended training in How to Make Effective Legislative Proposal on September 8th 2016 – at the Government Administration Building in the Cayman Islands.

October 2016

Senior Crown Counsel Elisabeth Lees attended the – International Trusts & Private Client Conference 2016 on October 7th, 2016 at The Ritz-Carlton, Grand Cayman.

Conference sessions include:

- Debate: Are Cayman firewall provisions up to the job of resisting matrimonial claims?
- The Wyly Case
- Insolvent trusts
- Resolution of trust disputes - Litigation, arbitration, mediation
- Automatic information exchange v human rights
- Risky business - A case study on the issues for trustees holding operating companies
- The global move to transparency: CRS, information exchange & registers of beneficial ownership and the practical consequences for trustees
- Disclosure of trust information
- Panama papers topic
- Mock court application
- Asset management – restraint
- Confiscation orders
- Confiscation enforcement

October 2016 continued

Senior Crown Counsel Elisabeth Lees currently attending UCCI in the programme of Executive Certificate in Global Leadership – from October 2016 to May 2017 attending 2 days a week (Fridays & Saturdays). Programme Details were:

- Leadership Accelerators and Derailers
- Strategic Thinking and Action
- Developing a Personal Leadership Brand
- Best Practices in Leadership: How to Motivate and Develop People
- Issues in International Finance
- Management in Organizations
- HR Management--Case Analyses
- Marketing Management

November 2016

Crown Counsel Eleanor Fargin attended the 4th North American and Caribbean Conference in Montego Bay, Jamaica on November 1st – 4th 2016.
The conference covered:
Plenary:

i. Cybercrime in a changing Landscape – Implications for the next generation
ii. Digital Forensic Evidence – The New Frontier
iii. Cyber Espionage
iv. Overcoming Challenges in Policy Formulation – on route to enactment of Cybercrimes Legislation
v. Tacking Financial Organised Crime – Computer Fraud, Hacking and Identity Theft
vi. International Co-operation in fight against Cybercrime
vii. The Dark Web: Encryption and Anonymity

Workshops:

1. (a) Effective Investigation of Child Pornography & Sexual Exploitation
   (b) Best practices in responding to Cyber Threats
   (c) Countering Cybercrime through Money Laundering Regimes

2. (a)Establishing, Capturing & Securing Digital Forensic Evidence in Cybercrime
   (b) Vulnerability of the Financial Institution

3. (a) Human Rights and Internet Governance
   (b) Cyber Bullying & Revenge Pornography

November 2016 continued

Senior Crown Counsel Elisabeth Lees attended the CFATF Plenary and Working Group Meeting in Turks & Caicos on November 6th – 10th 2016. Ms. Lees also attended a conference in Barbados on November 14th – 17th 2016.

Director Ms. Cheryll Richards QC attended Continuing Judicial Education for parish Court Judges on November 25th – 27th 2016 in Jamaica.

The conference covered:

i. Committal Proceedings – Progress & Current Challenges
ii. Overview of the Cybercrimes Act with particular emphasis on the Power of the Resident Magistrate now Parish Court Judge
iii. Establishing, Capturing & Securing Digital Forensic Evidence in Cyberspace
iv. Best Practices in responding to Cyber Threats
v. Types of Crime Committed with use of the Internet
vi. Reception of Evidence by Video Link
vii. Adjudication of Gang-related Cases
viii. Criminal Case Management, Sentencing and Practice Directions (Advance sentence indications and tendering evidence pursuant to section 31C, 31CA and 31CB of the Evidence Act)

January 2017

Crown Counsel attended a training workshop on the 31st January 2017 to February 1s 2017 held at the Government Admin Building, andorganized by the RCIPS Financial Crimes Unit in collaboration with the Metropolitan Police Counter Terrorism Command, National Terrorist Financial Investigation Unit and the Trinidad and Tobago Financial Intelligence Unit.

The workshop was entitled 'Countering the Financing of Terrorism' and was attended by:

1. Snr CC Elisabeth Lees
2. CC Toyin Salako
3. CC Candia James

A two-day seminar aimed at a combined audience including law enforcement, FRA Analysts and prosecutors who may encounter terrorist finance or individuals who hold radical views, are self-funded or raising funds for others.

Although the Cayman Islands are fortunate to be a low risk jurisdiction for terrorist offences and associated financing, we have to remain vigilante to this risk. This is important for both operational reasons and to ensure that we can demonstrate that the Cayman Islands is in a position to identify and mitigate the risk of terrorist finance that it faces when assessed by the Caribbean Financial Action Task Force later this year.

February 2017

Senior Crown Counsel Elisabeth Lees attended the FATF Plenary, held at the OECD Conference Centre in on the 20th to 24th February.

Mr. Michel Sapin, French Minister of Finance and Public Accounts, addressed the Plenary to emphasize FATF's important role in ensuring the integrity of the international global system from threats such as terrorist financing, and his country's commitment to increase the traction capacity of the FATF even further.

The main issues dealt with by this Plenary meeting were:

- Work on terrorist financing, which continues to be a priority for the FATF;
- FATF work on improving transparency and beneficial ownership;
- Impact of recent FATF work on de-risking;
- Discussion of the mutual evaluation report of Sweden;
- Update on the activities of the FATF Training and Research Institute in Busan, Korea.

March 2017

Crown Counsels Eleanor Fargin and Scott Wainwright attended the Cayman Finance Seminar on Perspectives on Global Tax and Financial Crime on 23rd March 2017 at the Ritz-Carlton Grand Cayman.

The seminar covered:

- The Cayman Islands: Well positioned to support the global economy during times of significant change and uncertainty. Cayman Finance CEO, Jude Scott
- Addressing Global threats and initiatives, Cayman Finance CEO, Jude Scott.
- HMRC'S approach to tackling offshore tax evasion. Nicholas Warrington, Assistant Director, Economic and Policy Advisor. HM Revenue and Customs & Jennifer Haslett, Corporate Crime and International Engagement Lead, HM Revenue and Customs.

May 2017

P.A. Louise Daniels attend the Office of the Complaints Commissioner Internal Complaints Process Bi-Annual Training Program on Investigative Plan Drafting held at the Government Administration Building on 9th May 2017.

The input covered was:

- Customer Service- Processes and Procedures. How to investigate a complaint. The investigation planning template.

May to June 2017

Senior Crown Counsel Elisabeth Lees attended the CFATF XLV Plenary and Working Groups Meetings in Port of Spain, Trinidad and Tobago on the 28th May to 1st June 2017 at the Hyatt Regency, Trinidad.

The plenary and working groups meetings covered:

- CFATF Working Group on Risks, Trends and Methods (CRTMG);
- CFATF International Cooperation Review Group (ICRG);
- Outcomes of FATF-ICRG of February 2017;
- ICRG Procedures for the 4th round;
- CFATF Working group on FATF issues – WGFI (PDG, ECG and GNCG);
- Steering Group Activities November 2016 – May 2017 – report by Steering Group Representative;
- Discussions – Compliance Report by the Deputy Executive Directors;
- CFTAF Activity Report to FATF – report by the Executive Director (Discussion);
- Reports of COSUNS and Observer Organisations – Oral interventions by COSUNS and Observer Organisations;
- Accreditation Council Report – report by chair-Accreditation Council;
- Mutual Evaluation Report of the Bahamas- Presentation by the Secretariat, Assessment Team and the Bahamas;
- Heads of FIU Forum – Report by chair – FIU Heads Forum;
- CFATF WGFI – Trinidad and Tobago – first follow-up report. Co-Chairs Report;
- Donors Forum – Report by the Secretariat.

June 2017

Ms. Cheryl Richards QC, Mr. Patrick Moran, and Senior CC Elisabeth Lees attended the CFATF GAFIC – Pre-Assessment Training for Cayman Islands at the Westin, Grand Cayman on the 28th – 30th June 2017.

The training included:

- Module 1 – Overview of the Evaluation Process;
- Module 2 – Risk and Context;
- Module 3 – Technical Compliance, principles and process;
- Module 5 –Information of Effectiveness;
- Module 6 –Effectiveness Assessment –The immediate outcomes;
- Module 7 –Key issues for countries undergoing assessment;
- Module 8 – Preparation of the onsite visit;
- Module 9 – The onsite visit;
- Module 10 – Finalizing the Mutual Evaluation;
- Module 11 – Role of the Lead Agency.

Senior CC Candia James attended the ARIN-CARIB – Asset Recovery Inter-Agency Network Caribbean Launch Meeting which was co-hosted by The Department against Transnational Organised Crime of the Organisation of American States (DTOC/SMS/OAS) and the Regional Security System (RSS). This was held at the Marriott Hotel, Miami on 28-29th June 2017.

The Meeting included:

- Launch of ARIN-CARIB, based on the existing six ARINS already operating across the world;
- Discussions regarding opportunities for the creation of an informal asset recovery network comprising practitioners from law enforcement, prosecution authorities and Attorney Generals' offices;
- The use of Mutual Legal Assistance Treaties in the region for effective asset Tracing, Freezing, Seizure and Confiscation;
- Workshops – Networking and managing the challenges of sharing information;
- Presentation of Asset Recovery cases from the region;
- Civil forfeiture provisions to confiscate criminal proceeds;
- Using the Interpol Channel to recover the proceeds of crime;
- ARIN-CARIB Plenary – membership update, steering group members and rotation, ARIN-CARIB statement of intent, introducing the ARIN-CARIB presidency 2018;
- Harmonization and Mutual Recognition of Asset Recovery Legislation in the Caribbean: Understanding Our Systems Towards Enhanced Cooperation.

September 2017

DPP Cheryll Richards, DDPP Patrick Moran, SCC Elisabeth Lees, CC Toyin Salako, CC Emma Hutchinson, SCC Candia James, CC Greg Walcolm, CC Daniel O'Donoghue, CC Darlene Oko, CC Stacy-Ann Kelly, CC Alliyah McCarthy, CC Kenneth Ferguson, SCC Nicole Petit, CC Neil Kumar attended the Money Laundering and Terrorist Financing: The Crimes and the Framework Extradition Training at the Cayman Islands Public Library on September 25th – 29th 2017.

The training covered the following:

- The FATF Recommendations - updated June 2017;
- Cayman Islands Anti-Money Laundering and Counter Terrorist Financing Strategy 2017 – 2021;
- Sections 327 – 340 of POCA 2002 (England & Wales) (as amended and supplemented);
- R v Saik [2007] 1 AC 18;
- R v GH [2015] 2 Cr. App. R. 12;
- Bouchard v R: Court of Appeal Judgment 19/2016;
- R v Aspinall, Court of Appeal Judgment 16/2016;
- The Proceeds of Crime Law (2017 Revision) sections 3 – 14, 15 - 19, sections 133 – 145 and section 196;
- The Gambling Law (2016 revision);
- The Penal Code sections 234 – 266, sections 280 – 317;
- The Anti-Corruption Law (2016 Revision);
- Bribery Act 2010;
- The Terrorism Law (2017 Revision) sections 2, 18 – 22, 29 and 29A;
- Criminal Finances Act 2017 ss1-9;
- The Extradition Act 1989;
- The European Convention on Extradition (Dependent Territories) Order 1996 (S.I. 1996 No. 2875);
- The Extradition (Overseas Territories) Order 2002 (S.I. 2002 No. 1823);
- The Extradition Act 2003 (Overseas Territories) Order 2016 (S.I. 2016 No. 990;
- Extradition Act 2003 (Sections 177 and 178);
- Polish Judicial Authorities v Celinski & Ors. [2015] EWHC 1274 (Admin);
- Council Framework Decision of 13 June 2002 on the European arrest warrant and the surrender procedure between Member States (2002/584/JHA);
- Gomes v Republic of Trinidad & Tobago [2009] 1 WLR 1038.

October 2017

Senior CC Elisabeth Schreiner Lees and Serious Crime Case Manager Dennis Walkington attended the Witness Protection Program and Witness Care Unit at the Bermuda Office of the Director of Public Prosecutions on October 9th – 13th 2017.

The Office of Public Prosecutions in Bermuda offered a one-week insight into their witness protection and witness care units to Dennis Walkington and Elisabeth Lees.

All members of the teams gave presentations, documents were reviewed and collected, facilities were viewed and recommendations were made in order that similar units could be established in the Cayman Islands.

SCC Elisabeth Lees, SCC Candia James, CC Toyin Salako, CC Kenneth Ferguson, CC Alliyah McCarthy, CC Greg Walcolm, CC Gavin Dixon attended the Terrorist Financing Training held at the Cricket Square in Willow House Conference Room, 3rd Floor on Friday 27th October 2017.

The training gave an overview of the criminal offences under the Terrorism Law (2017 Revision), relevant case law from England and Wales and an overview of the sanctions regime.

Speakers were Elisabeth Lees, Senior Crown Counsel, Toyin Salako Crown Counsel I and Kim France, Sanctions Coordinator.

December 2017

Senior CC Nicole Petit attended the Global Action on Cybercrime Extended (GLACY+) Hemispheric Forum on International Cooperation against Cybercrime in Santo Domingo, Dominican Republic 5th – 7th December 2017.

The aim of the course was to develop a global agenda for cyber capacity building that would strengthen international co-operation, develop a common global focus, make more efficient use of available resources and establish a shared set of ambitions.

Some of the topics included:

1. Cyber Security Policy and Strategy;
2. National Cyber Security Assessments;
3. Incident Management and Infrastructure Protection;
4. Cybercrime;
5. Cyber Security Culture and Skills;
6. Cyber Security Standards;
7. Crosscutting Capacities.

Employment Statistics

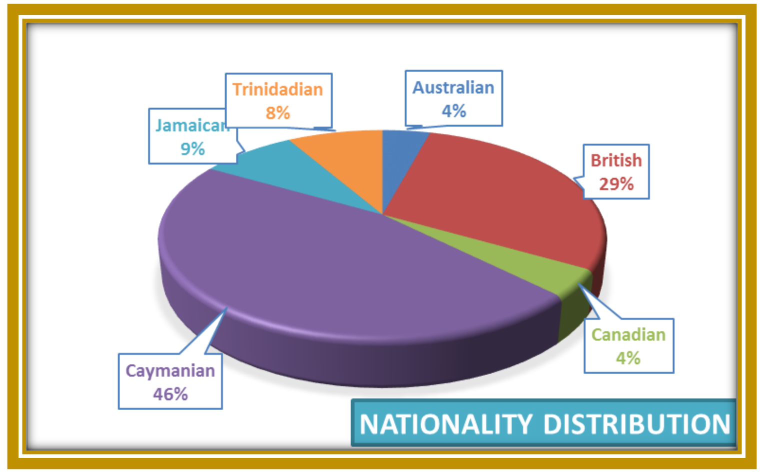
The DPP had 23 staff members as at 31st, December 2017. Of this number 46 percent (11) were Caymanian, 29 percent (7) were British Nationals and 9 percent (2) were Jamaicans. The remaining staff complement consisted of 2 persons from Trinidad & Tobago, 1 person from Australia and 1 person from Canada.

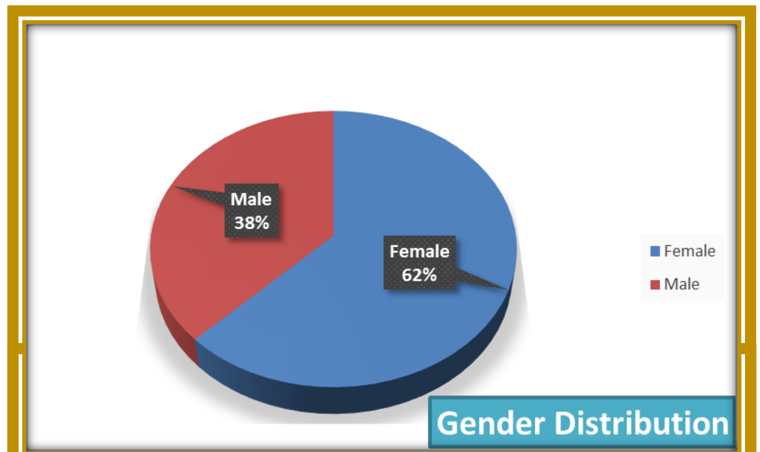
Females account for 62% of the DPP's staff at the close of the fiscal period under review. This ratio is consistent with other areas of legal specialization in the Civil Service which are likewise dominated by females.

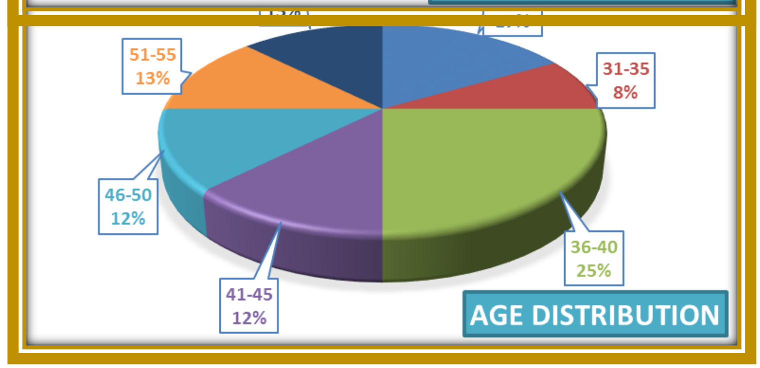
The Office employed 9 males and 15 females at the close of the fiscal year.

Of the 24 staff, the largest age group were 36 – 40-year old's which accounted for 25% of the staffing complement. 17 percent were between the ages of 19 and 30, 8 percent were between 31 and 35, other age categories were fairly balanced at 12% each except for the afore mentioned 36-40 age group.

The Office had one staff member under the age of 20 and one person over the age of 60. This is a desirable balance within the Civil Service as it enables effective succession planning and the ability for grooming and mentorship of younger staff from those who are more experienced.

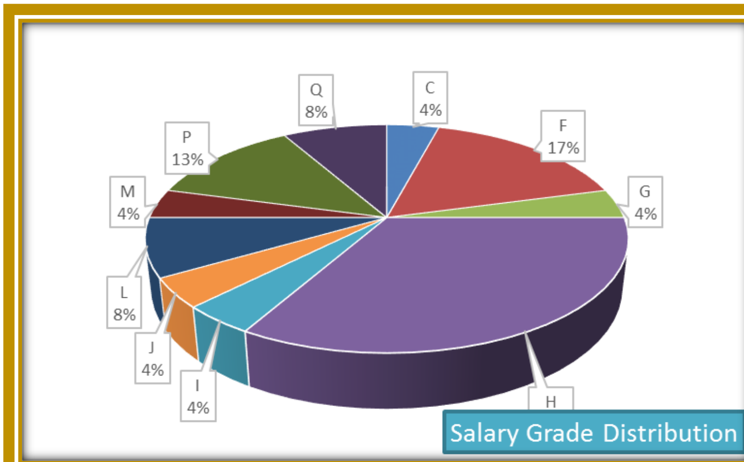






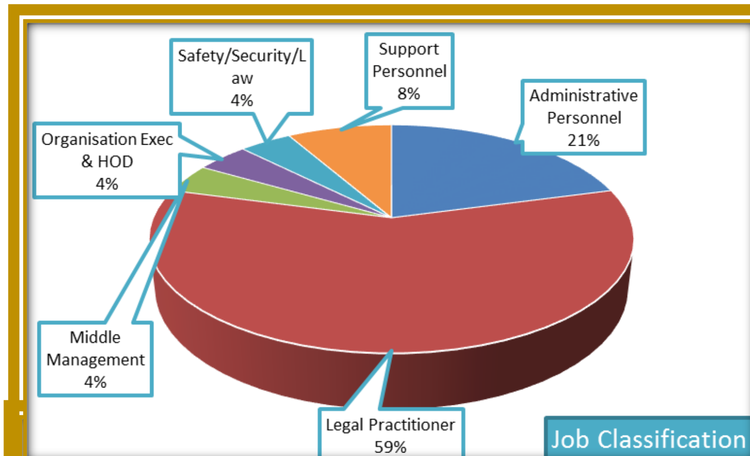
The "H" Grade on the Government's salary scale ranges from \$6,020 to \$8,098 per month. 34 percent (8) of the total staff in the DPP (mainly Crown Counsel) were on salary grade "H" as at 31st December 2017.

The DPP had four individuals (18 percent) who were compensated on the "F" Grade which attracts a monthly salary ranging from \$7,666 - \$9,575. The Highest salary grade paid in the Office was on Grade "C" and the lowest was on Grade "Q".



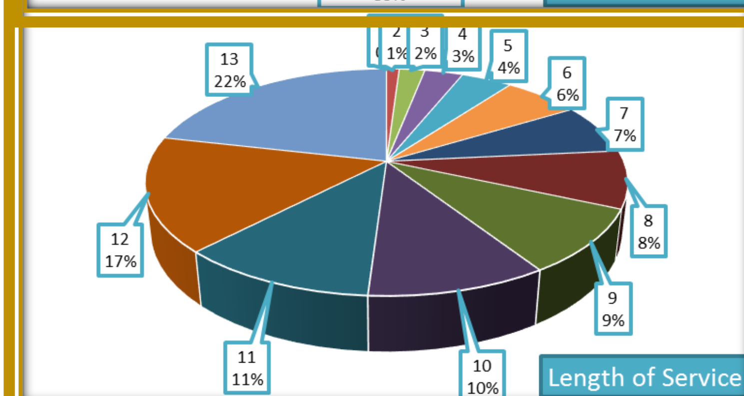
Of the total staff, 59 percent (14) were classified as Legal Practitioners, 21 percent (5) were classified as Administrative Personnel, and 8 percent (2) were classified as Support Personnel.

The preceding three categories accounted for 88 percent of the Office's staff. The remaining 12 percent consisted of security personnel, and those considered as Organization Executives or Middle Management.



The DPP was formally established with the Cayman Islands 2009 Constitution Order. A number of staff in the Office transferred from other areas of the Civil Service (mainly the Portfolio of Legal Affairs) when the Office was created.

As a relatively new entity, the average tenure for staff at the DPP is 7.5 years. 54 percent has served for less than 5 years while 29 percent has been with the Civil Service between 5 and 10 years. The longest serving staff member has been with the Civil Service for 21 years.

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Financial Overview

Financial Performance - The DPP achieved a net operating surplus of $418,000 for the fiscal period ended 31st, December 2017. The Office budgets to achieve a break-even position for each fiscal period; however, savings during the period in personnel costs, supplies and consumables and reduced litigation costs resulted in lower than expected expenses for the period.

Revenue and expense trends over the five-year period shown below is directly linked to additional funding aimed at enhancing the DPP's case management capability and reducing court delays. The 2016-17 years covers 18 months and is not comparable to the preceding 4 years.

The DPP's services are largely demand driven and its resource needs are often dependent on the number and complexities of cases presented for prosecution. The Office budgeted approximately $3.4 million for personnel costs in 2016-17; actual for the year was $3.2 million representing a savings of $0.2 million. Savings were also achieved in supplies and consumables ($0.2 million) and Litigation Cost ($53K).

Financial Position – Total Assets as at 31st December 2017 was $1,118,000; this amount increased due to a recorded surplus of $418K for the fiscal period.

Total liabilities at the Balance Sheet date were $742,000. This is an increase of $373,000 from the previous year.

The Office had $941,000 in total current assets and $742,000 in total current liabilities at the close of the period under review. These balances are significant as they indicate the DPP's ability to settle its current liabilities in a timely manner.

Surpluses generated by the DPP are returned to Cabinet unless special permission is received from the Ministry of Finance to retain them. The Net Asset position for 2016-17 therefore remained static at $376,000.

Statement of Cash Flows – The Office generated $530,000 in operating cash flows during the period under review. This positive cash flow was partially consumed by an investment of $64,000 in the purchase of property plant and equipment.

The combined effect of the above resulted in a net increase of $362,000 in cash for the fiscal year.

Expressed in Cayman Islands Dollars and in thousands

Five-year financial summary	2016-17	2015-16	2014-15	2013-14	2012-13
Total Revenue	4,748	3,032	2,921	2,742	2,741
Total Expenses	4,330	3,027	2,904	2,660	2,560
Net results	418	5	17	82	181
Cash Flow from Operations	530	16	32	112	(253)
Total Assets	1,118	745	745	916	886
Total Liabilities	742	369	369	540	547

Personnel Costs includes salaries, wages and allowances for staff and account for approximately 74% of the total operating cost for the DPP. The results of the periods shown are not comparable as 2016-17 is an 18 month period and the other 3 year shown consist of 12 months each. The 18-month period is to facilitate a change in fiscal year.

Supplies and Consumables Largely consist of lease costs, purchase of services and supplies and materials.

Depreciation Expense represents the wearing out of property, plant and equipment over time.

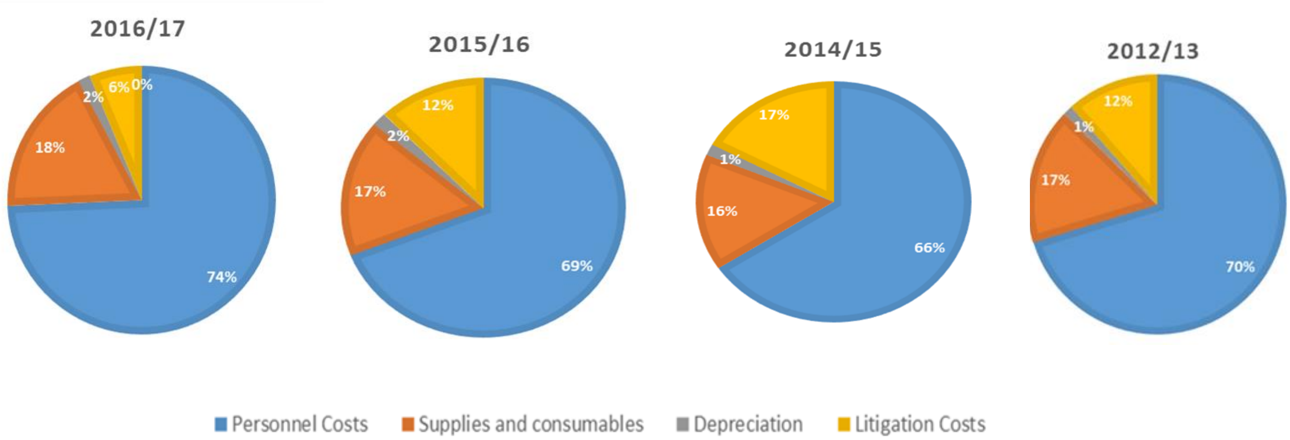
The amount shown is consistent with comparable periods after adjusting for 18-month effect.

Litigation Costs was $53K lower than budgeted. This is largely the result of key positions being filled and a resultant decrease in the fees paid for external professionals.

Overall, expenses for the DPP was $417K lower than 2016-17 budget allowed. This reflects prudent management and fiscal restraint in the delivery of services.

Expressed in Cayman Islands dollars and in thousands

Five-year Operating Expenditures	2016/17	2015/16	2014/15	2013/14	2012/13
Personnel Costs	3,218	2,093	1,908	1,877	1,799
Supplies and consumables and Leases	703	517	453	445	434
Depreciation	63	50	45	41	31
Litigation Costs	347	370	496	296	294
Gain on foreign exchange transactions	(1)	(3)	-	-	-
Total	**4,330**	**3,027**	**2,902**	**2,659**	**2,558**



OFFICE OF
THE DIRECTOR OF
PUBLIC PROSECUTIONS
CAYMAN ISLANDS

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Cayman Islands

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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the provisions of the *Public Management and Finance Law (2017 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 (2017 Revision)*.

As Director of Public Prosecutions I am responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Office of the Director of Public Prosecutions.

As Director of Public Prosecutions and Chief Financial Officer we are responsible for the preparation of the Office of the Director of Public Prosecutions financial statements, representation and judgments made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows of the Office of the Director of Public Prosecutions for the 18 month period ended 31 December 2017.

To the best of our knowledge we represent that these financial statements:
(a) completely and reliably reflect the financial transactions of Office of the Director of Public Prosecutions for the 18 month period ended 31 December 2017;
(b) fairly reflect the financial position as at 31 December 2017 and performance for the 18 month period ended 31 December 2017; and
(c) comply with International Public Sector Accounting Standards as set out by the International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants.

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

Director of Public Prosecutions	Chief Financial Officer
Date: 30 April 2018	Date: 30 April 2018

Office of the Auditor General
CAYMAN ISLANDS

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Auditor General's Report

To the Director of Public Prosecutions and the Members of the Legislative Assembly

Opinion

I have audited the financial statements of the Office of the Director of Public Prosecutions ("DPP"), which comprise the statement of financial position as at 31 December 2017, the statements of financial performance, changes in net assets/equity and cash flows for the period from 1 July 2016 to 31 December 2017, and notes, comprising significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Office of the Director of Public Prosecutions as at 31 December 2017, and its financial performance and its cash flows for the period from 1 July 2016 to 31 December 2017 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the DPP in accordance with International Ethics Standards Board for Accountants Code of Ethics for Processional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. In rendering my audit opinion on the financial statements of the DPP, I have relied on the work carried out on my behalf by a public accounting firm that performed its work in accordance with International Standards on Auditing.

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

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

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

Those charge with governance are responsible for overseeing the DPP's financial reporting process.

AUDITOR GENERAL'S REPORT (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

I have undertaken the audit in accordance with the provisions of Section 60(1)(a)(ii) of the *Public Management and Finance Law (2017 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Sue Winspear, CPFA
Auditor General

30 April 2018
Cayman Islands

Statement of Financial Position

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)					
Current Assets					
Cash and cash equivalents	**3,16**	642	218	(424)	280
Receivables from exchange transactions	**4,17**	281	264	(17)	253
Other receivables	**4**	7	-	(7)	28
Prepayments		11	12	1	8
Total Current Assets		**941**	**494**	**(447)**	**569**
Non-Current Assets					
Property, plant and equipment	**5,16**	177	122	(55)	176
Total Non-Current Assets		**177**	**122**	**(55)**	**176**
Total Assets		**1,118**	**616**	**(502)**	**745**
Current Liabilities					
Trade Payables	**6**	-	15	15	-
Accruals and other liabilities	**6,16**	269	140	(129)	124
Employee entitlements	**8**	55	75	20	141
Surplus payable	**7,16,17**	418	-	(418)	104
Total Current Liabilities		**742**	**230**	**(512)**	**369**
Total Liabilities		**742**	**230**	**(512)**	**369**
Net Assets		**376**	**386**	**10**	**376**
Equity					
Contributed Capital		376	386	10	376
Total net assets/equity		**376**	**386**	**10**	**376**

The accounting policies and notes on pages 45-63 form part of these financial statements.

Statement of Financial Performance

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2017

	Note	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)					
Revenue					
Sales of goods and services	**10,17**	4,748	4,747	(1)	3,031
Sales of outputs to others		-	-	-	1
Total Revenue		**4,748**	**4,747**	**(1)**	**3,032**
Expenses					
Personnel costs	**11,16**	3,218	3,398	180	2,093
Supplies and consumables	**12,16**	409	587	178	340
Leases	**13**	294	294	-	177
Depreciation	**5**	63	68	5	50
Litigation costs and professional fees	**16**	347	400	53	370
Gains/(losses) on financial instruments		(1)	-	1	(3)
Total Expenses		**4,330**	**4,747**	**417**	**3,027**
Surplus or (Deficit) for the period		**418**	**-**	**(418)**	**5**

The accounting policies and notes on pages 45-63 form part of these financial statements.

Statement of Changes in Net Assets/ Equity

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2017

	Contributed Capital	Accumulated Surplus	Total Net Assets/ Equity	Approved Budget	Variance (Budget vs. Actual)
(expressed in Cayman Islands dollars and in thousands)					
Balance at 1 July 2015	376	-	376	376	-
Equity investment from Cabinet	-	-	-	-	-
Surplus for the year (2015/16)	-	5	5	-	(5)
Surplus Repayment for the year (2015/2016)	-	(5)	(5)	-	5
Balance at 30 June 2016	**376**	**-**	**376**	**376**	**-**
Balance at 1 July 2016	**376**	**-**	**376**	**376**	**-**
Equity investment from Cabinet	-	-	-	10	10
Surplus for the period (2016/17)	-	418	418	-	(418)
Surplus Repayment for the period (2016/2017)	-	(418)	(418)	-	418
Balance at 31 December 2017	**376**	**-**	**376**	**386**	**10**

The accounting policies and notes on pages 45-63 form part of these financial statements.

Statement of Cash Flows

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT OF CASH FLOWS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2017

	Note	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)					
Cash flows managed on behalf of Cabinet					
Operating Activities					
Cash received					
Sale of goods and services - third party		-	-	-	1
Sale of goods and services to Cabinet		4,720	4,736	16	3,021
Total cash received		**4,720**	**4,736**	**16**	**3,022**
Cash used					
Personnel costs		(3,304)	(3,408)	(104)	(2,058)
Supplies and consumables		(886)	(1,267)	(381)	(948)
Net cash flows from operating activities	**14**	**530**	**61**	**(469)**	**16**
Investing Activities					
Cash used					
Purchase of property, plant, and equipment	**5**	(64)	(10)	54	(38)
Net cash flow used by investing activities		**(64)**	**(10)**	**54**	**(38)**
Financing Activities					
Cash received					
Payment of Surplus	**17**	(104)	-	104	-
Equity injections from Cabinet		-	10	10	-
Net cash flows used by financing activities		**(104)**	**10**	**114**	**-**
Net Increase/(decrease) in cash and cash equivalents held		362	61	(301)	(22)
Cash and cash equivalents at beginning of period		280	157	(123)	302
Cash and cash equivalents at the end of the period		**642**	**218**	**(424)**	**280**

The accounting policies and notes on pages 45-63 form part of these financial statements.

Notes to the Financial Statements

For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Description and principal activities

The Office of the Director of Public Prosecutions ("DPP") is a Government-owned entity as defined by section 2 of the *Public Management and Finance Law (2017 Revision)* and is domiciled in the Cayman Islands.

The Cayman Islands Constitution Order 2009 (s.57) for the first time created the independent office of the Director of Public Prosecutions. The primary function under this office is to institute and undertake criminal proceedings in the Cayman Islands courts, a function that was previously ascribed to the Attorney General.

The appointment of the Director of Public Prosecution took effect on May 1, 2011. This appointment formally brought into force the constitutional role of the Director of Public Prosecution. As a result, the Office of the Director of Public Prosecution is in its own right a civil service entity recognized under both the *Public Management and Finance Law (2017 Revision)* and the *Public Service Management Law (2013 Revision)*.

The principal address of the DPP is located on the third floor, Bermuda House, Dr. Roy's Drive, George Town, Grand Cayman. As of 31 December 2017 the DPP had 23 employees (2016: 22).

Note 2: Significant Accounting Policies

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. There have been no significant changes to the accounting policies during the period ended 31 December 2017.

New accounting pronouncements

IPSAS 39, *Employee Benefits*, effective for annual periods beginning on or after January 1, 2018 with earlier application encouraged, seeks to converge the IPSASB guidance with the updated IAS 19 *Employee Benefits*, to the extent appropriate for the public sector. The extent of the impact of adoption of amendments to IPSAS 39 has not yet been determined.

Notes to the Financial Statements

For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 2: Significant Accounting Policies (continued)

(a) Basis of Preparation

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

(b) Reporting period

The Public Management and Finance (Amendment) Law, 2015 section 2(c) was passed on 15 October 2015 to reflect a change in the annual reporting date from 30 June to 31 December. The reporting period is for the 18 months commencing 1 July 2016 and ending 31 December 2017.

In changing the annual reporting date the entity underwent an 18 month transition period. The prior year amounts presented in the financial statements is for a 12 month period and therefore is not entirely comparable to the current period actuals for the 18 month period. IPSAS 1 (66) allows for the financial statements to be presented for a period longer or shorter than one year when an entity's reporting date changes.

(c) Budget amounts

The 2016/17 approved budget amounts were prepared using the accrual basis of accounting and the accounting policies have been consistently applied with the actual financial statement presentation. The 2016/17 budget was presented in the 2016/2017 Annual Budget Statement of the Government of the Cayman Islands and approved by the Legislative Assembly on 24 June 2016. There have been no subsequent adjustments to the approved budget and therefore this represents the final budgeted amounts.

(d) Judgments and estimates

The preparation of financial statements in accordance with International Public Sector Accounting Standards that requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The account balances that require judgement are receivables from exchange transactions, property and equipment, trade payables and accruals and other liabilities. Actual results may differ from these estimates.

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

Notes to the Financial Statements

For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 2: Significant Accounting Policies (continued)

(e) Revenue

Revenue is recognized in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is deferred as a liability until it is earned.

The DPP derives its revenue through the provision of services to Cabinet, to other agencies in the Government of the Cayman Islands (the "Government") and to third parties. Revenue is recognized at the fair value of services provided.

(f) Expenses

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

(g) Operating leases

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

(h) Cash and cash equivalents

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

(i) Prepayments

The portion of goods and services paid in advance of receiving such goods and services has been recognized as a prepayment.

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 2: Significant Accounting Policies (continued)

(j) Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation. Items of property and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the statement of financial performance in the period in which the asset is acquired.

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

Asset Type	Estimated useful life
Leasehold improvements	5-10 years
Office equipment and furniture	3- 10 years
Library books	3- 10 years

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

Disposals

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

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 2: Significant accounting policies (continued)

(k) Employee benefits

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

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

(l) Financial instruments

The DPP is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, receivables from exchange transactions, other receivables, trade payables accruals and other liabilities, employee entitlements and surplus payable, all of which are recognized in the statement of financial position.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents, receivables from exchange transactions and other 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 trade payables, accruals and other liabilities, employee entitlements and surplus payable.

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 2: Significant accounting policies (continued)

Recognition

The DPP recognizes 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 recognized in the statement of financial performance.

Measurement

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

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

De-recognition

A financial asset is derecognised when the DPP realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or has expired.

(m) Provisions and contingencies

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

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

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 2: Significant accounting policies (continued)

(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 recognized in the statement of financial performance.

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

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

(o) Comparative figures

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

(p) Revenue from non-exchange transactions

The DPP receives various services from other Government entities for which payment is made by the Government. These services include but are not limited to computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. Refer to note 9 for further disclosures on non-exchange transactions.

(q) Impairment

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

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 3: Cash and cash equivalents

As at 31 December 2017 the DPP held no restricted cash balances (30 June 2016: $0). No interest was earned during the period on the amounts held in these bank accounts (30 June 2016: $0).

Description	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Cash on Hand/ Petty Cash	1	1	-	1
Operational Current Account - KYD	636	179	(457)	266
Payroll Current Account - KYD	5	38	33	13
Cash and cash equivalents	**642**	**218**	**(424)**	**280**

Note 4: Receivables from exchange transactions and other receivables

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

Receivables from exchange transactions	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Sale of outputs to Cabinet	280	264	(16)	253
Outputs to other government agencies	1	-	(1)	-
Less: provision for doubtful debts	-	-	-	-
Net receivables from exchange transactions	**281**	**264**	**(17)**	**253**

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 4: Receivables from exchange transactions and other receivables (continued)

As of 31 December 2017, other receivables composed of:

Description	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Other	7	-	(7)	28
Less: provision for doubtful debts	-	-	-	-
Net Other Receivables	**7**	**-**	**(7)**	**28**

As at 31 December 2017, the ageing analysis of receivables from exchange transactions and other receivables are as follows:

	Receivables from Exchange Transactions	Other receivables	Impairment	Net Receivables	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)					
Current	281	-	-	281	281
Past due 1-30 days	-	-	-	-	-
Past due 31-60 days	-	-	-	-	-
Past due 61 and above	-	7	-	7	-
Total	**281**	**7**	**-**	**288**	**281**

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 5: Property and equipment

Cost of Property, Plant & Equipment

Cost of Property, Plant & Equipment

	Furniture and Fittings	Computer Hardware	Office Equipment	Other assets	Total Property Plant and Equipment
	(expressed in Cayman Islands dollars and in thousands)				
Balance as at 1 July 2015	17	-	48	251	316
Additions	-	-	-	38	38
Balance as at 30 June 2016	**17**	**-**	**48**	**289**	**354**

	Furniture and Fittings	Computer Hardware	Office Equipment	Other assets	Total Property Plant and Equipment
	(expressed in Cayman Islands dollars and in thousands)				
Balance as at 1 July 2016	17	-	48	289	354
Additions	1	14	16	33	64
Balance as at 31 December 2017	**18**	**14**	**64**	**322**	**418**

Accumulated Depreciation and impairment losses

	Furniture and Fittings	Computer Hardware	Office Equipment	Other assets	Total Property Plant and Equipment
	(expressed in Cayman Islands dollars and in thousands)				
Balance as at 1 July 2015	7	-	18	103	128
Depreciation Expense	2	-	8	40	50
Balance as at 30 June 2016	**9**	**-**	**26**	**143**	**178**

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 5: Property and equipment (continued)

	Furniture and Fittings	Computer Hardware	Office Equipment	Other assets	Total Property Plant and Equipment
(expressed in Cayman Islands dollars and in thousands)					
Balance as at 1 July 2016	9	-	26	143	178
Depreciation Expense	3	2	11	47	63
Balance as at 31 December 2017	**12**	**2**	**37**	**190**	**241**
Net Book value 30 June 2016	**8**	**-**	**22**	**146**	**176**
Net Book value 31 December 2017	**6**	**12**	**27**	**132**	**177**

As of 31 December 2017, other assets are composed of:

Description	2016-17 Cost	2016-17 Accumulated Depreciation	2016-17 Net Book Value	Prior Year Actual
(expressed in Cayman Islands dollars and in thousands)				
Library books	180	61	119	115
Leasehold improvements	142	129	13	31
Total other assets	**322**	**190**	**132**	**146**

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 6: Trade payables, accruals and other liabilities

Description	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Accrued Expenses	245	140	(105)	116
Creditors other Government Agencies	24	15	(9)	8
Total Trade Payables, Accruals and Other Liabilities	**269**	**155**	**(114)**	**124**

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

Note 7: Surplus payable

Surplus payable represents surplus of $418 thousand as at 31 December 2017 (2016: $104 thousand). Under the *Public Management & Finance Law (2017 Revision)* section 39 (3) (f), the DPP may "retain such part of its net operating surplus as is determined by the Financial Secretary". The DPP has recorded a surplus payable to the Government of the Cayman Islands in the amount of $418 thousand relating to the period ended 31 December 2017 (2016: $5 thousand). During the period, $104 thousand of surplus was paid to Cabinet by the DPP (2016:$0).

Note 8: Employee entitlements

Details	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Employee entitlements are represented by:				
Annual leave	55	-	(55)	141
Retirement and long service leave	-	75	75	-
Total employee entitlements	**55**	**75**	**20**	**141**

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

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 9: Revenue from non-exchange transactions

During the period ended 31 December 2017 DPP received various services from other Government entities for which payment is made by the Government. These services include but are not limited to computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. The DPP has designated these non-exchange transactions as Services in-Kind as defined under IPSAS 23- Revenue from Non-Exchange Transactions. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of a property and equipment, such service in-kind is recognized in the cost of property and equipment.

Note 10: Sales of goods and services

Description	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Sale of outputs to Cabinet	4,748	4,747	(1)	3,031
Other	-	-	-	1
Total Sales of Goods & Services	**4,748**	**4,747**	**(1)**	**3,032**

Note 11: Personnel costs

Description	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Salaries, wages and allowances	2,776	2,890	114	1,748
Health care	312	330	18	202
Pension	147	156	9	93
Leave	(35)	-	35	43
Other Personnel related costs	18	22	4	7
Total Personnel Costs	**3,218**	**3,398**	**180**	**2,093**

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 12: Supplies and consumables

Description	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Supplies and Materials	85	82	(3)	58
Purchase of services	166	150	(16)	202
Utilities	70	100	30	44
General Insurance	4	9	5	1
Travel and Subsistence	33	30	(3)	8
Recruitment & Training	22	42	20	27
Other	29	174	145	-
Total Supplies & Consumables	**409**	**587**	**178**	**340**

Note 13: Leases

Description	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Lease and Rent of Property and Sites	294	294	-	177
	294	**294**	**-**	**177**

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

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

Reconciliation of Surplus to Net Operating Cash	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Surplus/(deficit) from ordinary activities	418	-	(418)	5
Non-cash movements				
Depreciation	63	68	5	50
Changes in current assets and liabilities:				
Increase in receivables from exchange transactions	(28)	(12)	16	(10)
Decrease in other receivables	21	-	(21)	(26)
Increase in prepayments	(3)	-	3	2
Increase in accruals and other liabilities	145	15	(130)	(5)
Increase in employee entitlements	(86)	(10)	76	-
Net cash flows from operating activities	**530**	**61**	**(469)**	**16**

Note 15: Commitments

Type of Operating commitments	One year or less	One to five Years	Total	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Non-cancellable operating lease	177	648	825	153
Total Operating Commitments	**177**	**648**	**825**	**153**

The DPP has a medium to long-term operating lease for the premises it occupies in George Town. The lease is for 5 years and expires on 30 June 2022. The amounts disclosed above as future commitments are based on the current rental rates.

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 16: Explanation of major variances against budget

Explanations for major variances for the DPP performance against the budget are as follows:

Statement of financial position

Cash and cash equivalents

The $424 thousand increase in cash and cash equivalents in comparison to the budget can be substantially attributed to the fact that an unbudgeted surplus of $418 thousand was achieved. DPP usually invoices the Government for the actual revenue approved in the budget for the period. Actual expenses were lower than the revenue received, which was consistent with budgeted revenue.

Property and equipment

The increase in actual property and equipment of $55 thousand over budget is primarily due to the non-budgeted purchase of fixed assets. Refer to note 5 for additions of property and equipment during the period.

Accruals and other liabilities

The increase of $129 thousand from the budget is primarily due to legal costs for which invoices were submitted in December 2017 and settled after the year end.

Surplus payable

DPP has recorded a surplus for the year of $418 thousand (2016: $5 thousand). The DPP budget is prepared on breakeven basis hence the reason for the variance of $418 thousand.

Statement of financial performance

Personnel costs

Actual personnel costs are lower than budget by $180 thousand primarily because of the non-fulfillment of budgeted positions or filling at a later date than anticipated.

Supplies and consumables

The total supplies and consumables are $178 thousand under budget with varying fluctuations against budget within individual categories occurred.

The reductions were primarily due to decrease in witness expense of $113 thousand (this expense represent costs associated with expert advice and court appearances which would vary depending on the type and number of cases), recruitment and training of $20 thousand and utilities of $30 thousand. Refer to note 12 for further analysis.

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

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

Litigation costs and professional fees
Professional fees are budgeted as contingencies as all criminal prosecutions and would vary depending on the type and number of cases. This expense was $53 thousand lower than budgeted.

Note 17: Related party and key management personnel disclosures

Related party disclosure

The DPP is a wholly-owned entity of the Government of the Cayman Islands from which it derives a major source of its revenue. The DPP transact with other Government entities on a regular basis. These transactions were provided in-kind during the financial period ended 31 December 2017.

Statement of Financial Position	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Receivables from exchange transactions	281	264	(17)	253
Surplus payable	418	-	(418)	104
Surplus paid during the period	104	-	(104)	-

Statement of Financial Performance	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Sale of goods and services	4,748	4,747	(1)	3,031
Insurance Expense	4	9	5	1

Key management personnel

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

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 17: Related party and key management personnel disclosures (continuation)

Compensation to Key Management Personnel

For the period ended 31 December 2017 there is one full-time equivalent, and one part-time (2016: one full-time, and one part-time) personnel considered at the senior management level.

Total remuneration includes: regular salary, pension contribution, health insurance contribution and allowances. Total remuneration paid to key management personnel were as follows:

Description	Current Period (Gross)	Approved Budget	Variance (Budget vs. Actual)	30 June 2016 Actual
(expressed in Cayman Islands dollars and in thousands)				
Salaries & other short term employee benefits	316	261	(55)	179
Total Remuneration	**316**	**261**	**(55)**	**179**

There were no loans made to key management personnel or their close family members for the 18-month period ended 31 December 2017 (30 June 2016: $0).

Note 18: Financial instrument risks

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

Credit risks

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

The DPP is exposed to potential loss that would be incurred if the counterparty to the bank balances fails to discharge its obligation to repay. All bank balances are with one financial institution located in the Cayman Islands which management considers to be financially secure and well managed.

The DPP is also exposed to a significant concentration of credit risk in relation to its receivables from exchange transactions, of which a significant portion is due from other Government entities. No credit limits have been established. As at 31 December 2017 (30 June 2016: $0), no provision for doubtful debts has been made on these receivable as none of these accounts are impaired and management considers these debts to be recoverable in full.

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

Notes to the Financial Statements
For the 18 month period ended 31 December 2017
(expressed in Cayman Islands dollars)

Note 18: Financial instrument risks (continuation)

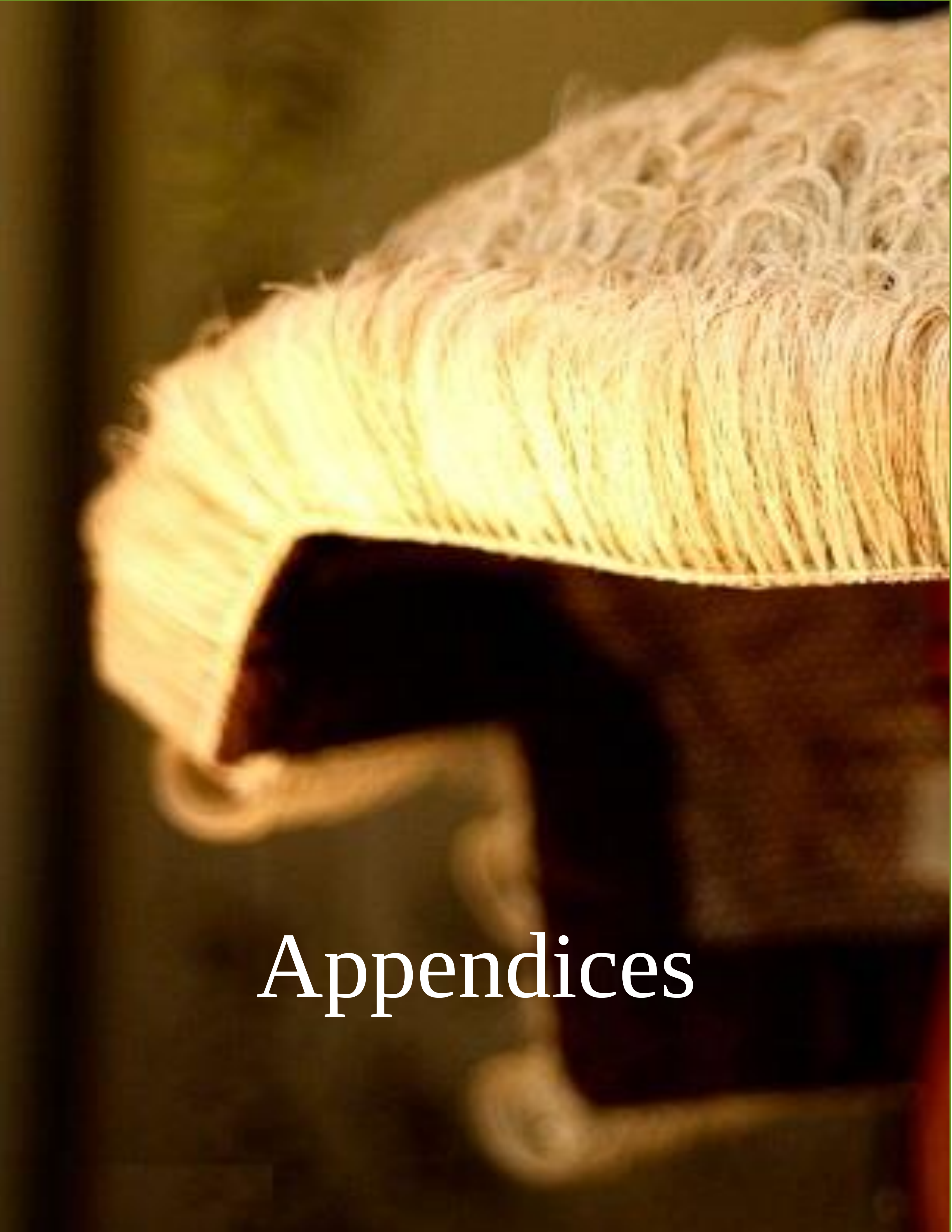
Liquidity risk
Liquidity risk is the risk that the DPP is unable to meet its payment obligations associated with its financial liabilities when they are due.

The ability of the DPP to meet its debts and obligation is dependent upon its ability to collect the debts outstanding to the DPP on a timely basis. In the event of being unable to collect its outstanding debts, it is expected that the Government would temporarily fund any shortfalls the DPP would have in its cash flows. As at 31 December 2017 and 30 June 2016, all of the financial liabilities were due within three months of the year end dates.

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

Note 19: Subsequent events

In preparing these financial statements management has evaluated and disclosed all material subsequent events up to 30 April 2018 which is the date that the financial statements were available to be issued.



Appendices

Governance and Risk Management

The DPP is subject to normal risks associated with most public agencies. For 2016-17 those risks include:

Human Capital Risks

- Loss or absence of key staff along with their expertise and experience;
- Uncompetitive compensation (in relation to the private sector); and
- Performance risks

Infrastructure Risks

- Physical and electronic/cyber security;
- Natural disasters including hurricanes, fires and other perils; and
- File storage and retrieval

Business Specific Risks

- Loss of records;
- Staff personal safety due to nature of work; and
- Conflicts of interest

The DPP effectively managed these risks during the 2016-17 fiscal year without material interruption to operations. Appropriate strategies will be developed to manage future risks as part of an overall risk management framework.

Internal and External Audit Updates

The 2015-16 Audit for the DPP was completed by the Office of the Auditor General on 31st October 2016. The Office received an Unqualified Opinion. That means the information presented in the Financial Statements for the 2015-16 Fiscal Year fairly represented the operating results for the period and the financial position as at 30th June 2016. The information can therefore be relied upon.

Number of FOI Requests

The Freedom of Information Law, 2007 (FOI Law) grants the public a general right to access records held by public authorities, subject to a number of limited exemptions which balance that right against the legitimate need for government to withhold some information.

Access to information promotes a culture of openness and accountability across the public sector, while enabling the public to understand how government works, why certain decisions are made, and how public funds are spent. The table below summarizes FOI activities for the DPP in 2016-17.

Ref	Date of request	Date of response	Records requested	Outcome
76219	24-Feb-2017	10-Mar-2017	Documents/materials relating to motor vehicle collision	Not in possession of DPP, except legal ruling which is exempt under s20(1)(c) FOI Law.
76819	23-Mar-2017	18-Apr-2017	Documents/materials relating to motor vehicle collision	No records found.
76968	10-May-2017	27-Jun-2017	Applicant sought to be provided with a copy of a legal ruling that did not authorise charges	Exempt under s20(1)(c) FOI.
78425	20-Jul-2017	10-Aug-2017	Materials relating to 2016 traffic related incident	Records exempt under s16(b)(ii) of the FOI Law 2015.
78483	3-Aug-2017	10-Aug-2017	Materials relating to 2016 traffic related incident	Records exempt under s16(b)(ii) of the FOI Law 2015.
78487	3-Aug-2017	28-Aug-2017	Materials relating to 2014 traffic related incident	Access granted, subject to redaction of personal information.
78421	24-Jul-2017	28-Aug-2017	Materials relating to 2013 traffic related incident	Access granted, subject to redaction of personal information.
78369	18-Aug- 2017	28-Aug-2017	Materials relating to 2014 traffic related incident	Records not in possession of DPP.
78708	24-Aug-2017	20-Sep- 2017	Legal ruling	Records exempt under s20(1)(c) of the FOI Law 2015.
79188	30-Aug-2017	9-Oct-2017	Materials relating to traffic matter	Records exempt under s16(b) of the FOI Law 2015.

Glossary of Abbreviations

CJA	Criminal Justice Advisor
CRTMG	Working Group on Risks, Trends, and Methods
DTOC	Department against Transnational Organised Crime
ICRG	International Cooperation Review Working Group
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
OAS	Organisation of American States
DPP	Office of the Director of Public Prosecutions
PMFL	Public Management and Finance Law
RCIPS	Royal Cayman Islands Police Service
RSS	Regional Security System

Salary Scales

Annual Salary Scale for Salaried Staff - Effective 1st July 2015

COLA 4%

Grade	Grade Band	PT 1	PT 2	PT 3	PT 4	PT 5	PT 6	PT 7	PT 8	PT 9	PT 10	PT 11	PT 12	PT 13
A	1366-1502	$166,428	$170,580	$174,864	$179,196	$183,696								
B	1185-1365	$158,400	$162,348	$166,428	$170,580	$174,852	$179,196							
C	1050-1184	$128,292	$131,520	$134,808	$138,168	$141,612	$145,164	$148,788						
D	870-1049	$109,932	$112,668	$115,488	$118,368	$121,320	$124,356	$127,476	$130,668					
E	775-869	$100,236	$102,756	$105,312	$107,952	$110,640	$113,400	$116,256	$119,148	$122,124				
F	614-774	$ 91,992	$ 94,296	$ 96,660	$ 99,072	$101,568	$104,100	$106,692	$109,356	$112,080	$114,900			
G	534-613	$ 80,832	$ 82,848	$ 84,936	$ 87,048	$ 89,208	$ 91,476	$ 93,744	$ 96,084	$ 98,472	$100,956	$103,476	$106,056	$108,720
H	451-533	$ 72,240	$ 74,040	$ 75,912	$ 77,796	$ 79,752	$ 81,744	$ 83,784	$ 85,884	$ 88,020	$ 90,228	$ 92,484	$ 94,788	$ 97,176
I	371-450	$ 63,684	$ 65,280	$ 66,912	$ 68,580	$ 70,308	$ 72,048	$ 73,860	$ 75,696	$ 77,592	$ 79,524	$ 81,540	$ 83,556	$ 85,656
J	314-370	$ 55,560	$ 56,940	$ 58,368	$ 59,808	$ 61,308	$ 62,844	$ 64,428	$ 66,012	$ 67,668	$ 69,360	$ 71,088	$ 72,864	$ 74,712
K	289-313	$ 49,428	$ 50,844	$ 51,948	$ 53,244	$ 54,564	$ 55,932	$ 57,336	$ 58,752	$ 60,216	$ 61,740	$ 63,288	$ 64,848	$ 66,480
L	228-288	$ 44,268	$ 45,384	$ 46,512	$ 47,676	$ 48,876	$ 50,088	$ 51,348	$ 52,644	$ 53,928	$ 55,296	$ 56,676	$ 58,104	$ 59,544
M	192-227	$ 39,732	$ 40,716	$ 41,748	$ 42,780	$ 43,860	$ 44,964	$ 46,056	$ 47,208	$ 48,420	$ 49,632	$ 50,856	$ 52,140	$ 53,436
N	166-191	$ 35,916	$ 36,780	$ 37,704	$ 38,652	$ 39,600	$ 40,620	$ 41,628	$ 42,672	$ 43,716	$ 44,808	$ 45,948	$ 47,088	$ 48,276
O	135-165	$ 32,532	$ 33,360	$ 34,200	$ 35,028	$ 35,940	$ 36,792	$ 37,716	$ 38,676	$ 39,648	$ 40,644	$ 41,664	$ 42,708	$ 43,788
P	115-134	$ 29,436	$ 30,156	$ 30,924	$ 31,704	$ 32,484	$ 33,288	$ 34,152	$ 34,980	$ 35,844	$ 36,744	$ 37,668	$ 38,604	$ 39,564
Q	85-114	$ 26,292	$ 26,940	$ 27,624	$ 28,296	$ 29,016	$ 29,748	$ 30,492	$ 31,260	$ 32,040	$ 32,832	$ 33,648	$ 34,476	$ 35,364
R	Trainee	$ 18,492	$ 18,960	$ 19,452	$ 19,920	$ 20,424	$ 20,928	$ 21,456	$ 21,996	$ 22,524	$ 23,088	$ 23,664	$ 24,264	$ 24,876

Monthly Salary Scale for Salaried Staff

Grade	Grade Band	PT 1	PT 2	PT 3	PT 4	PT 5	PT 6	PT 7	PT 8	PT 9	PT 10	PT 11	PT 12	PT 13
A	1366-1502	$ 13,869	$ 14,215	$ 14,572	$ 14,933	$ 15,308								
B	1185-1365	$ 13,200	$ 13,529	$ 13,869	$ 14,215	$ 14,571	$ 14,933							
C	1050-1184	$ 10,691	$ 10,960	$ 11,234	$ 11,514	$ 11,801	$ 12,097	$ 12,399						
D	870-1049	$ 9,161	$ 9,389	$ 9,624	$ 9,864	$ 10,110	$ 10,363	$ 10,623	$ 10,889					
E	775-869	$ 8,353	$ 8,563	$ 8,776	$ 8,996	$ 9,220	$ 9,450	$ 9,688	$ 9,929	$ 10,177				
F	614-774	$ 7,666	$ 7,858	$ 8,055	$ 8,256	$ 8,464	$ 8,675	$ 8,891	$ 9,113	$ 9,340	$ 9,575			
G	534-613	$ 6,736	$ 6,904	$ 7,078	$ 7,254	$ 7,434	$ 7,623	$ 7,812	$ 8,007	$ 8,206	$ 8,413	$ 8,623	$ 8,838	$ 9,060
H	451-533	$ 6,020	$ 6,170	$ 6,326	$ 6,483	$ 6,646	$ 6,812	$ 6,982	$ 7,157	$ 7,335	$ 7,519	$ 7,707	$ 7,899	$ 8,098
I	371-450	$ 5,307	$ 5,440	$ 5,576	$ 5,715	$ 5,859	$ 6,004	$ 6,155	$ 6,308	$ 6,466	$ 6,627	$ 6,795	$ 6,963	$ 7,138
J	314-370	$ 4,630	$ 4,745	$ 4,864	$ 4,984	$ 5,109	$ 5,237	$ 5,369	$ 5,501	$ 5,639	$ 5,780	$ 5,924	$ 6,072	$ 6,226
K	289-313	$ 4,119	$ 4,237	$ 4,329	$ 4,437	$ 4,547	$ 4,661	$ 4,778	$ 4,896	$ 5,018	$ 5,145	$ 5,274	$ 5,404	$ 5,540
L	228-288	$ 3,689	$ 3,782	$ 3,876	$ 3,973	$ 4,073	$ 4,174	$ 4,279	$ 4,387	$ 4,494	$ 4,608	$ 4,723	$ 4,842	$ 4,962
M	192-227	$ 3,311	$ 3,393	$ 3,479	$ 3,565	$ 3,655	$ 3,747	$ 3,838	$ 3,934	$ 4,035	$ 4,136	$ 4,238	$ 4,345	$ 4,453
N	166-191	$ 2,993	$ 3,065	$ 3,142	$ 3,221	$ 3,300	$ 3,385	$ 3,469	$ 3,556	$ 3,643	$ 3,734	$ 3,829	$ 3,924	$ 4,023
O	135-165	$ 2,711	$ 2,780	$ 2,850	$ 2,919	$ 2,995	$ 3,066	$ 3,143	$ 3,223	$ 3,304	$ 3,387	$ 3,472	$ 3,559	$ 3,649
P	115-134	$ 2,453	$ 2,513	$ 2,577	$ 2,642	$ 2,707	$ 2,774	$ 2,846	$ 2,915	$ 2,987	$ 3,062	$ 3,139	$ 3,217	$ 3,297
Q	85-114	$ 2,191	$ 2,245	$ 2,302	$ 2,358	$ 2,418	$ 2,479	$ 2,541	$ 2,605	$ 2,670	$ 2,736	$ 2,804	$ 2,873	$ 2,947
R	Trainee	$ 1,541	$ 1,580	$ 1,621	$ 1,660	$ 1,702	$ 1,744	$ 1,788	$ 1,833	$ 1,877	$ 1,924	$ 1,972	$ 2,022	$ 2,073

Notes

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ANNUAL REPORT
2016-2017

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