

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS



ANNUAL
REPORT
2018

Our Mission Statement

The Office of the Director of Public Prosecutions is committed to the prosecution of all criminal and traffic proceeding in a timely and efficient manner consistent with the interests of justice and to providing international legal assistance 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.

Office of the Director of Public Prosecutions

Cayman Financial Centre, Building 3, 2nd Floor, Bermuda House, Dr. Roy's Drive
P.O. Box 2328, Grand Cayman, KY1-1106, Cayman Islands
Tel: (345) 949-7712; Fax: (345) 949-7183
Website: www.dpp.gov.ky

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About This Report

2018 Annual Report

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 2018 fiscal year and compares it to the budgeted performance for the corresponding period.

The requirement for an Annual Report is prescribed under section 44 of the Public Management and Finance Law (2018 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 2018 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 2018 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.



Consistency



Impartiality



Integrity

Report Guide This report has been prepared in accordance with the requirements stipulated in the Public Management and Finance Law (2018 Revision) for Ministries and Portfolios.

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

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

Human Resources 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.

At A Glance

Financial Performance Measures	2018 Target	2018 Actual
Revenue from Cabinet	3,802,000	3,318,000
Revenue from ministries, portfolios, statutory authorities, government companies	-	-
Revenue from others		
Total Revenue	3,802,000	3,318,000
Expenses	3,802,000	3,242,000
Surplus	-	76,000

Net-Worth	2018 Target	2018 Actual
Net Worth	416,000	388,000

Cash Performance	2018 Target	2018 Actual
Cash Flows from Operating activities	52,000	115,000
Cash Flows from Investing activities	(30,000)	(437,000)
Cash Flows from Financing activities	30,000	-
Change in cash balances	52,000	(322,000)

Financial Performance Ratios	2018 Target	2018 Actual
Current Assets: Current Liabilities	2.37:1	1.77:1
Total Assets: Total Liabilities	2.66:1	2.36:1

Human Capital Measures	2018 Target	2018 Actual
Total full Time Equivalent Staff Employed	24	24

Physical Capital Measures	2018 Target	2018 Actual
Value of total assets	666,000	674,000
Asset replacements: total assets	0.06	0.06
Book value: initial cost	0.38	0.38
Depreciation: cash flow on asset purchases	2.17	2.11

In 2018 our office
received

2,794

files for ruling

During the year
the Office

received **33**

Requests for
international
cooperation

We now have a

**Witness
Care
Suite**

Message from the Acting Director of Public Prosecutions

The year 2018 has brought about significant changes to personnel within the Office of the Director of Public Prosecutions, and there have also been important legislative changes which are likely to affect our workload.

The most significant change came towards the end of 2018, with the departure of Mme. Cheryll Richards QC, the first Director of Public Prosecutions of the Cayman Islands. The effects of the departure of Mme. Richards, to join the ranks of the Justices of the Grand Court, will be felt in the Office for some time. Her steadfast commitment to the work of this Office, and her dedication to all of our staff members, will be remembered for many years to come.

The year 2018 also brought about further changes in personnel. Ms. Candia James was promoted from Senior Crown Counsel to the newly-created position of Assistant Director of Public Prosecutions, and has also been appointed as the first Director of the Justice Protection Administrative Centre.

Preparations also continued towards the establishment of our Witness Care Unit, under the stewardship of the Assistant Director. We hope that these developments will improve the experience of those witnesses called to give evidence in the more serious cases which are brought before the Courts.

As 2018 unfolded, Ms Emma Hutchinson, Mr. Garcia Kelly and Ms. Kerri-Ann Gillies were recruited to join the ranks of Crown Counsel (replacing departing counsel), and several of our existing members of staff were promoted to more senior positions. Further details about our team of lawyers and administrative staff can be found elsewhere within this report.

As well as personnel changes affecting the Office, there have also been important changes

to some of the Laws relating to the prosecution of offences:

The Penal Code (Amendment) Law, 2018

This Law creates 8 new offences involving the mistreatment of children for sexual purposes, and provides for statutory minimum sentences for offences involving the abuse of a position of trust.

The Penal Code (Amendment) (No.2) Law, 2018

This Law repealed the somewhat antiquated offence of “watching and besetting” and replaced it with the offence of “stalking”. The legislation now covers a broader range of anti-social and intimidatory behaviour, and it also increases the maximum penalty on conviction for such offences.

The Evidence (Amendment) Law, 2018

This law has brought in, *inter alia*, a number of new provisions relating to the admissibility of hearsay evidence in criminal proceedings. As well as providing for a modernised approach to the admissibility of hearsay statements in criminal cases, it also provides for safeguards for Defendants in cases in which such evidence is admitted. We hope that these amendments will have a significant effect on the manner in which the evidence of reluctant witnesses is treated by the Courts, particularly in cases of domestic violence.

The Criminal Procedure Code (Amendment) Law, 2018

This Law provides for consistency between the procedures to be followed in the Summary Court and the Grand Court at the conclusion of the prosecution case. It also improves the mechanisms to provide for several linked cases to be dealt with by the same tribunal.

As well as the legislative changes outlined above, 2018 saw the establishment of a Specialist Domestic Violence Court to improve efficiencies in cases involving domestic abuse. Victims of such offences are often amongst the most vulnerable members of our community. These new measures are intended to increase the level of support to such victims, to reduce delay, and to promote consistency of treatment of those concerned. The establishment of this Court should give confidence to victims who might otherwise remain silent.

Since the amendment of the Penal Code in 2017 to include provisions relating to sexual harm prevention orders, a “sexual harm prevention team” has now been established, comprising Crown Counsel, representatives of the R.C.I.P.S., the Department of Community Rehabilitation, and H.M.P. Northward, which is focused on addressing the ongoing threat posed by sexual offenders. As a result, 5 sexual harm prevention orders were made by the Courts over the course of 2017 and 2018.

Our workload has not reduced in recent years, and these legislative changes are likely only to increase it. Statistics elsewhere in this report reflect the volume of cases with which we have dealt in the Summary Court, the Grand Court, and the Court of Appeal. Those statistics reflect our success in discharging our duties in a timely fashion, which in no small part is attributable to the leadership of Senior Crown Counsel Ms. Nicole Petit and Mr. Scott Wainwright, who have responsibility for the Grand Court and the Summary Court teams.

We anticipate that, with the establishment of further courthouse accommodation in the near future, the volume of cases with which we will be dealing on an annual basis is likely only to further increase.

Our International Co-operation Team, ably headed by Senior Crown Counsel Ms. Elisabeth Lees, has continued to ensure that the international mutual legal assistance

obligations of the Cayman Islands are properly fulfilled. We are particularly proud to note that Ms. Lees was appointed to become the legal assessor for the Fourth Round Mutual Evaluation Report of our regional colleagues in Bermuda.

I would like to take the opportunity to thank every single member of staff for their work over the course of 2018. It is a credit to our team that this Office has been able to continue to operate in a professional and conscientious manner, notwithstanding the series of changes which have taken place over the year. In particular, I would like to recognise the efforts of our dedicated team of administrative staff, whose steadfast support provides the foundation for the success of the whole team.

In 2019 this Office will continue diligently to discharge its duties under the Constitution (and other laws governing our advisory and prosecutorial functions), and we look forward to any further change which the coming years may bring. With such change can come the opportunity to adapt and strengthen, and we will strive to continue to do so as and when the opportunity arises.

Yours sincerely,

Patrick Moran
Acting Director of Public Prosecutions

A photograph of a modern building with a glass facade and blue accents, viewed from a low angle. A large white circle is overlaid on the image, containing the title and list.

1 Overview

- Organisational Structure
 - Organization Overview
- Highlights & Achievements
 - Legislative Changes
 - Developments
- International Matters



Organisational Structure



**Snr. Crown Counsel
(International)**

Crown Counsel 1

Crown Counsel

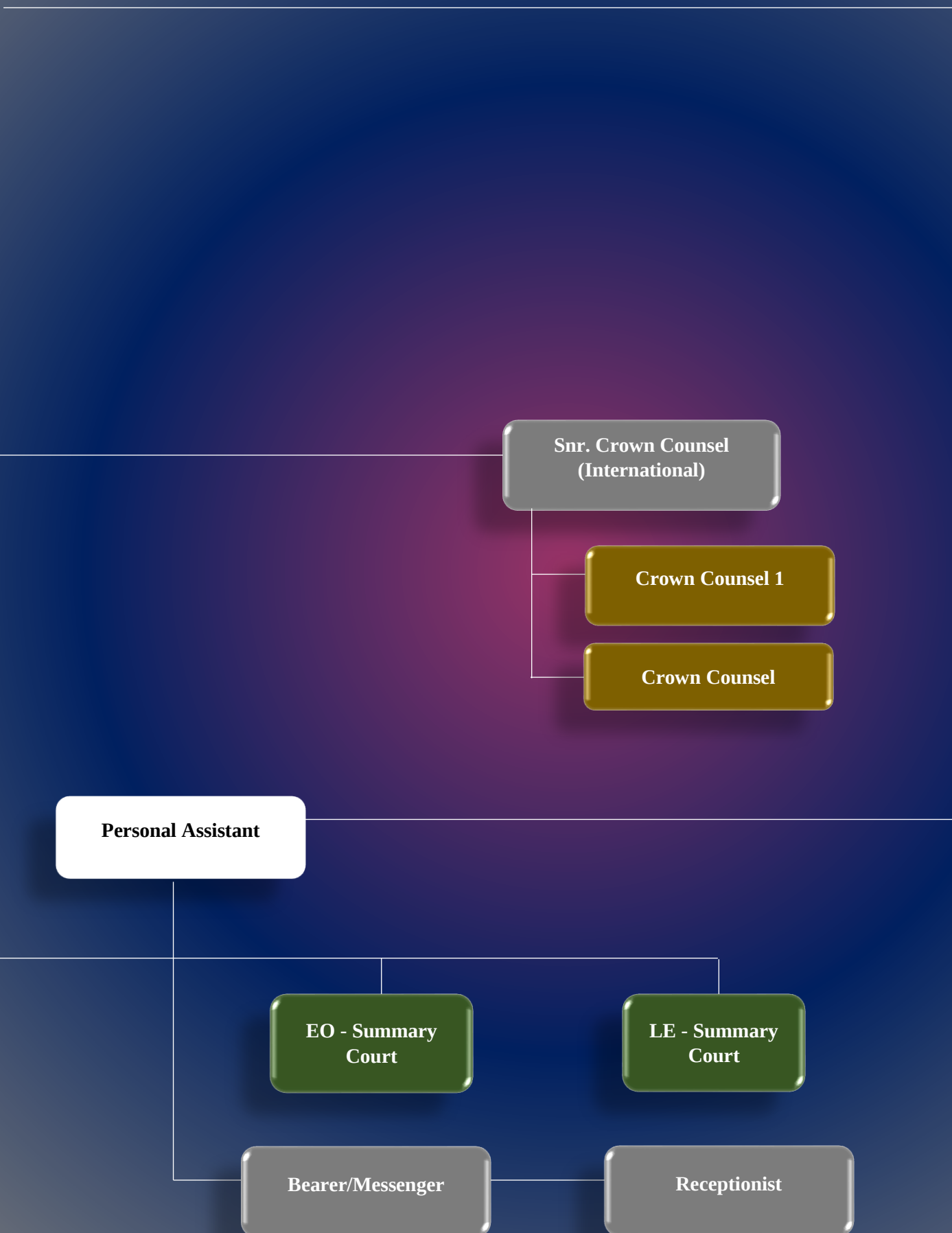
Personal Assistant

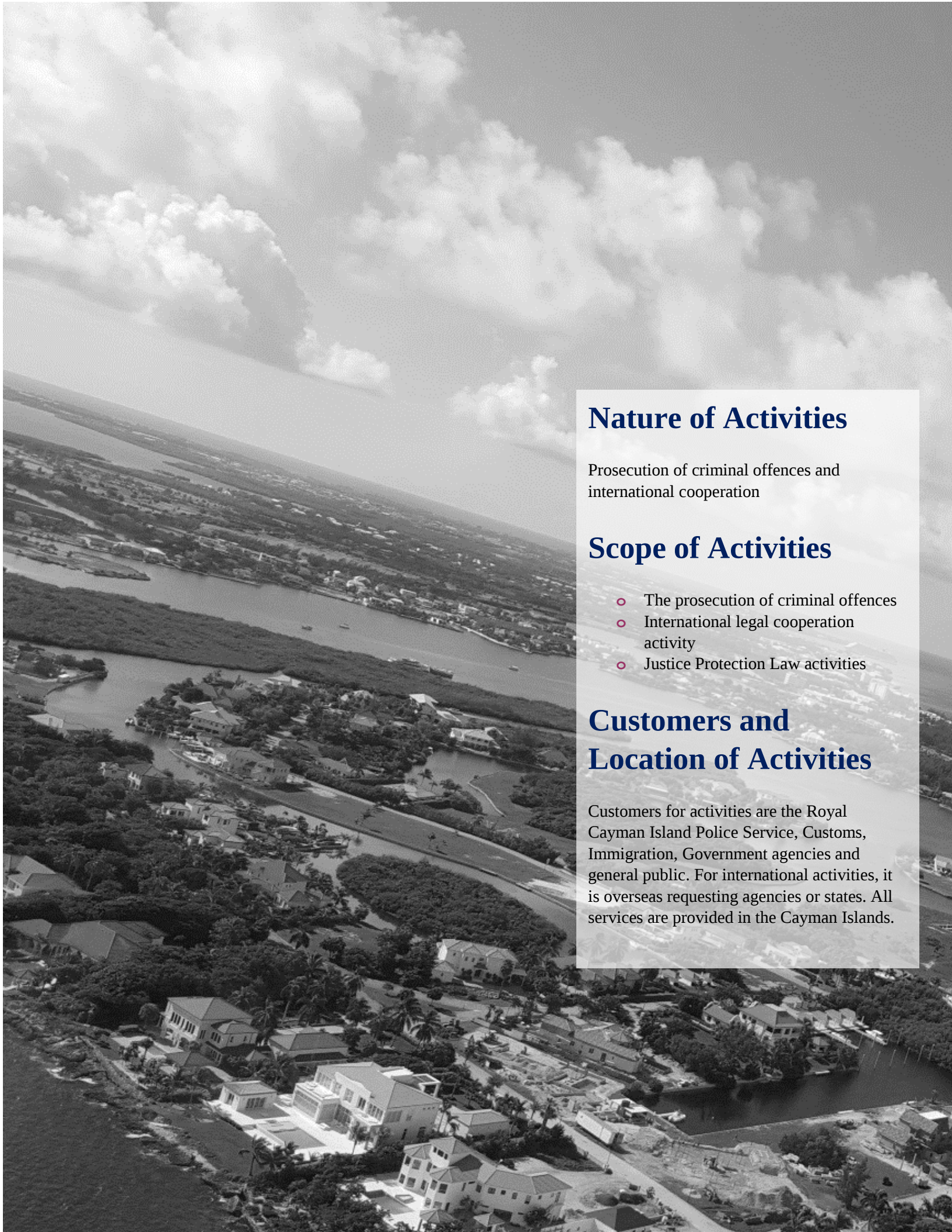
**EO - Summary
Court**

**LE - Summary
Court**

Bearer/Messenger

Receptionist



An aerial photograph of a coastal town, likely in the Cayman Islands. The foreground shows a large, modern building complex, possibly a government or institutional facility, surrounded by lush greenery and palm trees. A river or canal winds through the middle ground, with several small boats visible. The background shows a dense residential area with many houses and buildings, extending to the coastline. The sky is filled with large, white clouds.

Nature of Activities

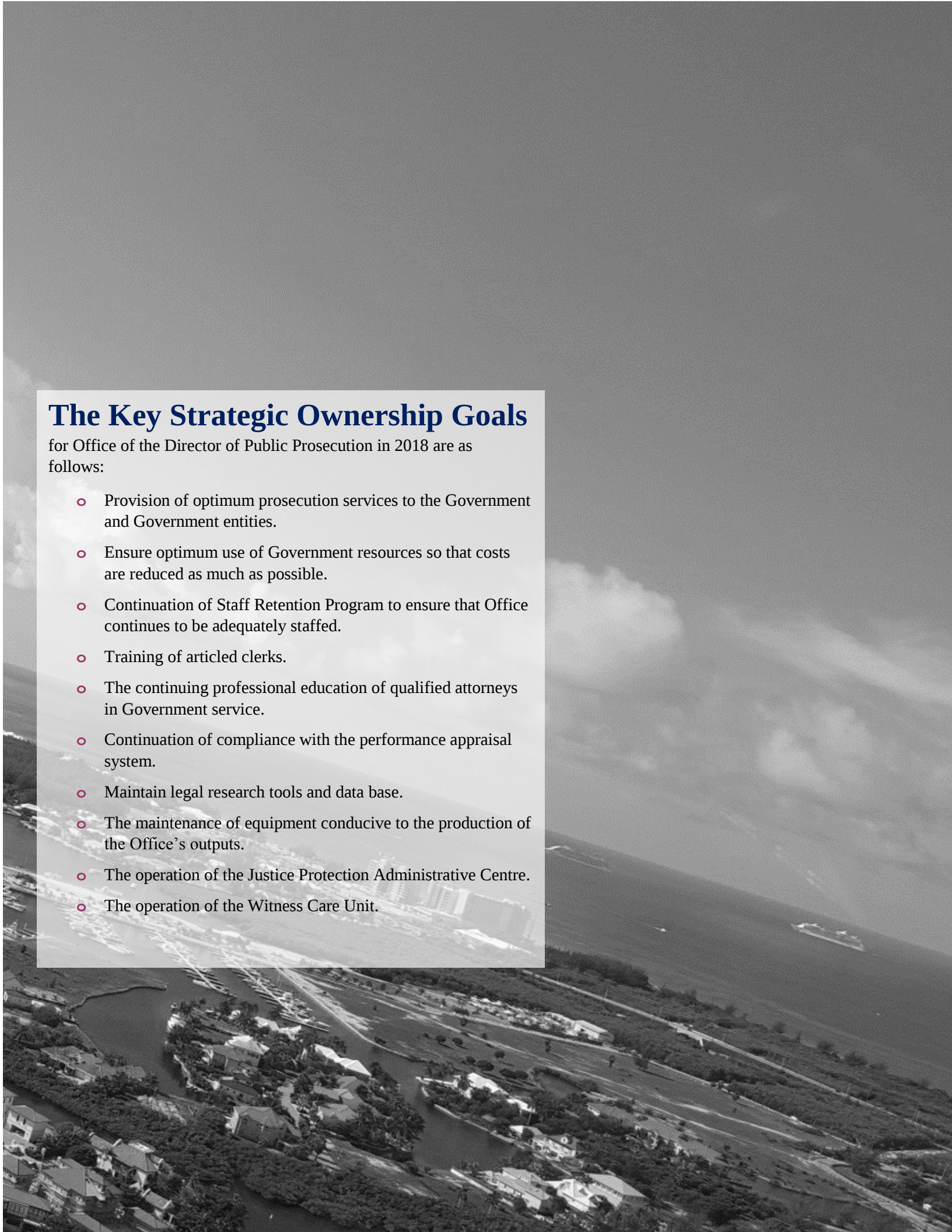
Prosecution of criminal offences and international cooperation

Scope of Activities

- The prosecution of criminal offences
- International legal cooperation activity
- Justice Protection Law activities

Customers and Location of Activities

Customers for activities are the Royal Cayman Island Police Service, Customs, Immigration, Government agencies and general public. For international activities, it is overseas requesting agencies or states. All services are provided in the Cayman Islands.



The Key Strategic Ownership Goals

for Office of the Director of Public Prosecution in 2018 are as follows:

- 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 Office continues to be adequately staffed.
- Training of articulated clerks.
- The continuing professional education of qualified attorneys in Government service.
- Continuation of compliance with the performance appraisal system.
- Maintain legal research tools and data base.
- The maintenance of equipment conducive to the production of the Office's outputs.
- The operation of the Justice Protection Administrative Centre.
- The operation of the Witness Care Unit.

Organization Overview

The position of Director of Public Prosecutions (DPP) was created by Section 57 of the Cayman Islands Constitution Order 2009. On the 1st of May, 2011, the Governor appointed former Solicitor General, Ms. Cheryll M. Richards QC, as the Island's first 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 DPP is also the Central Authority under the Criminal Justice International Co-operation Law.

The DPP is assisted by a Deputy Director, Assistant Director, three Senior Crown Counsel and ten Crown Counsel.

The ODPP is primarily responsible for the prosecution of criminal matters in the Traffic Court, Summary Court, Grand Court and Court of Appeal. Crown Counsel are responsible for ruling on all files submitted by the Royal Cayman Island 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 ODPP is also responsible for providing general legal advice to the RCIPS and other Government departments on criminal proceedings.

The ODPP also 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 Central Authority in respect of such matters.

The ODPP is committed to delivering the Government's overarching aims for the criminal justice system – to reduce crime, to dispense justice fairly and efficiently and to promote confidence in the rule of law.

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 offence 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 of herself or any other person or authority.**

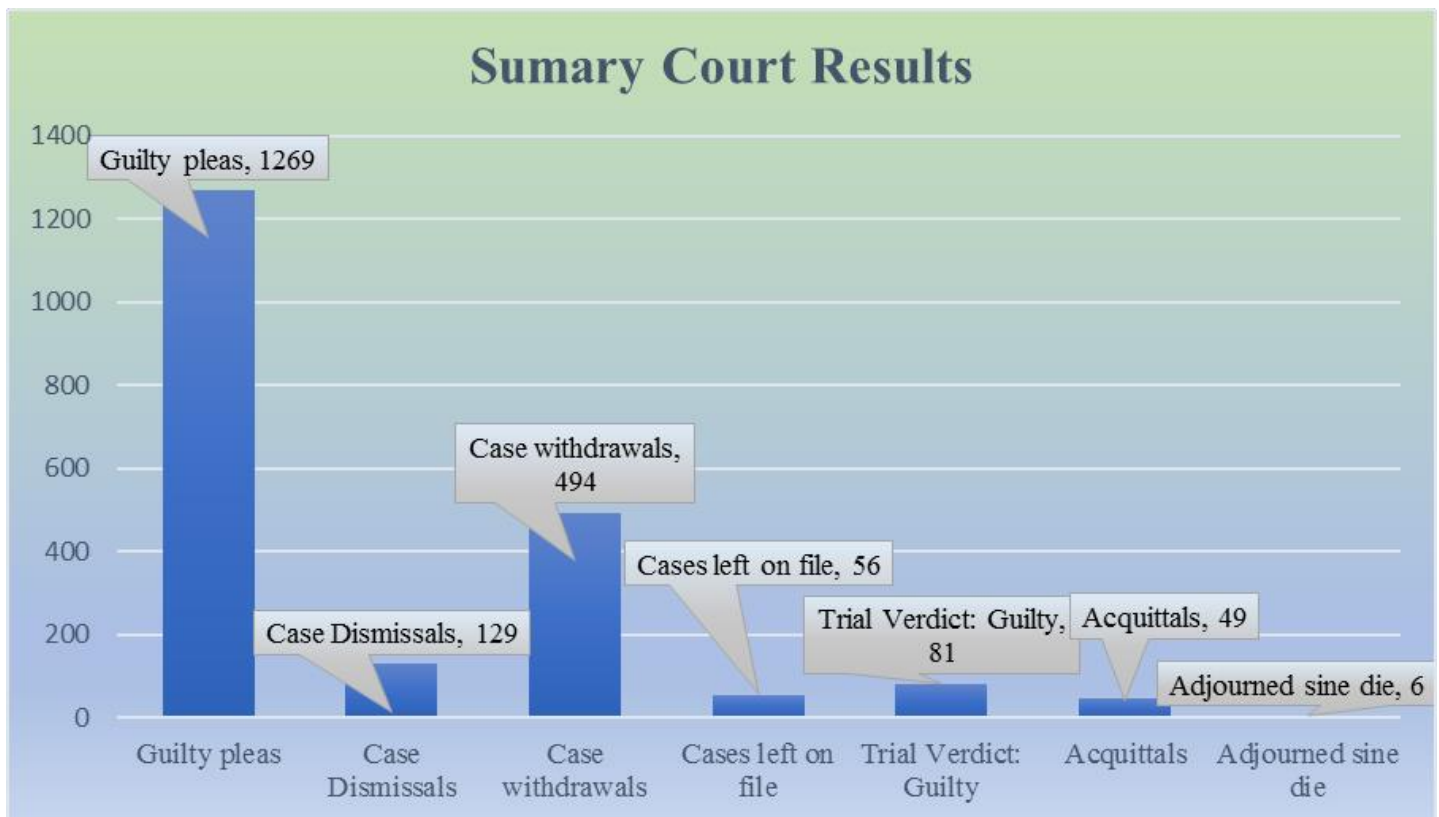
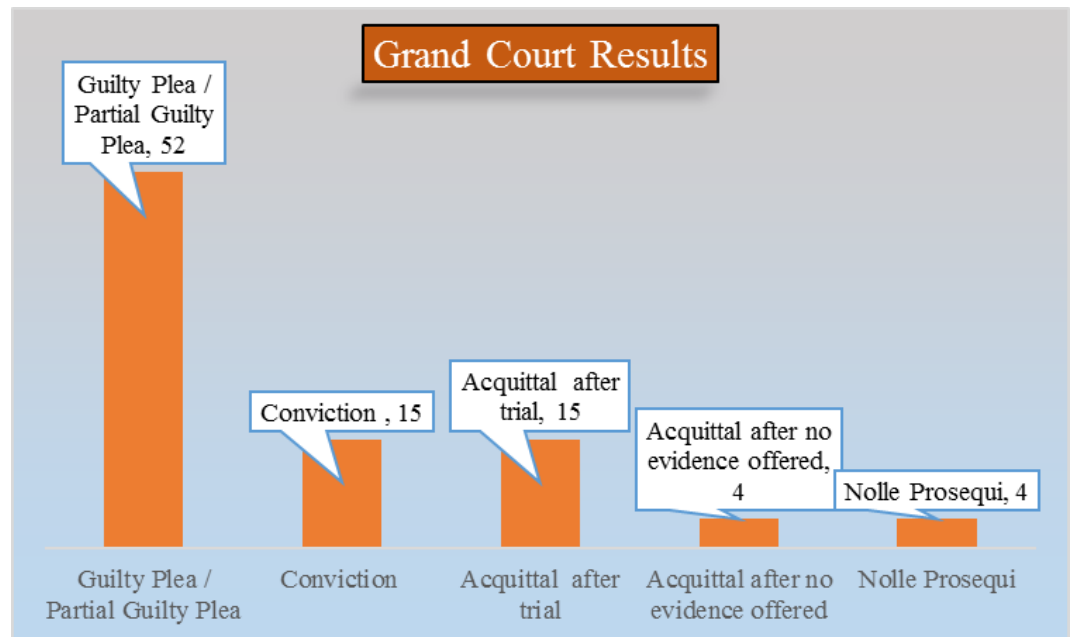
To discontinue at any stage before judgment is delivered any such criminal proceedings instituted or undertaken by himself of herself or any other person or authority



Highlights & Achievements

The ODPP serves as the Cayman Islands principal legal adviser on criminal proceedings, and is responsible for all criminal proceedings brought within the Cayman Islands. Proceedings are brought in the Summary Court, Grand Court and Court of Appeal.

2018 was an active year for work delivered by the ODPP in all three Courts.



Grand Court

Apart from when it sits as an appellate court from the lower courts or other tribunals (usually statutory, quasi-judicial), this court is a Superior Court of Record of First Instance, having unlimited jurisdiction in both criminal and civil matters. As such it exercises within the Cayman Islands similar jurisdiction as is vested in or capable of being exercised in England by Her Majesty's High Court of Justice and its divisional courts.

The office dealt with 90 matters in the Grand Court during 2018. Of these matters, 52 resulted in a guilty plea, and 15 persons were convicted after trial. The ratio of guilty pleas and convictions were the highest achieved by the Office since 2015.

Summary Court

All criminal cases start in the Summary Court, with more serious cases being committed to the Grand Court for trial on indictment. The Summary Court is empowered to impose sentences of up to four years' imprisonment, and in certain types of drug cases this power is extended to 20 years or, on second or subsequent convictions, 30 years.

In the Summary Court 65% of the cases handed resulted in guilty pleas or convictions after trial.

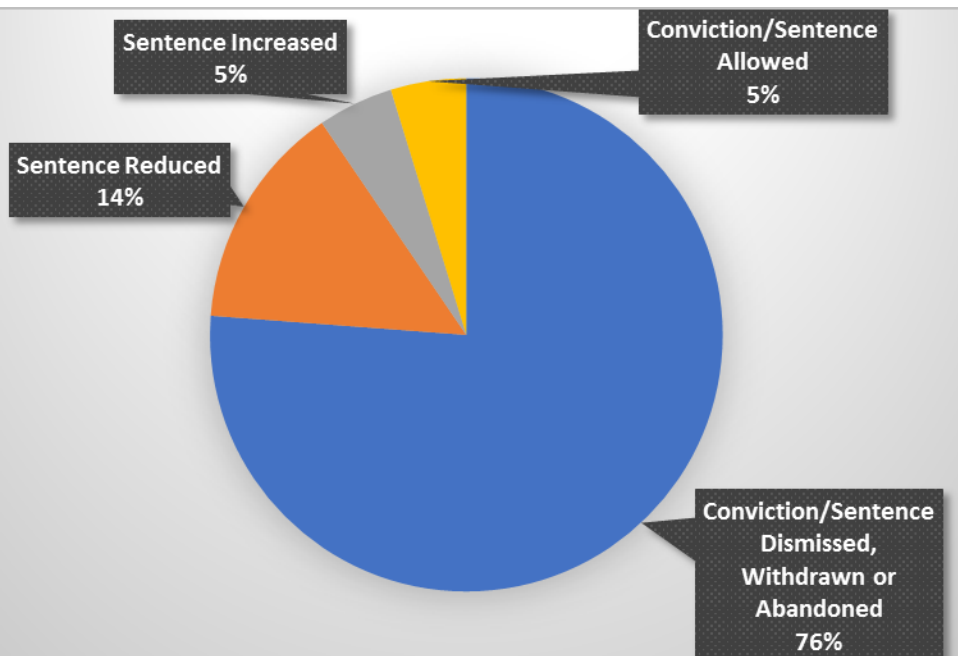
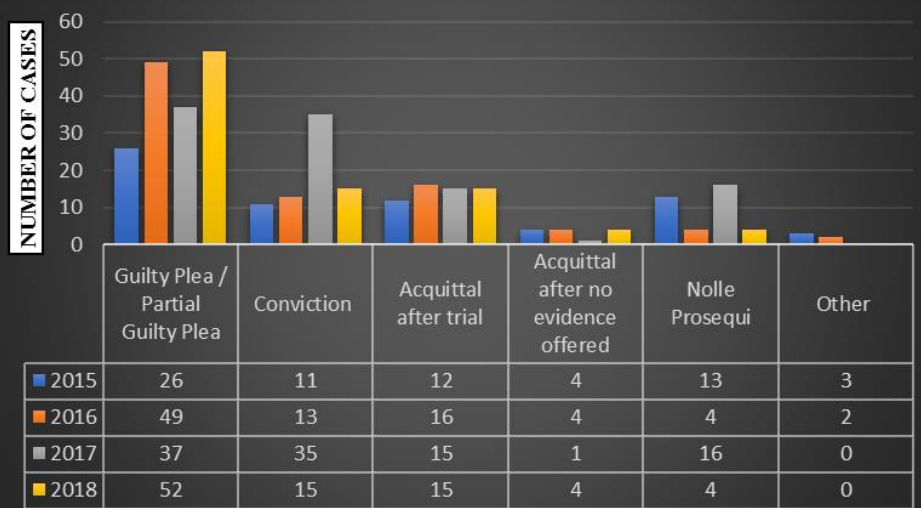
Court of Appeal

Appeals from the Grand Court go to the Court of Appeal. Like the Grand Court, the Court of Appeal is a Superior Court of Record. Unlike the Grand Court, however,

the Court of Appeal does not exercise inherent jurisdiction but is a creature of statute and of the Constitution.

Twenty-one (21) criminal cases were heard by the Court of Appeal. Of the cases heard, 76% of defence appeals were dismissed, withdrawn or abandoned, and 1 defendant had their sentence increased.

Prosecution Trends



Legislative Changes

The Penal Code (Amendment) Law, 2018 creates 8 new offences involving the mistreatment of children for sexual purposes, and provides for statutory minimum sentences for offences involving the abuse of a position of trust. Further amendments to the Penal Code repealed the somewhat antiquated offence of “watching and besetting” and replaced it with the offence of “stalking”. The legislation now covers a broader range of anti-social and intimidatory behaviour, and it also increases the maximum penalty on conviction for such offences.

The Evidence (Amendment) Law, 2018 brought in, inter alia, a number of new provisions relating to the admissibility of hearsay evidence in criminal proceedings. As well as providing for a modernised approach to the admissibility of hearsay statements in criminal cases. It also provides for safeguards for Defendants in cases in which such evidence is admitted. We hope that these amendments will have a significant effect on the manner in which the evidence of reluctant witnesses is treated by the Courts, particularly in cases of domestic violence.

The Criminal Procedure Code (Amendment) Law, 2018 provides for consistency between the procedures to be followed in the Summary Court and the Grand Court at the conclusion of the prosecution case. It also improves the mechanisms to provide for several linked cases to be dealt with by the same tribunal.

We note developments and the work being carried out by the Law Reform Commission in regards to the Statutory Regulation of Queen’s Evidence. If such legislation is passed, it will fundamentally change the manner in which those who assist the authorities are dealt with by the criminal justice system.



Developments

Witness Care Unit

Plans for the establishment of a Witness Care Unit progressed in 2018 under the Stewardship of the Assistant Director. The Witness Care Unit will provide a single point of contact in the criminal justice system to keep victims and witnesses of crime fully informed of the progress of cases as they move through the legal process.

In recent times, there has been an increase in both the level of serious crime, and prosecutions which have been hindered by a lack of witness participation. Left unchecked, this has the potential to lead to a lack of public confidence in legal and judicial system.

To address this issue, we established a Witness Care Unit (WCU) which will be responsible for providing pre-trial support to key witnesses in Grand Court trials and serious Summary Court matters. The Unit will be staffed initially by one Witness Care Officer.

We believe that the development of this WCU will allow witnesses to feel less intimidated, and more confident and therefore willing to support the prosecution process, both in relation to their current case and in the future. This ultimately leads to more positive outcomes with less failed cases and more offenders being brought to justice. Most importantly, it also leads to a more positive experience for victims who feel satisfied with the steps and measures taken to assist them.

All witness should be treated with respect and sensitivity. This is a guiding tenet of the Office, and a major part of our commitment. Additional support that will be provided the trial process will include:

- (a) Providing a designated in house waiting area for witnesses;
- (b) Providing support of vulnerable witnesses namely, child witnesses,

victims of sexual offences, persons with disabilities;

- (c) Co-ordinating referral to counselling services and support where necessary;
- (d) Facilitating pre-trial interviews and court visits to familiarize them with the Court process;
- (e) Providing escort to and from the court during trials; and
- (f) Keeping victims and witnesses informed and positively engaged in the trial process.

It is intended that the victim or witness should then have the continued support of a Witness Care Officer through to the final outcome of the case. The Witness Care Officer operates as a primary point of contact so that the witness should be in no doubt about whom they can call for assistance.

Witness Protection

A Justice Protection Administrative Centre (JPAC) was established under the ODPP pursuant to the Justice Protection Law (2017). The Centre is responsible for developing, managing and administering the justice protection programme under the guidance of the Assistant DPP who was appointed as Director of the Centre from 1st July 2018.

JPAC will be responsible for deciding whether a prospective participant is to be afforded protection or assistance or both under the programme and is now fully responsible for the administration of the witness protection programme in the Cayman Islands. The RCIPS will retain its role in relation to investigation and protection under the Justice Protection Investigative and Protective Agency.

The office continues to raise awareness for the sensitive handling of victims and their families. The volume of work involved in dealing with victims is significant; however, we take our obligations to victims and their families very seriously, and continuously work to ensure they have the least traumatic experience possible when dealing with the criminal justice system.



Witness Care Room

Other Developments

2018 also saw the establishment of a Specialist Domestic Violence Court to improve efficiencies in cases involving domestic abuse. Victims of such offences are often amongst the most vulnerable members of our community. These new measures are intended to increase the level of support to such victims, to reduce delay, and to promote consistency of treatment of those concerned. The establishment of this Court should give confidence to victims who might otherwise remain silent.

Since the amendment of the Penal Code in 2017 to include provisions relating to sexual harm prevention orders, a “sexual harm prevention team” has now been established, comprising Crown Counsel, representatives of the R.C.I.P.S., the Department of Community Rehabilitation, and H.M.P. Northward, which is focused on addressing the ongoing threat posed by sexual offenders. As a result, 5 sexual harm prevention orders were made by the Courts over the course of 2017 and 2018.

The workload of the Office continues to increase in recent years, legislative changes made in 2018 is likely to further increase the workload as we work toward strengthening our criminal justice system.

We anticipate that, with the establishment of further courthouse accommodation in the near future, the volume of cases with which we will be dealing on an annual basis is likely only to further increase.

The Procurement Law and related Regulations came into force in 2018. The law sets out an enhanced procurement framework for the acquisition of goods and services. A full review was carried out of our procedures to ensure they comply with the new legislation.

Looking ahead, the Office will continue to diligently discharge its duties under the Constitution (and other laws governing our

advisory and prosecutorial functions), and we look forward to any further change which the coming years may bring.

International Matters

The Hon. Chief Justice is the Central Authority under the Mutual Legal Assistance (United States of America) Law (2015 Revision). The Office of the Director of Public Prosecutions provides administrative assistance to the Chief Justice with matters under this Law and maintains an international database of all international requests incoming and outgoing. The Director of Public Prosecutions is the Central Authority under the Criminal Justice (International Cooperation) Law (2015) Revision.

International Requests

In 2018 the ODPP received thirty-three requests for international cooperation, seven of which came via the Central Authority under the Mutual Legal Assistance Treaty. Four of the requests were civil in nature.

The remaining twenty-two requests were received from seventeen countries. Requests ranged from the production of banking documents and company documents to the taking of evidence, records of sales of land and shipping registry information. Eighteen of the requests were related to money laundering.

The ODPP continues to provide as much cooperation as possible in relation to every request, including wherever possible the provision of publicly available information as well as swiftly obtaining court orders where appropriate. The ODPP has received positive feedback from several jurisdictions in this regard. The ODPP also passes intelligence from the International Requests to the Financial Crime Unit (FCU) and, where appropriate the Financial Reporting Authority for further investigation and or analysis.

Cayman Islands Fourth Round Mutual Evaluation Report

The ODPP has continued to provide a high level of support to the Fourth Round Evaluation of the Cayman Islands. Responses to various drafts of the report were submitted and two members of the ODPP, namely a Financial Crime Prosecutor and Senior Crown Counsel International Cooperation attended the Plenary in Barbados in order to defend the Report. The DPP has continued to enhance its policies and procedures in relation to money laundering, the proceeds of crime and international cooperation in line with the FATF requirements and the recommendations in the draft report.

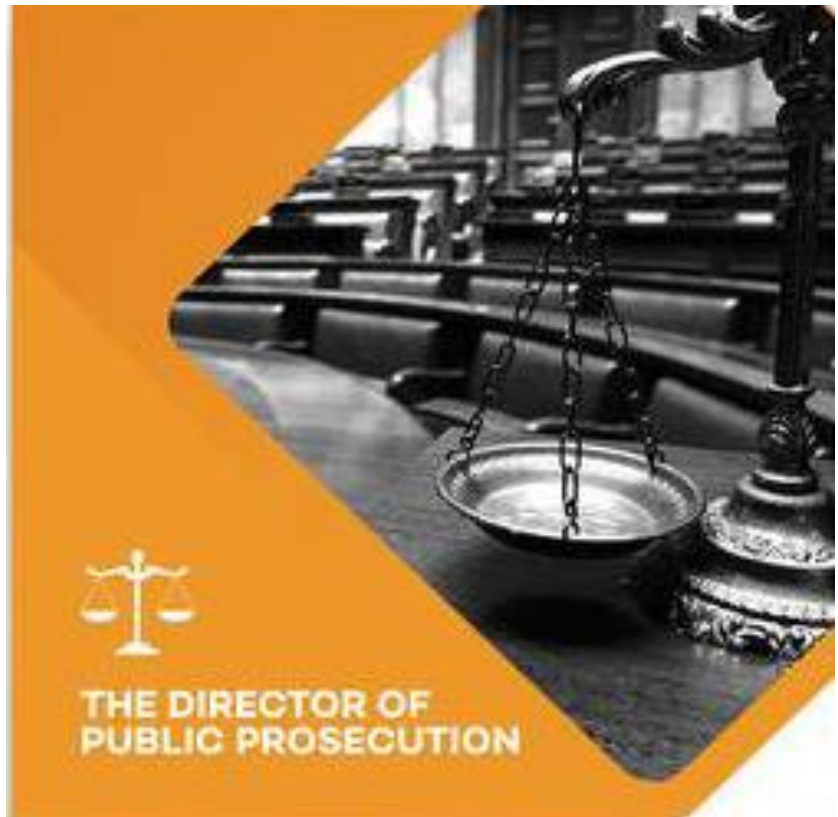
The Caribbean Financial Action Task Force

The ODPP continued to provide support in relation to legislation, policies, submissions and the reviewing of drafts of the Fourth Round Cayman Islands Mutual Evaluation Report. Senior Crown Counsel (International Cooperation) took the lead on two of the Immediate Outcomes, namely Immediate Outcome 2 (international cooperation) and Immediate Outcome 8 (the confiscation of the proceeds and instrumentalities of crime). Two members of the Office namely Senior Crown Counsel (International Cooperation) and Crown Counsel I (Financial Crime) attended the CFATF Plenary in November 2018 in order to represent the Cayman Islands during the discussion of the Report and advocate amendments and upgrades.

The ODPP also supported the work of CFTAF by providing the Legal Assessor for the Fourth Round Mutual Evaluation of Bermuda, namely Senior Crown Counsel (International Cooperation). The onsite assessment took place in September 2018.

In order to further enhance international cooperation Senior Crown Counsel (International

Cooperation) attended the AGM of Arin Carib, the informal asset recovery network for the Caribbean and offered to provide further support to the network by becoming a member of the Steering Group.



The background of the slide features a photograph of a modern, multi-story building with large windows and a flat roof. In the foreground, there is a large, active fountain with several water jets spraying upwards. The scene is set outdoors under a clear blue sky with some light clouds. A large, semi-transparent white circle is overlaid on the center of the image, containing the title and list.

2 Human Resource Mgmt.

- Leadership Profiles
- Employment Statistics
- Changes during Year
- Training & Development



Leadership Profiles



Patrick Moran (*United Kingdom*)- Deputy Director of Public Prosecutions (Acting Director): Mr. Patrick Moran 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.



Candia James (*Trinidad & Tobago*) – Assistant Director of Public Prosecutions (Acting Deputy Director). 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.



Nicole Petit (*Trinidad & Tobago*)- Senior Crown Counsel. Ms. Petit 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.



Elisabeth Lees (*United Kingdom*) – Senior Crown Counsel. Ms. Lees 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.



Scott Wainwright (*United Kingdom*) – Senior Crown Counsel. Mr. Wainwright has over 15 years of Post Qualified Experience.

Employment Statistics

The ODPP had 24 staff members as at 31st December 2018. Of this number 46 percent (11) were Caymanian, 25 percent (6) were British Nationals and 17 percent (4) were Jamaican. The remaining staff complement consisted of 2 persons from Trinidad & Tobago and 1 person from Canada.

Females outnumbered males 62% to 38% 1 in the ODPP. This ratio is consistent with other areas of legal specialization in the Civil Service.

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

The age range for staff working at the ODPP was fairly balanced at 31st December 2018 with an average age of 41.

Of the 24 staff, 21 percent (5) were between the ages of 41 and 45, three staff members were between the ages of 21 and 25 and 1 staff was over 60. This is a desirable balance within the Civil Service as it enables effective succession planning and the ability for development and mentorship of younger staff from those who are more experienced.

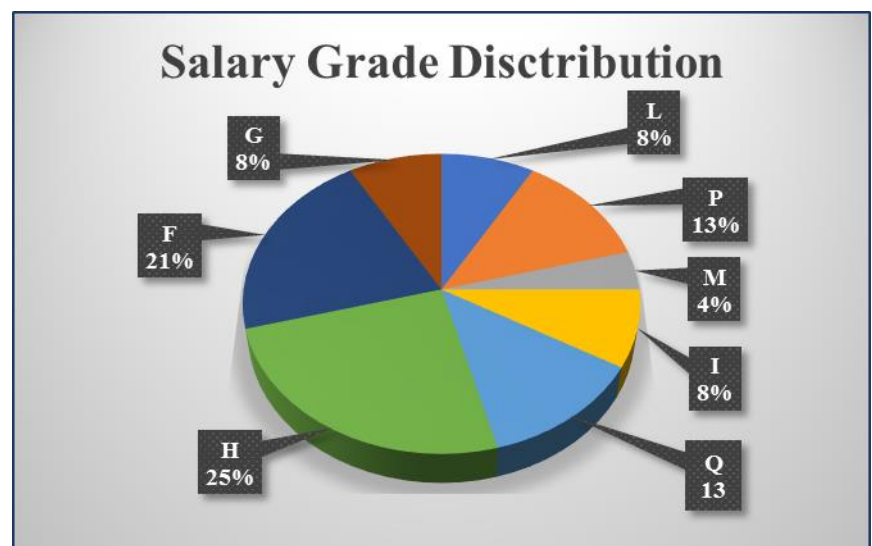
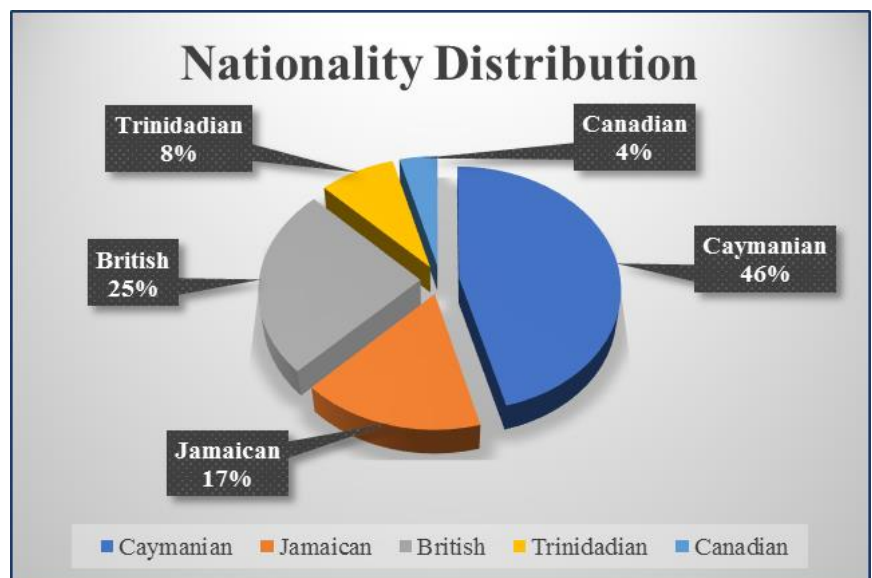
Of the total staff, 54 percent (13) were classified as Legal Practitioners, 25 percent (6) were classified as Administrative Personnel, and 13 percent (3) were classified as Support Personnel.

The preceding three categories accounted for 92 percent of the Office's staff. The remaining 8 percent consisted of security personnel, and those considered as Organization Executives or Middle Management.

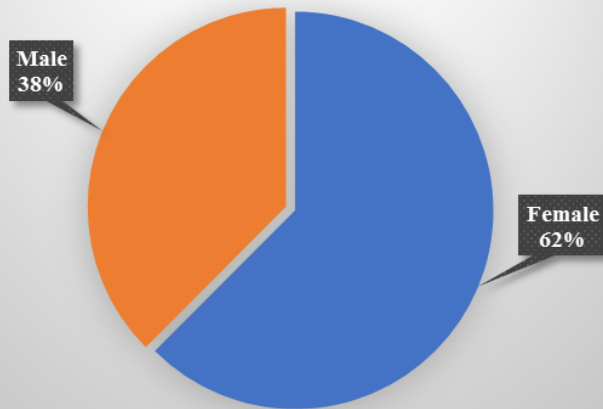
The ODPP was formally established with the Cayman Islands 2009 Constitution Order. A number of staff in the Office transferred from other areas of the Civil

Service (mainly the Portfolio of Legal Affairs) when the Office was created.

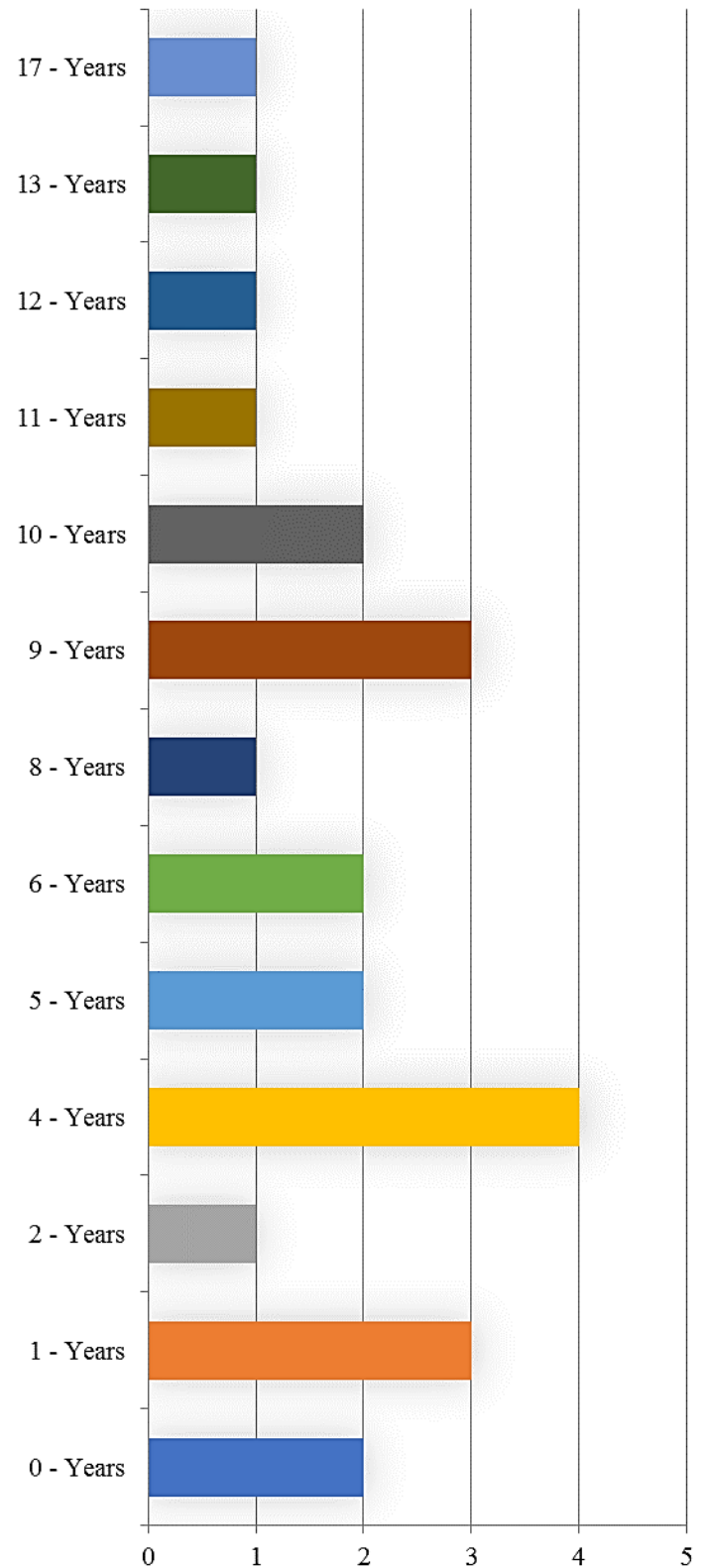
As a relatively new entity, the average tenure for staff at the ODPP is 6 years. 51 percent has served for less than 5 years while 33 percent has been with the Civil Service between 5 and 10 years. The longest serving staff member has been with the Civil Service for 17 years.



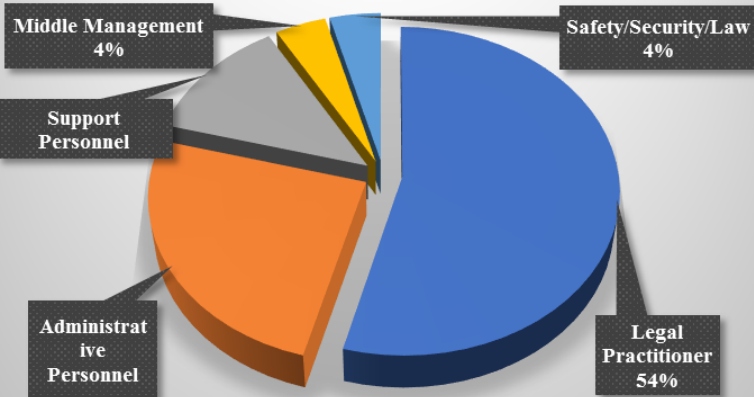
Gender Distribution



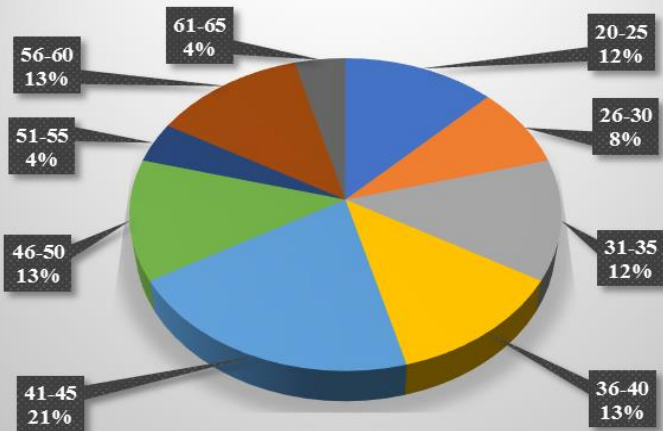
Length of Service



Job Classification



Age Distribution



Changes during the Year

DPP Cheryll Richards QC demitted office in December 2018 following her appointment as a Judge of the Cayman Islands Grand Court.

Deputy Director Patrick Moran was appointed to act as Director. Ms. Richards QC was the first Director of Public Prosecutions of the Cayman Islands. Her steadfast commitment to the work of the Office, and her dedication to all of our staff members, will be remembered for many years to come.

Ms. Candia James was promoted from Senior Crown Counsel to the newly-created position of Assistant Director of Public Prosecutions, and has also been appointed as the first Director of the Justice Protection Administrative Centre.

As 2018 unfolded, Ms Emma Hutchinson, Mr. Garcia Kelly and Ms. Kerri-Ann Gillies were recruited to join the ranks of Crown Counsel (replacing departing counsel), and several of our existing members of staff were promoted to more senior positions.

The ODPP has had a successful year with the timely and effective prosecution of several criminal cases. This is due, in no small, part to the leadership of Senior Crown Counsel Ms. Nicole Petit and Mr. Scott Wainwright, who have responsibility for the Grand Court and the Summary Court teams.

Our International Co-operation Team, ably headed by Senior Crown Counsel Ms. Elisabeth Lees, has continued to ensure that the international mutual legal assistance obligations of the Cayman Islands are properly fulfilled. We are particularly proud to note that Ms. Lees was appointed to become the legal assessor for the Fourth Round Mutual Evaluation Report of our regional colleagues in Bermuda.

Other staff changes in 2018 were:

1. Eleanor Fargin resigned in May 2018.
2. Scott Wainwright was promoted to Senior Crown Counsel in September 2018.
3. Greg Walcolm was promoted to Crown Counsel 1 (Traffic Team Leader) in October 2018.
4. Gavin Dixon was promoted from Crown counsel II to Crown Counsel (Traffic) in December 2018.



"I would like to take the opportunity to thank every single member of staff for their work over the course of 2018. It is a credit to our team that this Office has been able to continue to operate in a professional and conscientious manner, notwithstanding the series of changes which have taken place over the year."

Patrick Moran, Acting DPP

Training & Development

Staff participated in the following training and development activities during 2018.

February 2018

Acting Director Patrick Moran attended the IPAC National Leadership Conference “The Dynamic Leader” held at the Chelsea Hotel in Toronto Canada. Topics Covered include:

- Signals of Change - Our Path to the Future
- The Waves of Change – ‘Uncertainty’ as a Positive Driver of Transformation
- Balancing the Challenges and Opportunities Created by Technology
- The Shifting Global Scene: Responding to Uncertain Times
- Exponential Possibilities: How to Magnify the Impact of Your Team
- Fostering Resilience: How to Effectively Manage Workplace Stress
- Making Transitions Work – Leadership Lessons
- Cracking the Glass Ceiling: Barriers and Breakthroughs in Advancing Women to the Public Sector’s Most Senior Executive Positions
- An Army of Problem Solvers: Reconciliation and the Solution Economy
- A Framework for Strategic Decision-making, Adapting Leadership, and Leading Change in Public Organizations
- Navigating Dynamic Organizations: The Competing Values Framework
- Changing the Way You Work – Becoming an Insights-Driven Organization
- Complex, Time-Sensitive, Cutting Edge Public Policy

Crown Counsel Kenneth Ferguson and Deborah McCarthy attended a Training Course held at the British Consulate General Miami - Learning & Development Centre. The course covered:

- Case Review including constitutional rights
- Decision Making and Charging/Vetting authority
- Case Building, Theory and Analysis
- Review and prosecution of domestic violence and sexual abuse - special considerations
- Drafting Indictments - law and procedure, good drafting practice.

The objective was to equip Counsel to:

1. Focus review on the issues in the case and to identify constitutional issues where they arise.
2. Make reasoned decisions on inconsistency and on the weight of circumstantial evidence.
3. Give appropriate weight to potential lines of defence.
4. To adopt a proportionate approach when seeking further enquiries and evidence.
5. To consider the best approach to unused material.
6. To understand the issues and needs of vulnerable witnesses.
7. To deliver accurate and well drafted Indictments.

March 2018

Crown Counsel Gavin Dixon and Stacy-Ann Kelly attended an Advocacy Training Course at the British Consulate General Miami – Learning & Development Centre. The training covered:

- Evidence in chief
 - Cross examination
 - Re-Examination
 - Re-Examination of Expert Witnesses; and
 - Essential Rules of Etiquette.
-

May 2018

Crown Counsel Greg Walcolm attended the CFATF AML/CFT/CVE workshop for Judges and Prosecutors. The workshop covered the following topics:

- **Mutual Evaluation Reports (MERs)** – CFATF members level of compliance During the 4th round: -This presentation gave delegates a very brief overview of the relevant IOs and main Recommendations that cover the overall concept of the 4th Round of Mutual Evaluations i.e. technical compliance and effectiveness, money laundering, financial intelligence usage by competent authorities, and the powers of law enforcement and investigative authorities.
 - **Investigative Orders** gave a brief overview of Orders that are essential to the investigative process and Judges and prosecutors perspectives regarding the Orders.
 - **Prosecution and Management of Money Laundering Cases** explored pertinent issues regarding the prosecution of money laundering cases
 - **International Cooperation** highlighted and underlined the importance of international cooperation.
 - **Money Laundering Exercise** – Reviewing practical examples: - This topic brought to fore the challenges faced by jurisdictions, including justice officials, in identifying appropriate cases of money laundering vis-a-vis the extant legislation of their respective jurisdiction and the best practice approach to addressing those challenges.
 - **Panel discussion** on Civil Recovery and Non-Conviction Based Confiscation highlighted the processes involved in civil recovery and non-conviction-based confiscation.
 - **Confiscation Exercise** - using a case scenario, prosecutors discussed, prepared and presented a restraint order application and the Judges were to consider the legal issues in relation to ex parte applications.
 - There were **technical presentations** on the issues of compliance by CFATF Members in the 4th round of mutual evaluations, the prosecution and management of ML cases, international cooperation, investigative orders, criminal and civil confiscation. The practical exercises served to enhance and highlight the issues that can arise in the implementation of the legislation.
-

Crown Counsels Gavin Dixon, Emma Hutchinson, Garcia Kelly and Alliyah McCarthy participated in internal training delivered by Acting Director Patrick Moran. The training entailed:

- A trial for possession of cocaine with intent to supply;
 - Reviewing material and then questioning the witnesses in a manner that focused on the material needed to obtain a conviction.
 - Attendees being critiqued and then asked to retry focusing on the suggested area of adjustment.
-

June 2018

Maureen Guy, Kim Chin, Simeon Stewartson, Evita Dixon, Marquita Douglas and Kimberly Allen attended training on the following topics:

- The Importance of Quality Customer Care;
- Identifying the Customer;
- Adopting a Customer Care Perspective;
- Displaying a Positive attitude;
- Identifying Customer needs;
- Providing for Customer needs; and
- Ensure Customer Satisfaction.

July 2018

Joaniel Bent attended training on Advanced Report Writing, Minutes taking and records management: The Training covered:

- What minute taking isn't
- What minute taking is
- How to prepare the minutes
- The tense and tone the minutes should be written in;
- Meeting terminology;
- What is a report
 - The record of a sequence of events;
 - Interpretation of the significance of these events or facts;
 - Evaluation of the facts or results of research presented;
 - Discussion of the outcomes of a decision or course of action;
 - Conclusions; and
 - Recommendations.

Crown Counsel Scott Wainwright attended a conference on "The Scourge of Trafficking in the 21st Century: Trafficking in humans, drugs, wildlife and trafficking in antiquities to fund terrorism". The conference covered the following topics:

- International Criminal Court - Human trafficking and Migrant Related Crime
- Human Trafficking – International Responses
- A Latin American & Caribbean Criminal Court Against Transnational Organized Crime
- Legalization of Marijuana
- Wildlife Trafficking
- Trafficking in Antiques and Antiquities
- Extradition and Border
- Wildlife Investigation and Prosecutions
- Enforcement of Human Trafficking in Canada
- Corporate Influence on Human Trafficking

Crown Counsel Toyin Salako attended a training programme on Financial Solutions. The training covered:

- Overview of OFSI and Financial Sanctions
- Smarter Sanctions – explaining sanctions designations process
- Publishing designation through the Consolidated List
- Licensing and Reporting & Licensing exercise
- Compliance & Compliance reporting exercise
- UK FATF MER experience
- Counter Terrorism Designation (UN & TAFA)
- CT Designation exercise & CT Licensing exercise

August 2018

All Crown Counsels attended Expert Evidence Training at the George Town Library. The training was instructed by Andrew Radcliffe QC, Joane Delaney (RCIPS Intelligence Analyst) and Angela Tanzillo-Swartz (DNA and Blood Spatter expert). The training covered:

- Expert Evidence;
 - DNA Evidence; and
 - Cell Site Analysis.
-

September 2018

Senior Crown Counsel Elizabeth Lees attended the Pre-Onsite training for the assessment team in preparation of Bermuda's Mutual Evaluation. The training covered:

- Training on each of the Immediate Outcomes (1-11)
 - Review of the Technical Compliance Annex
 - Training on the interviews and questions
-

October 2018

Crown Counsel Alliyah McCarthy attended the Good Governance Conference 2018 hosted by the Commissions Secretariat. Presenters and Topics include:

1. Richard Coles, Chairman of the Anti-corruption Commission
 - **Topic: Anti-corruption Efforts in the Cayman Islands**
 2. Rosie Whittaker-Myles, Chairperson of the Commission for Standards in Public life
 - **Topic: Integrity in Public Life**
 3. Sue Winspear, Auditor General
 - **Topic: Partnering with the OAG**
 4. Jeffrey Jowell, QC Barrister and Public Law Expert – Keynote speaker
 - **Topic: Administrative Justice**
 5. Sandy Hermiston, Ombudsman
 - **Topic: Guide to Fair and Reasonable Decisions**
-

Crown Counsel Gavin Dixon attended training on Intoxilyzer 9000, maintenance, repair and instructor course. The training covered:

- The disciplines of the science of breath alcohol
 - The alcohol molecule
 - The absorption pathway of alcohol
 - Methods of ingestion and absorption
 - The alcohol curve
 - The distribution pathway of alcohol
 - The elimination phase of alcohol
 - The best sample to analyze alcohol
 - The effects of alcohol on the human brain
 - Tolerance
 - Concepts of breath alcohol analysis
 - Henry's Law
 - Harger's experiment
 - Breath to blood ratio
 - Theory/maintenance/calibration of Intoxilyzer 9000 among other topics.
-

November 2018

Crown Counsels and Assistant Director of Public Prosecution Candia James-Malcolm attended training on “Criminal Appeals” presented by Paul Taylor. The training covered:

- Overview of how to prepare criminal appeals
- Fresh evidence
- Unrepresented defendants
- Criticisms of Counsel

Senior Crown Counsel Elisabeth Lees attended the ARIN-CARIB Annual General Meeting. The meeting covered:

- Talks from a BlockChain Industry representative;
- Case studies presented by the USDOJ
- Discussion on how to improve the network
- Examples of difficulties encountered
- Discussion of statistics gathered
- Examples of positive use of the network in asset recovery cases
- Presentation of case studies by Jamaica
- Update on Steering Group
- Discussion regarding membership

Senior Crown Counsel Greg Walcolm also attended training on Sexual Assault in the Caribbean: Medical, Forensic and Legal Challenges. The training covered:

- Child Justice in the Caribbean
- Prosecuting Sexual Offences in the Caribbean Region
- The Forensic Examination of Sexual Assault Victims
- The Challenges faced by Frontline Medical Staff in Barbados in the Examination and Documentation of Injuries and Procurement of Biological Exhibits in Cases of Physical Assault and Sexual Assault
- Sexual Assault Case Evidence Evaluation, Interpretation & Impact
- Adjudicating Sexual Offences without DNA Evidence: Witness Statements, Circumstantial Evidence and Scientific Evidence
- The Postmortem Examination of Sexual Assault related Homicides
- Legal Developments in Medical Negligence
- Sentencing Guidelines – Sexual Offences
- Failure of Medicolegal Death Investigation: The Inquiry into Pediatric Forensic Pathology in Ontario - The Goudge Report.
- Courtroom Testimony Training for Medical Professionals: Is It Necessary?
- The Human Microbiome as a Tool in Forensic Science
- Introduction to Adult Forensic Neuropathology
- Subtle Child Homicides
- The Role of the US Medicolegal Death Investigator
- Bereavement and Trauma
- Psychology of the Victim
- The Collaborative Investigation of Sudden Unexpected Death in Infancy

Senior Crown Counsel Elisabeth Lees and Crown Counsel Toyin Salako attended the CFATF XLVIII Plenary and Working Group Meetings. The meetings covered:

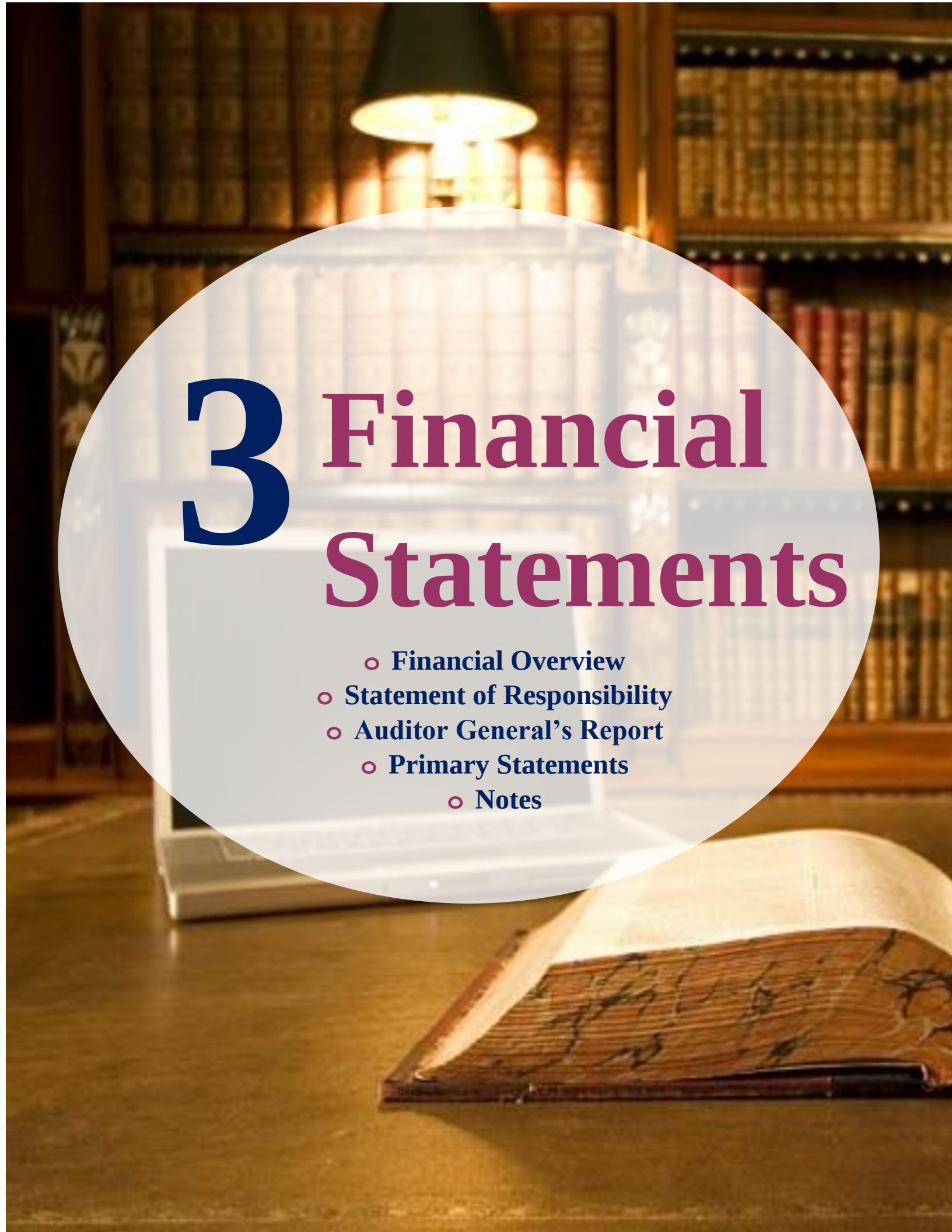
- CFATF Risks, Trends and Methods Working Group (CRTMG)
 - CFATF International Co-operation Review Group (ICRG)
 - CFATF ICRG Procedures for the Fourth Round.
 - 1st Follow-Up Report (Re-rating): The Bahamas
 - CFATF ICRG Action Plan, Follow-up process and High- Level Mission: Sint Maarten
 - CFATF Working Group on FATF Issues (WGFI)
 - Mutual Evaluation Report of the Cayman Islands
 - Compliance Report
 - Follow-Up Report
 - 1st Follow-Up Report: The Bahamas (for re-rating)
 - CFATF International Co-operation Review Group (CFATF ICRG)
 - CFATF Activity Report to the FATF
 - Reports of COSUNs and Observer Organizations
 - Accreditation Council Report
 - Heads of FIU Forum
 - CFATF's CFT Operational Plan
-

December 2018

- Crown Counsels Garcia Kelly and Dennis Walkington attended a Counter Terrorism Workshop at the University College on:
 - Response to an event of Terrorism in the Cayman Islands;
 - Case studies from across the globe;
 - Terrorism Financing; and
 - Powers under the Terrorism Law.
-

All Crown Counsels attended the Domestic Violence training course held December 3rd and 5th covering the following topics:

- The work of the Crisis Centre and the victim's perspective;
 - Hearsay, reluctant witnesses and stalking;
 - Specialist Domestic Violence Court and Prosecution Policy;
 - Domestic Violence Awareness; and
 - Protection from Domestic Violence Law, 2010.
-

The background of the slide is a warm, dimly lit library. In the foreground, a desk lamp with a green shade is lit, casting a soft glow. Behind it, bookshelves filled with books are visible. In the lower right, an open book with a wooden cover lies on a wooden desk. A large, semi-transparent white circle is centered over the image, containing the title and list.

3 Financial Statements

- Financial Overview
- Statement of Responsibility
- Auditor General's Report
 - Primary Statements
 - Notes



Financial Overview

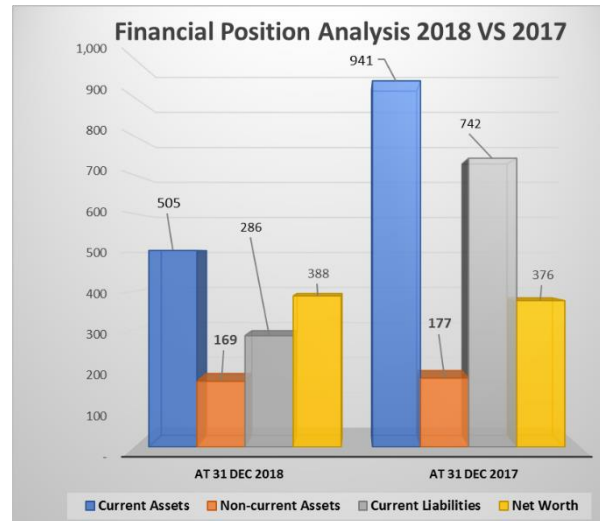
Financial Performance - The ODPP achieved a net operating surplus of \$76,000 for the fiscal year ended December 31st, 2018. As a public agency which is almost entirely funded by Cabinet, the ODPP does not operate with a profit motive. Rather, our financial goal is to operate in a fiscally prudent manner by ensuring value for money in service delivery.

The ODPP'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 \$2.5 million for personnel costs in 2018; actual for the year was \$2.3 million representing a savings of \$0.2 million. Savings were also accrued in Supplies and Consumables (\$274k) and Litigation costs (\$43)

Financial Position – Total Assets as at 31st December 2018 was \$674K; this amount is approximately 60% of the prior year's actual a repayment of surplus to the Cabinet of some \$418k.

Total liabilities at the Balance Sheet date were \$286k which is a decrease of \$456k from the previous year.

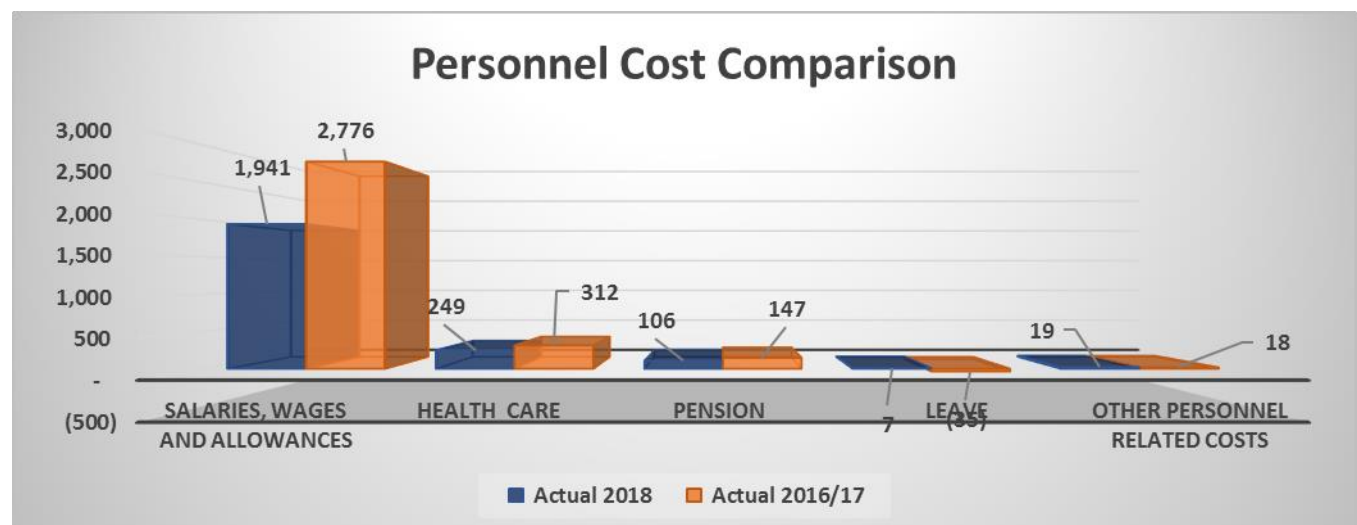
The Office had \$505k in total current assets and \$286k in total current liabilities at the close of the

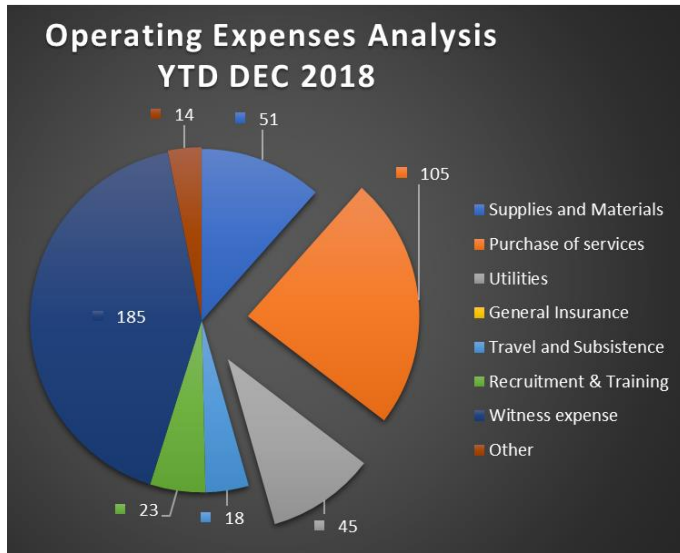


period under review. These balances are significant as they indicate the ODPP's ability to settle its current liabilities in a timely manner.

Surpluses generated by the ODPP are returned to Cabinet unless special permission is received from the Ministry of Finance to retain them. The Net Asset position for 2018 was therefore broadly in line with the previous year at \$388k.

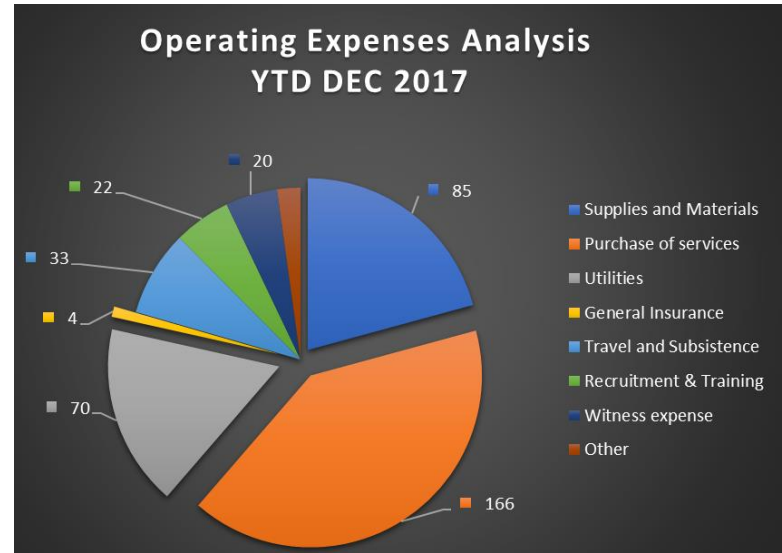
Statement of Cash Flows – The Office generated \$116k in operating cash flows during the period under review. This positive cash flow was consumed by \$436k in investing activities through the repatriation of prior year's surpluses and the investment in non-current assets.



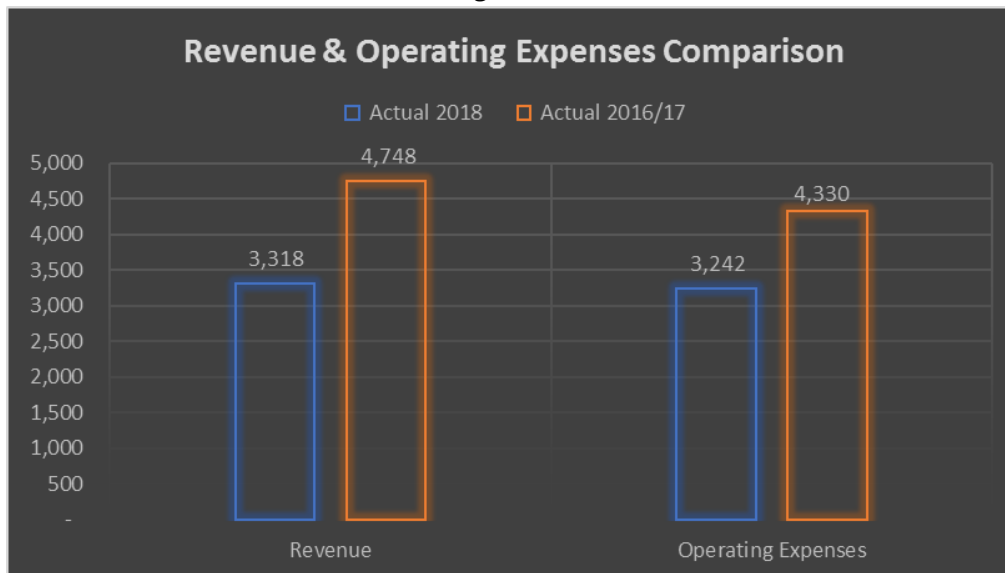


The combined effect of the above resulted in a net decrease of \$322k in cash for the fiscal year.

Personnel Costs includes salaries, wages and allowances for staff and account for more than 2/3 of the total operating cost for the ODPP. Personnel Costs showed a net savings when



RCIPS until later in the year. As a result, much of the expenses were not realized during the course of the year. There were also underspends in supplies and materials of \$13k due to better management of office supplies and paper, purchase of services of \$12k and utilities of \$25k.



compared to the budget mainly due to unfilled vacancies and positions which were filled later during the fiscal year.

Supplies and Consumables The total supplies and consumables are \$274k under budget. The reductions were primarily due to a decrease in witness expenses of \$215k, as the witness protection unit was not taken over from the

Depreciation Expense

represents the wearing out of property, plant and equipment over time. This nominal increase is a result of an increase in the overall asset base.

Litigation Costs and Professional fees

are budgeted as contingencies as all criminal prosecutions would vary depending on the type and number of cases. This expense was \$43k lower than budgeted.

Overall, were approximately 15% budget. This achievement was remarkable when taken in the context of the number of cases dealt with by the Office during the fiscal year.



OFFICE OF
THE DIRECTOR OF
PUBLIC PROSECUTIONS
CAYMAN ISLANDS

Second Floor – Bermuda House
36C Dr. Roy's Drive
George Town

P.O. Box 2328
Grand Cayman KY1-1106
Cayman Islands

Phone: (345) 949-7712 | Fax: (345) 949-7183

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 (2018 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 (2018 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 Acting 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 year ended 31 December 2018.

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 year ended 31 December 2018;
- (b) fairly reflect the financial position as at 31 December 2018 and performance for the year ended 31 December 2018; 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.

Patrick Moran
Acting Director of Public Prosecutions

Date: 30 April 2019

Tiffany Ebanks
Chief Financial Officer

Date: 30 April 2019

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 2018, the statements of financial performance, changes in net assets/ equity and cash flows for the year then ended, 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 2018, and its financial performance and its cash flows for the year then ended 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 Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. 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 charged with governance are responsible for overseeing the DPP's financial reporting process.

AUDITOR GENERAL'S REPORT (continued)

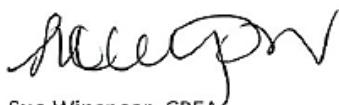
Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism 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 our 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 auditors' 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 auditors' report. However, future events or conditions may cause the DPP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of section 60(1)(a) of the *Public Management and Finance Law (2018 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 2019
Cayman Islands

Statement of Financial Position

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	Current Year Actual	Approved Budget	Variance Budget vs. Actual	Prior Period Actual
<i>(expressed in Cayman Islands dollars and in thousands)</i>					
Current Assets					
Cash and cash equivalents	3,16	320	240	(80)	642
Receivables from exchange transactions	4,16,17	162	317	155	281
Other receivables	4	8	28	20	7
Prepayments		15	8	(7)	11
Total Current Assets		505	593	88	941
Non- Current Assets					
Property, plant and equipment	5,16	169	73	(96)	177
Total Non-Current Assets		169	73	(96)	177
Total Assets		674	666	(8)	1,118
Current Liabilities					
Trade Payables	6	-	8	8	-
Accruals and other liabilities	6,16	148	101	(47)	269
Employee entitlements	8	62	141	79	55
Surplus payable	7,16,17	76	-	(76)	418
Total Current Liabilities		286	250	(36)	742
Total Liabilities		286	250	(36)	742
Net Assets		388	416	28	376
Equity					
Contributed Capital		388	416	28	376
Total net assets/equity		388	416	28	376

The accounting policies and notes on pages 47-60 form part of these financial statements.

Statement of Financial Performance

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Current Year Actual (12 months)	Approved Budget (12 months)	Variance Budget vs. Actual (12 months)	Prior Period Actual (18 months)
<i>(expressed in Cayman Islands dollars and in thousands)</i>					
Revenue					
Sales of goods and services	10,16,17	3,318	3,802	484	4,748
Total Revenue		3,318	3,802	484	4,748
Expenses					
Personnel costs	11,16	2,322	2,525	203	3,218
Supplies and consumables	12,16	441	715	274	409
Leases	13	214	230	16	294
Depreciation	5	40	65	25	63
Litigation costs and professional fees		224	267	43	347
(Gains)/ losses on foreign exchange		1	-	(1)	(1)
Total Expenses		3,242	3,802	560	4,330
Surplus or (Deficit) for the year		76	-	(76)	418

The accounting policies and notes on pages 47-60 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 YEAR ENDED 31 DECEMBER 2018

	Contributed Capital	Accumulated Surplus	Total Net Assets/ Equity	Approved Budget	Variance (Budget vs. Actual)
<i>(expressed in Cayman Islands dollars and in thousands)</i>					
Balance at 1 July 2016	376	-	376	376	-
Equity investment from Cabinet	-	-	-	10	10
Surplus for the period (2016/17)	-	418	418	-	(418)
Surplus repayable for the period (2016/2017)	-	(418)	(418)	-	418
Balance at 31 December 2017	376	-	376	386	10
Balance as at 1 January 2018	376	-	376	386	10
Equity investment from Cabinet	12	-	12	30	18
Surplus for the year (2018)	-	76	76	-	(76)
Surplus repayable for the year (2018)	-	(76)	(76)	-	76
Balance at 31 December 2018	388	-	388	416	28

The accounting policies and notes on pages 47-60 form part of these financial statements.

Statement of Cash Flows

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Current Year Actual (12months)	Approved Budget (12months)	Variance Budget vs. Actual (12months)	Prior Period Actual (18months)
<i>(expressed in Cayman Islands dollars and in thousands)</i>					
Cash flows managed on behalf of Cabinet					
Operating Activities					
Cash received					
Sale of goods and services to Cabinet		3,437	3,748	311	4,720
Total cash received		3,437	3,748	311	4,720
Cash used					
Personnel costs		(2,315)	(2,525)	(210)	(3,304)
Supplies and consumables		(1,006)	(1,171)	(165)	(886)
Net cash flows from operating activities	14	116	52	(64)	530
Investing Activities					
Cash used					
Purchase of property, plant, and equipment	5	(32)	(30)	2	(64)
Net cash flow used by investing activities		(32)	(30)	2	(64)
Financing Activities					
Cash received					
Payment of Surplus	17	(418)	-	418	(104)
Equity injections from Cabinet		12	30	18	-
Net cash flows used by financing activities		(406)	30	436	(104)
Net Increase/(decrease) in cash and cash equivalents held		(322)	52	374	362
Cash and cash equivalents at beginning of year		642	188	(454)	280
Cash and cash equivalents at the end of the year		320	240	(80)	642

The accounting policies and notes on pages 47-60 form part of these financial statements.

Office of the Director of Public Prosecutions

Notes to the Financial Statements

For the Year Ended 31 December 2018

1. 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 (2018 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 responsibilities of the Office include instituting and undertaking proceedings against any person before any court in respect of offences against any law in force in the Cayman Islands, acting as the Central Authority for requests for mutual legal assistance under the Criminal Justice (International Cooperation) Law, administering the Justice Protection Programme under the Justice Protection Law, conducting proceedings for recovery of property obtained through unlawful conduct under the Proceeds of Crime Law, and assisting law enforcement agencies in applications for orders at the investigation stage. The Office also provides legal advice to all law enforcement agencies as to the conduct of investigations and development of investigative policies.

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 (2018 Revision)* and the *Public Service Management Law (2018 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 2018 the DPP had 24 employees (2017: 23).

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.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2018 have not been early adopted by DPP.

Certain new accounting standards have been published that are not mandatory for the 31 December 2018 reporting period and have not been early adopted by the DPP. The DPP’s assessment of the impact of these new standards are set out below.

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the DPP’s financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is anticipated that IPSAS 42 will not have an impact on the DPP’s financial statements, but this will be assessed more fully closer to the effective date of adoption.

Office of the Director of Public Prosecutions

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2018

2. Significant accounting policies (Continued)

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. There have been no significant changes to the accounting policies during the year ended 31 December 2018.

(a) Basis of Preparation

These financial statements have been prepared on a going concern basis. 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 current reporting period is for the year ending 31 December 2018.

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. In changing the annual reporting date the entity underwent an 18 month transition period for 2016-17. The prior year amounts presented in the financial statements are for an 18 month period and therefore is not entirely comparable to the current year actuals for the 12 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 2018 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 2018 budget was presented in the 2018 Annual Budget Statement of the Government of the Cayman Islands and approved by the Legislative Assembly on 15 November 2017. 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.

(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.

Office of the Director of Public Prosecutions

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2018

2. Significant accounting policies (continued)

(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.

(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.

<u>Asset Type</u>	<u>Estimated useful life</u>
Furniture & Fittings	10 years
Computer Hardware	3-4 years
Leasehold improvements	over the term of the lease
Office equipment	4- 6 years
Other Assets	5- 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.

Office of the Director of Public Prosecutions

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2018

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.

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.

Office of the Director of Public Prosecutions

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2018

2. Significant accounting policies (continued)

(m) Provisions and contingencies (continued)

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

(n) Foreign currency

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

At the end of the reporting year 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.

3. Cash and cash equivalents

As at 31 December 2018 the DPP held no restricted cash balances (31 December 2017: \$0). No interest was earned during the period on the amounts held in these bank accounts (31 December 2017: \$0).

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	Prior Year Actual
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Cash on hand/ Petty Cash	1	1	-	1
Operational Current Account - KYD	309	227	(82)	636
Payroll Current Account - KYD	10	12	2	5
Cash and cash equivalents	320	240	(80)	642

Office of the Director of Public Prosecutions
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2018

4. Receivables from exchange transactions and other receivables

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

Receivables from exchange transactions	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	Prior Period Actual
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Sale of outputs to Cabinet	150	317	167	280
Outputs to other government agencies	12	-	(12)	1
Less: provision for doubtful debts	-	-	-	-
Net receivables from exchange transactions	162	317	155	281

As of 31 December 2018, other receivables composed of:

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	Prior Period Actual
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Other	8	28	20	7
Less: provision for doubtful debts	-	-	-	-
Net other receivables	8	28	20	7

As at 31 December 2018, the ageing analysis of receivables from exchange transactions and other receivables are as follows:

	Receivables from Exchange Transactions	Other receivables	Impairment	Net Receivables	Prior Period Actual
<i>(expressed in Cayman Islands dollars and in thousands)</i>					
Current	162	1	-	163	281
Past due 1-30 days	-	-	-	-	-
Past due 31-60 days	-	-	-	-	-
Past due 61 and above	-	7	-	7	-
Total	162	8	-	170	281

Office of the Director of Public Prosecutions
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2018

5. Property and equipment

Cost of Property, Plant & Equipment

	Furniture and Fittings	Computer Hardware	Office Equipment	Other assets	Total Property Plant and Equipment
<i>(expressed in Cayman Islands dollars and in thousands)</i>					
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

	Furniture and Fittings	Computer Hardware	Office Equipment	Other assets	Total Property Plant and Equipment
<i>(expressed in Cayman Islands dollars and in thousands)</i>					
Balance as at 1 Jan 2018	18	14	64	322	418
Additions	7	-	-	26	33
Disposals	-	-	(3)	(5)	(8)
Balance as at 31 December 2018	25	14	61	343	443

Accumulated Depreciation and impairment losses

	Furniture and Fittings	Computer Hardware	Office Equipment	Other assets	Total Property Plant and Equipment
<i>(expressed in Cayman Islands dollars and in thousands)</i>					
Balance as at 1 July 2016	9	-	26	143	178
Depreciation Expense	3	2	11	47	63
Balance as at 31 Dec 2017	12	2	37	190	241

Office of the Director of Public Prosecutions
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2018

5. Property and equipment (continued)

Accumulated Depreciation and impairment losses (continued)

	Furniture and Fittings	Computer Hardware	Office Equipment	Other assets	Total Property Plant and Equipment
<i>(expressed in Cayman Islands dollars and in thousands)</i>					
Balance as at 1 Jan 2018	12	2	37	190	241
Depreciation Expense	1	4	10	25	40
Eliminate on disposal	-	-	(2)	(5)	(7)
Balance as at 31 December 2018	13	6	45	210	274
Net Book value 31 December 2017	6	12	27	132	177
Net Book value 31 December 2018	12	8	16	133	169

As of 31 December 2018, other assets are composed of:

Description	Cost	Accumulated Depreciation CI\$000	Net Book Value	Prior Year Actual
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Library Books	202	80	122	119
Leasehold Improvements	141	130	11	13
Total other assets	343	210	133	132

6. Trade payables, accruals and other liabilities

Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	Prior Period Actual
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Trade Payable	-	8	8	-
Accrued Expenses	141	101	(40)	245
Creditors other Government Agencies	7	-	(7)	24
Total Trade Payables, Accruals and Other Liabilities	148	109	(39)	269

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

Office of the Director of Public Prosecutions

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2018

7. Surplus payable

Surplus payable represents surplus of \$76 thousand as at 31 December 2018 (2017: \$418 thousand). Under the *Public Management & Finance Law (2018 Revision)* section 39 (3) (f), the DPP may “retain such part of its net operating surplus as is determined by the Minister of Finance”. The DPP has recorded a surplus payable to the Government of the Cayman Islands in the amount of \$76 thousand relating to the year ended 31 December 2018 (2017: \$418 thousand). During the year \$418 thousand of surplus was paid to Cabinet by the DPP (2017: \$104 thousand).

8. Employee entitlements

Details	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	Prior Period Actual
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Employee entitlements are represented by:				
Annual leave	62	-	(62)	55
Retirement and long service leave	-	141	141	-
Total employee entitlements	62	141	79	55

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

9. Revenue from non-exchange transactions

During the year ended 31 December 2018 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.

10. Sales of goods and services

Description	Current Year Actual (12months)	Approved Budget (12months)	Variance (Budget vs. Actual) (12months)	Prior Period Actual (18months)
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Sale of outputs to Cabinet	3,318	3,802	484	4,748
Total Sale of Goods & Services	3,318	3,802	484	4,748

Office of the Director of Public Prosecutions
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2018

11. Personnel costs

Description	Current Year Actual (12months)	Approved Budget (12months)	Variance (Budget vs. Actual) (12months)	Prior Period Actual (18months)
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Salaries, wages and allowances	1,941	2,157	216	2,776
Health care	249	240	(9)	312
Pension	106	113	7	147
Leave	7	-	(7)	(35)
Other Personnel related costs	19	15	(4)	18
Total Personnel Cost	2,322	2,525	203	3,218

12. Supplies and consumables

Description	Current Year Actual (12months)	Approved Budget (12months)	Variance (Budget vs. Actual) (12months)	Prior Period Actual (18months)
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Supplies and Materials	51	64	13	85
Purchase of services	105	117	12	166
Utilities	45	70	25	70
General Insurance	-	-	-	4
Travel and Subsistence	18	20	2	33
Recruitment & Training	23	28	5	22
Witness expense	185	400	215	20
Other	14	16	2	9
Total Supplies & Consumables	441	715	274	409

13. Leases

Description	Current Year Actual (12months)	Approved Budget (12months)	Variance (Budget vs. Actual) (12months)	Prior Period Actual (18months)
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Lease and Rent of Property and Sites	214	230	16	294
Total Lease	214	230	16	294

Office of the Director of Public Prosecutions
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2018

14. Reconciliation of net cash flows from operating activities to surplus

Reconciliation of Surplus to Net Operating Cash	Current Year Actual (12months)	Approved Budget (12months)	Variance (Budget vs. Actual) (12months)	Prior Period Actual (18months)
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Surplus/(deficit) from ordinary activities	76	-	(76)	418
Non-cash movements			-	-
Depreciation	40	65	25	63
Changes in current assets and liabilities:				
Increase/ (decrease) in receivables from exchange transactions	119	(54)	(173)	(28)
Decrease/ (Increase) in other receivables	(1)	-	1	21
Increase in prepayments	(4)	-	4	(3)
Increase/ (decrease) in accruals and other liabilities	(121)	41	162	145
(Decrease)/ increase in employee entitlements	7	-	(7)	(86)
Net cash flows from operating activities	116	52	(64)	530

15. Commitments

Type of Operating commitments	One year or less	One to five Years	Total	Prior Period Actual
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Non-cancellable operating lease	182	466	648	177
Total Operating Commitments	182	466	648	177

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.

Office of the Director of Public Prosecutions

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2018

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 \$80 thousand increase in cash and cash equivalents in comparison to the budget can be substantially attributed to the fact that an unbudgeted surplus of \$76 thousand was achieved. This would not have been budgeted as the budget is prepared on a break-even basis.

Receivables from exchange transactions

The \$155 thousand decrease from budget is mainly due to cabinet funding budgeted higher than actual. During the financial year amounts billed to the government were reduced to match the level of expenditure. This is also consistent with the sale of goods and services variance explanation below.

Property and equipment

The increase in the net book value of property and equipment of \$96 thousand over budget is primarily due to lower than budgeted depreciation charge and an understated budgeted opening net book value in comparison to actual.

Accruals and other liabilities

The increase of \$47 thousand from the budget is primarily due to expenses for the witness protection unit for which invoices were submitted in December 2018 and settled after the period end.

Employee entitlement

The decrease of \$79 thousand from budget is due to employee entitlements being taken or paid during the year in comparison to the budgeted position.

Surplus payable

DPP has recorded a surplus for the year of \$76 thousand (2017: \$418 thousand). The DPP budget is prepared on breakeven basis hence the reason for the variance of \$76 thousand.

Statement of financial performance

Sales of goods and services

The \$484 thousand decrease from budget is as a result of cabinet revenue billed more in line with actual expenditure. Therefore, the total approved funding was not needed and the billings were reduced accordingly.

Personnel costs

Actual personnel costs are lower than budget by \$203 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 \$274 thousand under budget. The reductions were primarily due to a decrease in witness expenses of \$215 thousand, as the witness protection unit was not taken over from the RCIPS until later in the year. As a result, much of the expenses were not realized during the course of the year. There were also underspends in supplies and materials of \$13 thousand due to better management of office supplies and paper, purchase of services of \$12 thousand and utilities of \$25 thousand. See note 12.

Office of the Director of Public Prosecutions

Notes to the Financial Statements

For the Year Ended 31 December 2018

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 year ended 31 December 2018.

Statement of Financial Position	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	Prior Period Actual
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Receivables from exchange transactions	162	317	155	281
Surplus payable	76	-	(76)	418
Surplus paid during the year	418	-	(418)	104

Statement of Financial Performance	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)	Prior Period Actual
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Sale of goods and services	3,318	3,802	484	4,748
Insurance Expense	-	-	-	4

Key management personnel

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

Compensation to Key Management Personnel

For the year ended 31 December 2018 there are two full-time equivalent, and one part-time (2017: 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 Year (Gross) (12months)	Approved Budget (12months)	Variance (Budget vs. Actual) (12months)	Prior Period (Gross) (18months)
<i>(expressed in Cayman Islands dollars and in thousands)</i>				
Salaries & other short term employee benefits	363	324	(39)	316
Total Remuneration	363	324	(39)	316

There were no loans made to key management personnel or their close family members for the year ended December 31, 2018 (31 December 2017: \$0).

Office of the Director of Public Prosecutions

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2018

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 (2018 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 2018 (31 December 2017: \$0), no provision for doubtful debts has been made on these receivables 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.

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 2018 and 31 December 2017, all of the financial liabilities were due within three months of the period 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.

19. Subsequent events

In preparing these financial statements management has evaluated and disclosed all material subsequent events up to 30 April 2019 which is the date that the financial statements were available to be issued.

4 Appendices

- Governance & Risk Mgmt.
- Internal & External Audit Updates
- Number of FOI Requests



Governance & 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 2018 fiscal year without material interruption to operations. Specific actions to manage these risks included upgrading the case file management system, ensuring that the compensation differential with the private sector is at an acceptable level, maintaining the physical working environment, and ensuring that the Office is adequately staffed which may affect the performance of the Office.

Appropriate strategies will continue to be developed to manage future risks as part of an overall risk management framework.

Internal and External Audit Updates

The 2017 Audit for the DPP was completed by the Office of the Auditor General on 30th April 2018. The Office received an Unqualified Opinion. That means the information presented in the Financial Statements for the 2017 Fiscal Year fairly represented the operating results for the period and the financial position as at 31st December 2017. 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 2018.

<i>FOI reference no. & person making request</i>	<i>Date of request</i>	<i>Date of response</i>	<i>Records requested</i>	<i>Outcome</i>
81357	6 April 2018	25 April, 2018	Documents pertaining to file# URN: CAC100059022.	Request transferred to the RCIPS for the attention of Raymond Christian.
82230	15 May 2018	25 May, 2018	Materials relating to a traffic matter.	Advised applicant that the ODPP is not in possession of the records requested.
81852	1May 2018	28 May, 2018	Information pertaining to investigations involving civil servants over the last four years including the first 4 months of 2018.	Advised applicant that the ODPP is not an investigating entity and has not conducted any investigations with respect to civil servants. Further the department is not in possession of information relative to the amount of money paid to those employees who are on leave while under investigation.
81838	2 May 2018	31 May 2018	How much money did the ODPP spend on warehouse space in 2017	ODPP spent KYD 15,582.26 for the year ended 2017.
82893	14 June 2018	18 July 2018	(1) Disclosure for R v Kevin Bowen – Indictment 84/16 (2) Reason/Judgement why Crown offered no evidence on Count 1 & 2	Access granted, all material disclosed.
83535	12 August, 2018	17 August 2018	All emails and written correspondence relating to an ongoing investigation	Request transferred to Raymond Christian at the RCIPS.
83772	29 August 2018	27 September 2018	Expert medical report and QC report	Redacted medical report disclosed. QC report undisclosed.
84152	1 October 2018	31 October 2018 and 6 th December 2018	Request for additional information.	Advised that the ODPP does not hold any records over and above those which she has already indicated are in her possession.

