

2019

PORTFOLIO OF THE CIVIL SERVICE

ANNUAL REPORT

FOR THE PERIOD ENDING DECEMBER 31, 2019



PORTFOLIO OF
THE CIVIL SERVICE
CAYMAN ISLANDS GOVERNMENT

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FOREWORD BY

THE DEPUTY GOVERNOR AND HEAD OF THE CIVIL SERVICE



*Hon. Franz Manderson, MBE -
Deputy Governor & Head of the
Civil Service*

Since the launch of our 5-Year Strategic Plan, Civil Servants have worked diligently to lay a foundation that will ensure that a world-class culture is embedded across the Civil Service. Similarly, significant work has been undertaken to progress the Government's eight Broad Strategic Outcomes. The important work carried out under both strategic initiatives will benefit Civil Servants, citizens and visitors alike by improving the quality of services and life in the Cayman Islands.

In 2019, we saw many noteworthy accomplishments in this respect and I am proud to share these with you in the Portfolio of the Civil Service's (PoCS) 2019 Annual Report.

To move the Civil Service toward its goal of delivering an outstanding customer experience, we trained 716 Customer Service Ambassadors and 117 Customer Service Champions through our newly established Customer Service Academy.

To measure customer satisfaction, we continued to deploy our "Happy or Not" terminals across the Civil Service, which captured a total of 347,405 responses in 2019 and revealed an overall happiness rating of 94%. These results include responses that were captured in departments where Civil Service priorities, such as protecting our borders, must be balanced with providing outstanding customer service. Yet, despite having to manage this balance daily, our overall rating is 6% shy of 100.

Of equal importance is the engagement and satisfaction of our staff. In 2019, 2,976 (74%) of our staff took the staff engagement survey and we achieved an engagement index of 70%. This is on par or better than some of the best Civil Services in the world. However, the survey result that I am most pleased to see is that 85% of survey participants said they were proud to be a Civil Servant.

In 2019, the Civil Service delivered world-class results in some key areas:

In our effort to improve the delivery of projects, the Strategic Reforms Implementation Unit revised business case templates used by the Welsh Government and throughout Europe to better fit the needs of the Cayman Islands Government (CIG). Our templates were of such high quality that they were adopted by the Better Business Case Programme and are now published on the website of the Welsh Government.

To further the development of exceptional leadership, PoCS' Management Support Unit distilled key concepts into a succinct Leadership Statement, delivered 11 seminars for strategic leaders aimed to raise awareness of key leadership concepts, delivered focused ILM training to managers and supervisors, and improved the performance management process by moving to an online platform, achieving a 93.6% completion rate for performance agreements in 2019.

To further bolster governance, the Commissions Secretariat contributed to the development of Regulations for the Standards in Public Life Law to ensure the Law can commence. They also updated the working policies of the Civil Service Appeals Commission in order to ensure the principles of natural justice are upheld.

Also in 2019, the ODG engaged in delivering a range of cross-ministry projects to enhance our national frameworks and mechanisms for safeguarding our children. This included the development of new governance arrangements for child safeguarding. This project, which is largely complete, has rationalized roles and responsibilities amongst stakeholder agencies and delivered new terms of reference and operating procedures for the National Safeguarding Board.

While I have outlined several of our remarkable achievements from 2019, 2020 will see us undertake additional work that will further embed a world-class culture and will move us even closer to our Vision of becoming a World-Class Civil Service, all while continuing to support the achievement of the Government's Broad Strategic Outcomes. Included in that work will be the introduction of a new strategy to drive innovation and reduce inefficiencies within the Civil Service. To quote a recent case study from the OECD's Observatory on Public Sector Innovation, "it is not enough to implement best practices, when the real need lies in creating the next practice." By building the capacity and starting the conversations around innovation, I believe we can create an environment where public sector innovation becomes "business as usual" and we will start to see positive impacts across the Civil Service.

Franz Manderson

Franz Manderson, MBE, JP

Deputy Governor & Head of the Civil Service

FOREWORD BY

THE CHIEF OFFICER OF THE PORTFOLIO OF THE CIVIL SERVICE



*Gloria McField-Nixon, JP -
Chief Officer, Portfolio of the
Civil Service*

As we enter year three of our 5-Year Strategic Plan and continue to pursue our ambitious Vision “to be a World-Class Civil Service”, I take time to reflect on the accomplishments of 2019.

Evidence of our foundational work across the five goals of the 5-Year Strategic Plan exist throughout the Service. Under Goals Two and Four, Develop Exceptional Leadership and Pursue Excellence in Talent Development, the Civil Service College (CSC) worked to expand learning and development offers to supervisors and managers through Institute of Leadership and Management (ILM) programmes. Acknowledging that it is imperative to have a staff complement who are confident, competent and professionally equipped for the task, CSC also facilitated the participation of over 800 employees in various workshops and seminars. Additionally, 290 employees completed, or are currently pursuing leadership and management qualifications through the ILM; 22 employees graduated with an Associates of Arts in Public Administration; another 20 employees earned Certificates in Public Administration; and three Civil Servants, sponsored by the CSC, completed their Bachelor of Arts degree at UCCI.

In addition to classroom based training, it is now common place for Civil Servants to also be exposed to on-the-job training through secondments to other roles, and to informal coaching and mentoring. More broadly, the Civil Service has developed and agreed terms of reference for Heads of Profession, which will support talent development across specific career paths. To date, approximately 50 Civil Servants have taken advantage of secondment opportunities both locally and overseas. This includes the Internal Audit Service’s Caymanian Deputy Director, Lauren Knight, who completed a secondment with the UK Government’s Internal Audit Agency in August 2019 and commenced a second secondment as the Acting Deputy Chief Officer of PoCS in September 2019.

The creation and launch of the Communications Profession and a Communications Strategy, which consistently promotes the Government’s policy priorities across internal and external audiences, advanced the objectives of Goal Four – Foster Effective Communication. Additional work in this area included the introduction of communication cascades, including the distribution of 128 leader toolkits.

To further advance Goal 5 - Demonstrate Excellence in Governance Practices - PoCS delivered a draft Anti-Bullying, Harassment and Discrimination policy, which is currently in the final stages of review and is due to be implemented in early 2020. This policy will set the tone for expected behaviors in the workplace, outline the responsibilities of employees, and provide a framework and guidance to aid in

identifying, handling, reporting and resolving alleged occurrences of bullying, harassment and discrimination in the CIG.

2019 also saw PoCS deliver exceptional results in some key areas, all of which continue to move us toward our Vision of becoming World-Class:

The implementation of Section 47 of the Public Authorities Law (PAL) requires all public authorities to use the same salary scale as determined by Cabinet and that all jobs be evaluated using the same job evaluation methodology. PoCS' Strategic and Corporate HR (SCHR) team spearheaded a project to have approximately 900 unique job descriptions across 25 Statutory Authorities and Government Companies (SAGC) evaluated. While the workload necessitated outsourcing a portion of the evaluations, SCHR, using internal resources, undertook a portion of the evaluations themselves, effectively doubling the annual output targets for the internal job evaluation team.

Brand standards, which reflect the CIG's identity, were developed and launched. Additionally, we achieved 95% awareness of our Vision to be a World-Class Civil Service, surpassing the previous year's score of 94%, further indicating that our efforts to communicate and embed our Vision have been successful.

As it relates to governance, the first ever Audit and Risk Assurance Committee (ARAC) for the Core Government was established and held its first full meeting in September 2019. This fills a critical and long-standing gap in our governance arrangements. The Committee provides an independent challenge to governance, risk management and controls for the Core Government and helps to ensure that the risk and control framework is operating effectively.

As in previous years, we continued to recognise and celebrate, through the Deputy Governors Award scheme, those Civil Servants who deliver exemplary service. Additionally, PoCS made lives better by promoting and participating in numerous community outreach programmes which have raised funds for numerous local charities, including the Alex Panton Foundation, the Cayman Islands Crisis Centre and the Cayman Special Needs Foundation.

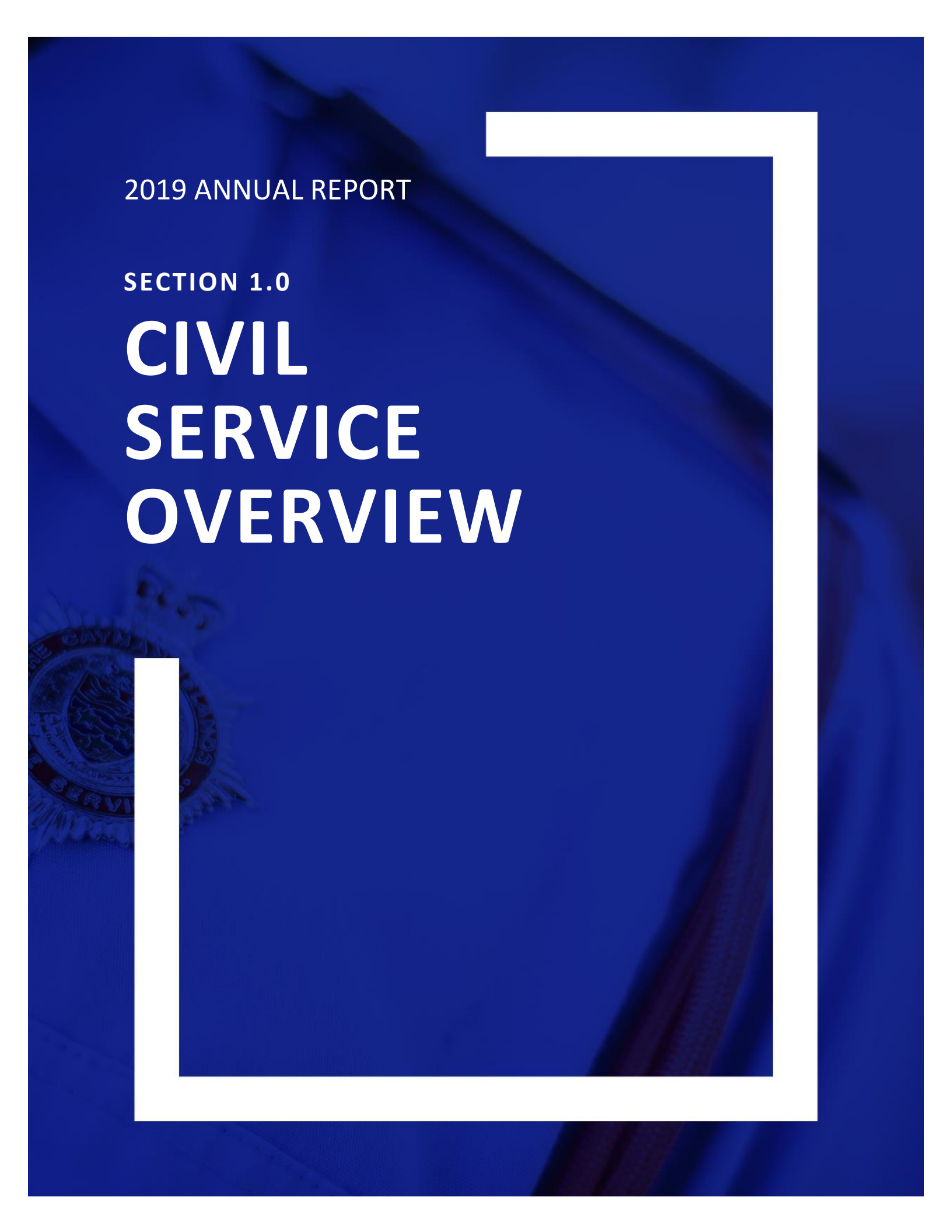
While 2019 saw many successes, we are cognizant that there is more work ahead. In 2020, PoCS will continue to progress programmes and projects under the 5-Year Strategic Plan, whilst also focusing on transforming the role of HR and integrated technologies to ensure that the CIG operates a modern HR function, all in an effort to deliver world-class services.

Gloria McField-Nixon

Gloria McField-Nixon, JP

Chief Officer

Portfolio of the Civil Service



2019 ANNUAL REPORT

SECTION 1.0

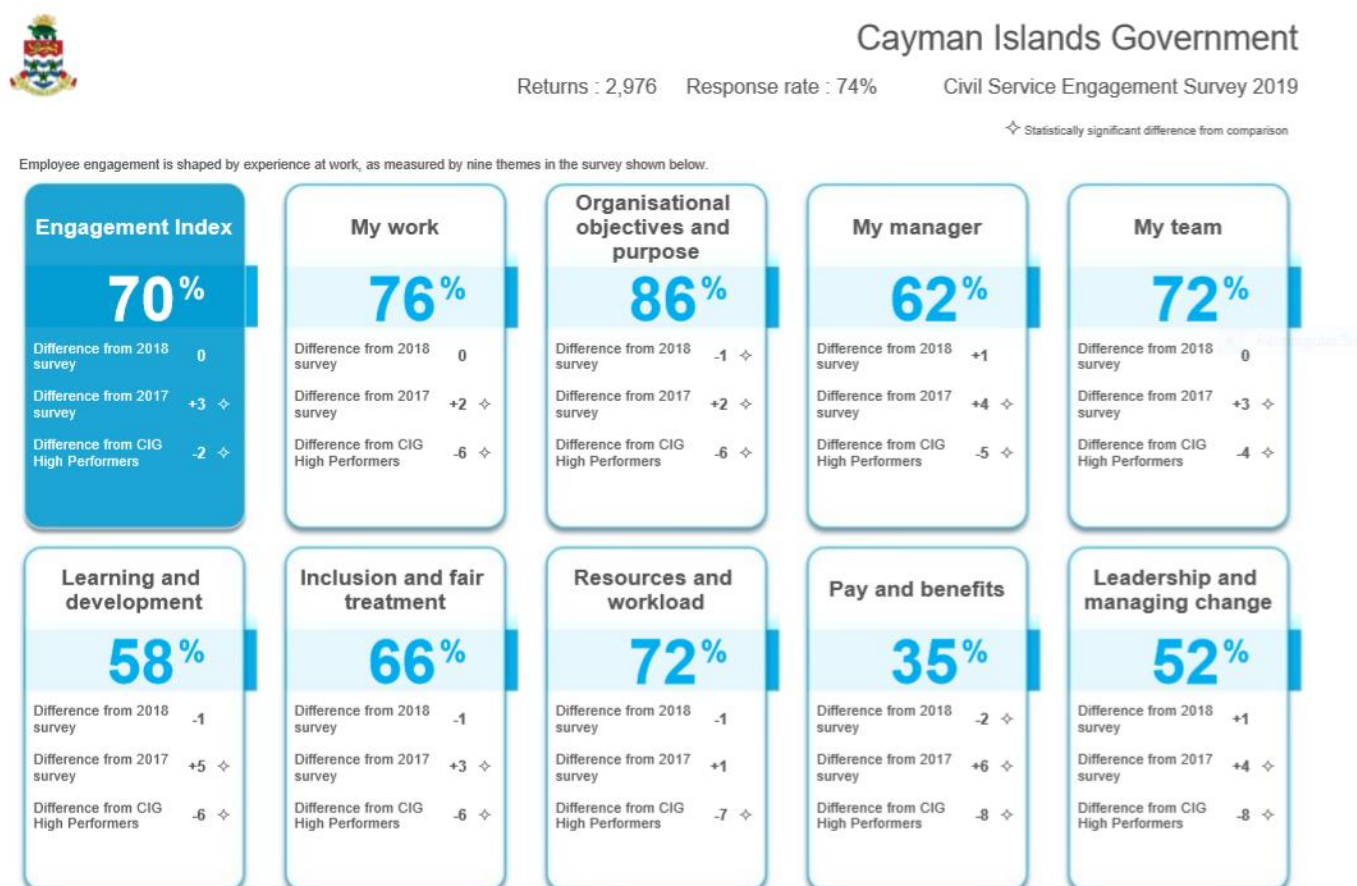
CIVIL SERVICE OVERVIEW

1.1 THE PORTFOLIO'S IMPACT ACROSS THE CIVIL SERVICE

Sections 24 and 25 of the Public Service Management Law prescribe the duties and powers of the PoCS in relation to Civil Service human resource matters. Generally, the PoCS advises His Excellency the Governor and the Head of the Civil Service on the effectiveness of the Human Resources framework within the Cayman Islands Government.

As part of the 5-Year Strategic Plan, the PoCS monitors employee engagement to assess whether the conditions within the Civil Service are conducive to our employees giving their best efforts. In 2019, the third annual employee engagement survey was conducted. Compared to 2018, the participation rate grew by 2% to 74% (i.e. 2,976 participants) and the overall engagement level held steady at 70%. The themes “My Work” and “My Team” maintained scores of 76% and 72% respectively, while “My Manager” and “Leadership and Managing Change” both showed increases of 1%, bringing those themes to 62% and 52% respectively. The remaining five themes showed slight declines of 1 – 2%, with the lowest scoring theme being “Pay and Benefits”, which received a score of 35%. A review of reward and remuneration is scheduled for 2020.

Figure 1. Cayman Islands Civil Service 2019 Employee Engagement Results



The Deputy Governor's Employee of the Year Annual Awards Ceremony: 2019 (honouring 2018 nominees)

The Deputy Governor's Award Ceremony honoured 12 exceptional nominees who were nominated during the period of January to December 2018. Additionally, 33 persons received the Chief Officer's Choice Awards.



2018 Employee of the Year Recipient, Levi Allen, receives his award from the Honourable Deputy Governor Franz Manderson.

Held at the Harquail Theater on March 21st, 2019, the ceremony highlighted the remarkable contributions of a diverse set of Civil Servants. Ranging from a Marine Conversation Officer to a Video Production Specialist, the 12 candidates were lauded for their individual contributions to the Cayman Islands Government. At the end of the evening, Levi Allen, Training Development and Safety Officer at the Public Works Department, was recognised as the 2018 Employee of the Year.



The Honourable Deputy Governor (7th from the right) on stage at the Harquail Theatre with the 2018 Employee of the Year nominees.

Table 1. Full list of the 2018 Employee of the Year Nominees. The Employee of the Year was Levi Allen.

Finalists of The Deputy Governor's Employee of the Year Annual Awards			
Name	Department	Month (2018)	Nomination Category
Levi Allen*	Public Works	January	Pursue Excellence in Talent Development
Shanda Reid	Immigration	February	Deliver an Outstanding Customer Experience
Sacha Rankine	Labour & Pensions	March	Develop Exceptional Leadership
Mitzi Watson-Jervis	Commerce & Investment	April	Foster Effective Communication
Shushan O'Connor	Immigration	May	Deliver an Outstanding Customer Experience
Carol Best-Gould	Strategic HR (PoCS)	June	Deliver an Outstanding Customer Experience
Chadd Bush	Environment	July	Develop Exceptional Leadership
Sophia Wilson-Leslie	Community Rehabilitation	August	Deliver an Outstanding Customer Experience
Ryan Rajkumarsingh	Commerce & Investment	September	Develop Exceptional Leadership
Wesrol Nyack	Tourism	October	Deliver an Outstanding Customer Experience
Stephon Johnson	Government Information Services	November	Deliver an Outstanding Customer Experience
Stafford Millwood	Immigration	December	Develop Exceptional Leadership

* 2018 Employee of the Year

Community Outreach Programmes

In 2019, PoCS facilitated numerous community outreach programmes on behalf of the wider Civil Service. This outreach took the form of beach and community clean-ups (as part of Earth Day), dress for a cause days and assistance with numerous registrations for fundraising events. Of all the events, the single largest charitable contribution made by the CIG was facilitated through participation in the Deputy Governor's (DG's) Annual 5K Challenge.

Deputy Governor's 5K - 2019

The Deputy Governor's 5K Challenge brings together Civil Servants, private sector employees and members of the public in a fitness and fundraising challenge. It is part of the Deputy Governor's vision to have a healthier, more active and more socially engaged Civil Service, while also benefitting charitable organisations and initiatives in the Cayman Islands.



In 2019, its sixth year, the DG's 5K raised a total of \$82,000 for three local charities – The Alex Panton Foundation, the Cayman Islands Crisis Centre and the Cayman Special Needs Foundation. Since its inception in 2014, this well supported event has raised \$378,000 for various charities across the three Islands, including Feed Our Future, Meals on Wheels, the Cayman Heart Foundation and Cayman Hospice Care (now known as Jasmine).



Earth Day

In April 2019, in recognition of Earth Day, Civil Servants on Grand Cayman collected over 100 bags of trash, while Civil Servants on Cayman Brac choose to beautify the Kirkconnell Community Care Centre. In addition, the "Proud to be a Civil Servant" clean-up effort, also held in April, attracted volunteers from PoCS, Computer Services, General Registry, the Department of Commerce and Investment, the Ministry of Health, the Lighthouse School, the Legislative Assembly and the Public Works Department. Divided into two teams, Powell Smith Drive, West Bay and a stretch of Bodden Town Coastline were cleaned and beautified.



Left: Department of Planning employees and family members collect trash along the coastline near the Lighthouse Restaurant. In just a few hours, the dedicated crew of 10 collected over 25 bags of garbage.



Above: Civil Servants on Cayman Brac undertook a beautification project at the Kirkconnell Community Care Centre, which included replanting the gardens and cleaning up the surrounding areas for the senior citizens that reside at the home.

Corporate League Sponsorships

In 2019, PoCS sponsored the very first CIG rugby team to participate in the Cayman Rugby Football Union Corporate League. The funding, which came from the CIG Wellness Fund, allowed 25 Civil Servants, representing every Government Ministry to participate. Computer Services Director Simon Spiers and Cadet Corps Commandant Bobeth O'Garro co-coached the team for their debut.



Race Registrations

Civil Servants contributed to numerous charitable causes through race registrations and participation, including the Cancer Society Stride against Cancer, Lions Club of Tropical Gardens Breast Cancer Awareness, Honouring Women's Month, the CUC "Race in the Republic" for Government's own Sunrise Adult Training Centre, Breeze Fusion, the Monetary Authority's 5K and the 2019 Deputy Governor's 5K Challenge.



Dress for a Cause Days

Throughout 2019, PoCS facilitated numerous Dress for a Cause days to raise funds for and awareness of various charities and causes in the Cayman Islands. Some of the causes supported by Civil Servants during the year were Earth Day, Alzheimer's Awareness, Anti-bullying and, as pictured, Breast Cancer Awareness.

2019 Civil Service Summer Internship Programme

The Government's Summer Internship Programme, organised annually by PoCS, attracted nearly 200 bright and ambitious interns in 2019. Over the summer, the interns worked and gained exposure in various disciplines across multiple Civil Service entities. At the end of their stint, the interns participated in an awards ceremony where the top interns - Rhimar Williams (RCIPS) and Minelli Tibbetts (Judicial) – were named. Awards in the categories of "Teamwork", "Commitment", "Customer Service" and "Leadership" were also awarded as follows:

- **Teamwork** – Monique Duarte (Ministry of Commerce, Planning & Infrastructure)
- **Commitment** – Rhiana Williams (Department of Planning)
- **Customer Service** – Tarran Ebanks (Department of Labour and Pensions)
- **Leadership** – Ben Ebanks-Morales (Public Works Department)



The Honourable Deputy Governor, Franz Manderson (far left), and the Chief Officer of the Portfolio of the Civil Service, Gloria McField-Nixon (right), with four of the 2019 CIG summer interns.

1.2 STRUCTURE AND FUNCTION OF THE PORTFOLIO

PoCS Structure and Function

The Portfolio of the Civil Service is responsible for supporting the Governor and Deputy Governor to fulfil their obligations for the Civil Service in the areas of HR policies and compliance, public sector management and good governance practices.

The PoCS is comprised of 13 departments, sections and unit as outlined below. The PoCS also has oversight of 2 statutory authorities; the Cayman Islands Public Service Pensions Board and the Cayman Islands Civil Aviation Authority. The statutory authorities have issued separate annual reports to document their individual entity performance.

Table 2. Areas of Strategic Focus

AREAS OF STRATEGIC FOCUS 2019/2020		
Global HR & Management Practices	Public Sector Reform	Good Governance
• Policy, Finance and Administration Section • Strategic & Corporate HR Unit • Civil Service College • Cayman Islands National Archive	• Management Support Unit (MSU)	• Legislative Assembly (LA) • Elections Office • Office of HE the Governor • Office of the Deputy Governor • Internal Audit Service • Commissions Secretariat • Office of Education Standards

Vision and Mission for the Portfolio of the Civil Service

Table 3. Our Vision & Mission

OUR VISION To be a valued partner in achieving performance excellence across the Cayman Islands Government.	OUR MISSION To promote and support democracy and good governance, through efficient and effective Human Resource and General Management practices across the Cayman Islands Government.
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During the 2019 financial period, the work of the PoCS contributed to the government's broad strategic outcomes as follows:

Table 4: PoCS Links to Broad Strategic Outcomes – Level 1

BROAD STRATEGIC OUTCOMES 2018 & 2019	
Broad Outcome	PoCS Level 1 - Strategic Projects ("Key" projects as identified in 2018-19 Budget)
Strong Economy	Increase pensions payments to qualified retired civil servants - Pension Uplift Programme
Full Employment for Caymanians	Support workplace training and lifelong learning to ensure skills keep pace with technology & other demands - Civil Service College
Best Education for our Children	Invest in programmes that support improved attainment of academic disciplines - Office of Education Standards
Reducing Crime and Fear of Crime	Reduce Recidivism by improving rehabilitation and supporting persons to find suitable employment - Second Chances Programme
Quality & Affordable Healthcare	Improve the focus on prevention & promotion of healthy lifestyles to reduce preventable illness - Wellness Committee
Stronger Communities & Support for Vulnerable	
Healthy Environment	
Stable, Effective & Accountable Government	Implement E-Government Programme to extend access, improve customer service and increase efficiency - 5 Year Strategic Plan Improve effectiveness of Government Communication - 5 YSP Build on Project Future to create and implement cross-government efficiencies - SRIU as a centre of excellence in embedding business case and project management capabilities

Our People

The Senior Management Team of the Portfolio is comprised of the following:

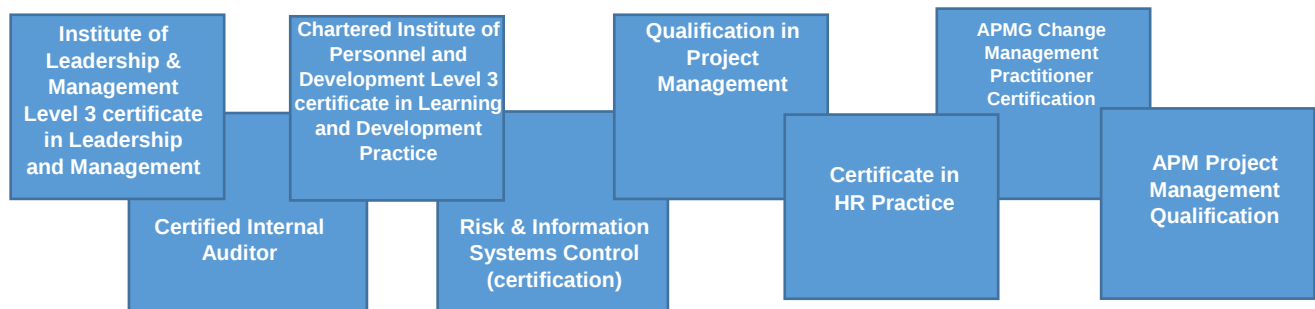
Position	Post Holder
Chief Officer	Gloria McField-Nixon, JP
Deputy Chief Officer (Acting)	Lauren Knight
Director, Human Capital Development (seconded)	Graeme Jackson
Chief Financial Officer	Nadisha Walters
Senior HR Executive	Charlene Howell-Litchmore
Director, Management Support Unit	Winston Sutherland
Senior HR Policy Advisor	Jo Richards
Manager of Strategic & Corporate HR	Cara Anderson-Linwood

Learning and Talent Development

PoCS is proud to have created an environment that supports the continuous learning and professional development of staff. In 2019, our staff took advantage of numerous learning opportunities including the following:

- Benefits Management Master Class
- Customer Service Workshop
- Leadership Workshop
- Cayman Islands Digital Economy Conference
- Performance Management
- Bonfire Best Practice (NB: Bonfire is a procurement tool)
- Data Protection Training
- Risk Management
- Programme and Project Management

Following are examples of some of the diverse professional certifications/qualifications that were obtained by personnel across the 13 PoCS entities in 2019:



PoCS Celebrates its Deputy Governor's Award Recipients

Three members of the PoCS team were recognised for exemplary service in 2019 and awarded under the Deputy Governor's Award scheme. One employee received the top honour of Employee of the Month, while two others received the Chief Officer's Choice award.



Employee of the Month – October 2019

The core PoCS team celebrate with October 2019 Employee of the Month recipient Charlene Howell-Litchmore (pictured front centre). Charlene was nominated under the category “Deliver an Outstanding Customer Experience” and was recognised for, among other noteworthy achievements, being the driving force behind the establishment of the CIG’s Second Chances Programme.



Chief Officer's Choice – September 2019

Chief Officer Gloria McField-Nixon presents Office of the Deputy Governor (ODG) employee Leni Tatum with the Chief Officer's Choice award for September 2019. Also nominated under the category "Deliver an Outstanding Customer Experience", Leni was recognised for keeping customers at the heart of ODG processes.



Chief Officer's Choice – November 2019

Chief Officer Gloria McField-Nixon presents Office of Education Standards (OES) employee Althea Edwards-Boothe with the Chief Officer's Choice award for November 2019. Althea was nominated under the category "Foster Effective Communication", and was recognised for her excellence in providing comprehensive, well-reasoned and evidence-based feedback to OES clients.

1.3 FINANCIAL PERFORMANCE

PoCS achieved another unqualified opinion from the Auditor General's Office for its 2019 Annual Financial Statements, marking seven fiscal years of unqualified opinions. This year's audit was completed several days in advance of the statutory deadline (30th April 2020), even as the team contended with the restrictions imposed as a result of COVID-19 (Coronavirus), which included shelter in place orders.

The complete financial statements, notes and disclosures are presented in Section 3.0 of this document.

The table below summarizes the financial performance of PoCS over the past four fiscal years (*note that the 2016-17 financial results reflect an 18-month transitional period and are therefore not entirely comparable to the other years shown*).

For the period ended December 31, 2019, the Portfolio recognized revenues of \$12.2 million, an increase of 8% over the previous fiscal year. Cabinet billing moderately increased over prior years due to a slow but steady drive to fill vacancies, which in turn increased output delivery and, in some cases, led to budgeted targets being exceeded. Additionally, third party revenues almost doubled the prior years' revenues as a result of a change in eligibility requirements for Naturalization and BOTC applicants.

Expenses during the same period were \$11.3 million, representing a 14% increase over 2018. The increase in expenses was mainly from personnel costs, as PoCS departments actively recruited to fill vacancies; hence, increasing basic salary. In addition, temporary relief increased due to registering officer's stipends and due to temporary staff being employed by the Elections Office to assist with managing the cruise port referendum, including the signature verification exercise and registration of new voters.

Health insurance expenditure also increased primarily due to a change in insurance premiums. Additionally, supplies and consumables expenditure increased, mainly driven by increases in training costs, food and dietary supplies, electricity, attendance allowance, professional fees and special conferences hosted by PoCS.

As shown in Table 5, the Portfolio has ended each of the past four financial years in a surplus position, with the 2019 surplus being \$0.953 million.

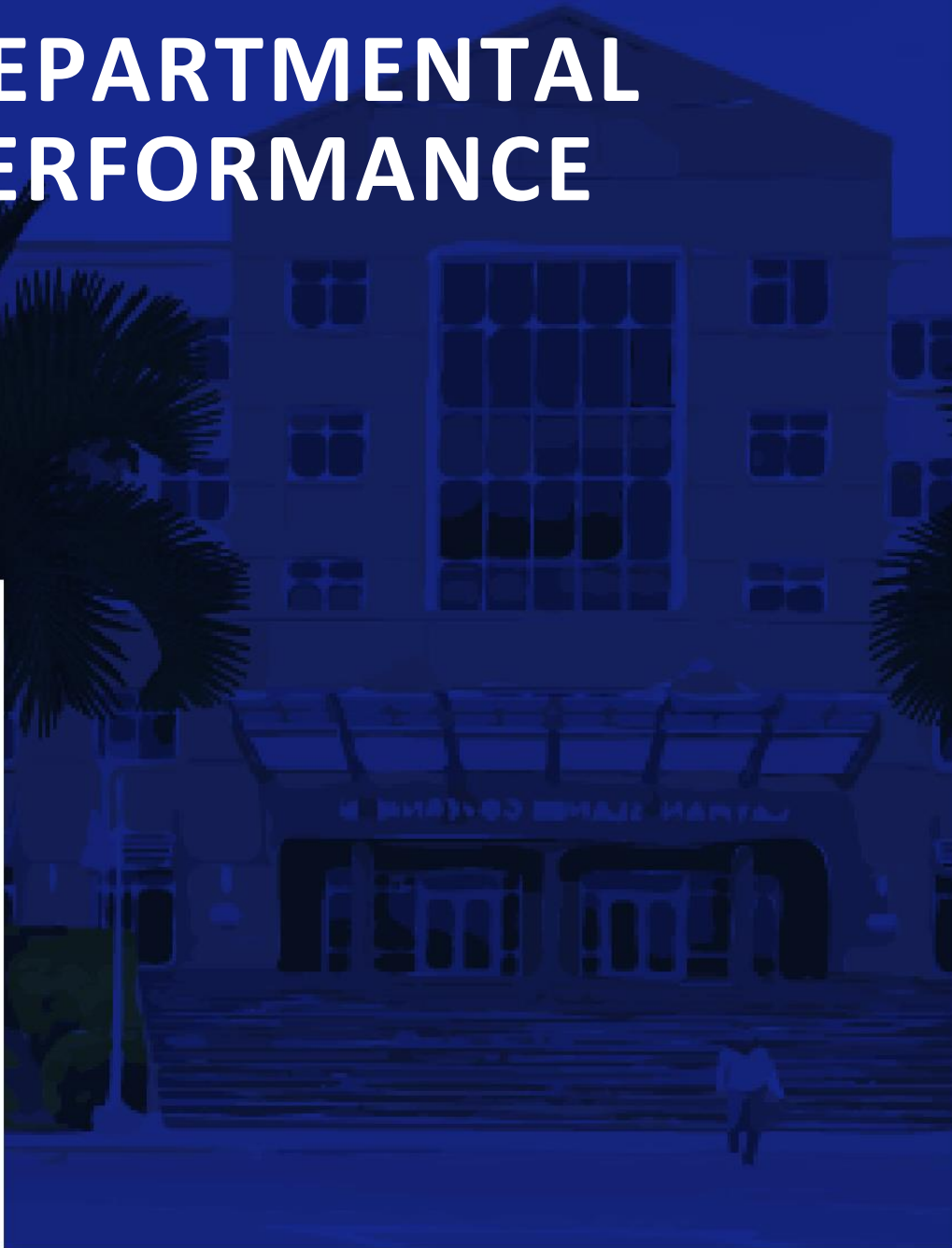
Table 5. Statement of Financial Performance

STATEMENT OF FINANCIAL PERFORMANCE (in thousands)				
Revenue	2015-16	2016-17	2018	2019
Cabinet Revenue	8,116	14,270	10,630	11,203
IAC Revenue	6	9	8	6
3 rd Party Revenue	431	677	662	1,011
Total Revenue	8,553	14,956	11,300	12,220
Expenses				
Personnel Cost	5,617	10,276	7,435	8,282
Supplies & Consumables	1,809	3,338	2,340	2,842
Depreciation	81	163	140	143
Total Expenses	7,507	13,777	9,915	11,267
Net Surplus for the period	1,046	1,179	1,385	953

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SECTION 2.0

DEPARTMENTAL PERFORMANCE



FORWARD LOOK – 2020 STRATEGIC FOCUS

2020 will see work undertaken to advance the modernisation of the HR function, with PoCS strengthening its role as a centre of expertise and supporting additional HR disciplines. Key HR processes will be revisited and updated to improve efficiency, and our repertoire for employee well-being and engagement activities will be expanded, both of which are critical factors impacting organisational productivity.

PoCS will deliver the core competency framework for HR professionals, and facilitate development opportunities for the profession in the areas of dealing with mental health, undertaking internal investigations and delivering HR through a business partner model, all of which are priorities to support new policies and to improve business outcomes.

In the first half of the new budget cycle, our work in the area of compensation will continue with a review of our pay strategy and an assessment of our readiness to recognise performance through pay and incentives.

Whilst committed to maintaining a remuneration and reward offering that can attract and retain a Civil Service capable of delivering world-class services, in 2020, PoCS will also undertake a review and make recommendations on the provision for pension and post-pension benefits for new staff, to ensure that benefits offered are sustainable within the public purse for future generations. This exercise will also be carried out for healthcare premiums.

During 2020 we will also commence the procurement process for an integrated enterprise-wide human resource management system which supports streamlining of processes and improves capability to support a modern HR function.

2.2 THE CIVIL SERVICE COLLEGE (CSC)

ENTITY OVERVIEW

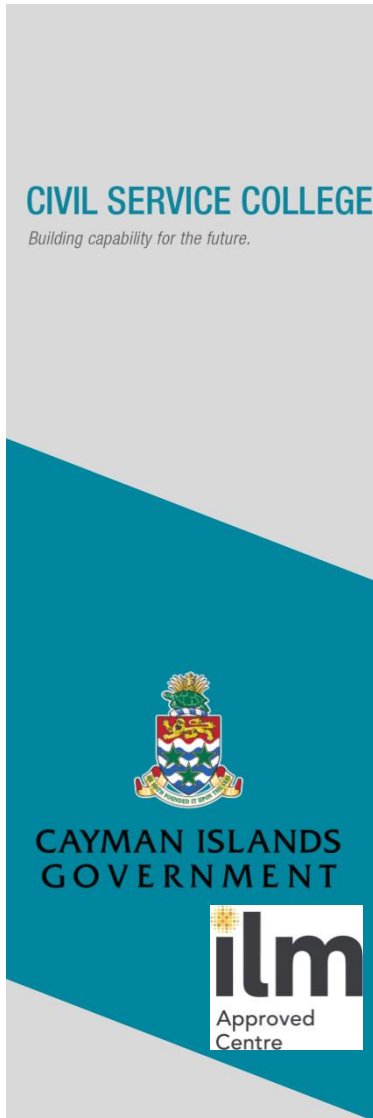
The Civil Service College ('CSC' or 'the College') was established to provide learning and development opportunities, with the main focus being to support Civil Servants achieve academic qualifications to allow them to advance and progress. This has been done in partnership with the University College of the Cayman Islands (UCCI) and there are currently 200 students enrolled in various programs.

SUMMARY OF 2019 ACHIEVEMENTS AND CONTRIBUTIONS

In the last year, 22 employees graduated with an Associates of Arts in Public Administration; another 20 employees earned Certificates in Public Administration; and 3 civil servants completed their Bachelor of Arts degree.

The College is continuing to align its programmes to the core competency framework launched in 2018. Following some pilot programmes in 2019, the College is currently increasing capacity and will provide a greater range of learning opportunities to a wider group of Civil Servants beginning in the spring of 2020.

In response to the results of the Civil Service engagement survey, the College has been developing a range of learning and development programmes to support managers and leaders. The College is an approved ILM City & Guilds centre and offers accredited programmes at level 3, 5 and 7. These programmes now provide a clear development and progression path for our leaders and managers, and the results of the engagement survey in 2019 showed that the early work is having an impact. So far, 290 employees have completed, or are currently pursuing leadership and management qualifications through this route.



A new ILM level 5 leadership programme was developed and commenced in 2019 aimed at senior managers who were responsible for leading innovation. This programme provides the skills to help participants deliver real improvements and innovation aligned to our mission of making lives better.



Also in 2019, the College was awarded approval to run ILM programmes at level 7. This approval signifies the calibre of the in-house team who can now deliver learning and development equivalent to a university master's degree. The development work was undertaken in 2019 and the first cohort will commence in 2020.

In partnership with the Chartered Institute of Personnel and Development, 10 people were awarded professional development certificates in learning and development practice allowing them to provide professional learning opportunities in their own departments and as trainers within the College.



Online learning, through the online learning platform Degreed.com, continued to be an option available to Civil Servants and employees of statutory authorities in 2019. Through Degreed, 3,924 hours of development activity was undertaken resulting in 2,610 learning activities being completed.

Throughout the year, over 800 employees participated in various workshops and seminars covering topical issues and professional development.

Partial financial support was provided by the College to 13 employees who undertook the Global Executive Leadership Certificate course, which was offered in partnership with UCCI and Florida International University. Additionally, partial funding was provided to seven Civil Servants who participated in the Chamber of Commerce Leadership Cayman programme. Lastly, in partnership with the Caribbean Development Bank, 42 people achieved certificates in Public Policy Analysis through to Project Cycle Management training.

2.3 MANAGEMENT SUPPORT UNIT (MSU)

ENTITY OVERVIEW

The Management Support Unit is responsible for the facilitation and monitoring of Civil Service reform, across all Civil Service entities, based on the priorities of the Deputy Governor. Additionally, the MSU is responsible for providing advice, support and capability development to Ministries and Portfolios to improve overall performance and effectiveness to the Civil Service.

SUMMARY OF 2019 ACHIEVEMENTS AND CONTRIBUTIONS

The 5-Year Strategic Plan for the Civil Service was launched in January 2018 and has now come to the end of the first two years. The Vision is “To be a World-Class Civil Service”. The vision underpins the shared purpose ‘To Make the Lives of Those We Serve Better’. In 2019, the MSU achieved the following, all of which supported wider activities to move the CIG toward its vision of becoming world-class.

Goal 1: Foster a customer-centred culture within the Civil Service

- The Customer Service Academy trained 716 Customer Service Ambassadors;
- 117 Customer Service Champions were trained;
- Through the E-Government team, various self-service options were introduced.



Goal 2: Develop Exceptional Leadership

- Improved the performance management process by moving to an online platform. In 2019, the CIG achieved a completion rate of 93.6% for performance agreements;
- Developed a succinct Leadership Statement for the Civil Service;
- Facilitated three Senior Leadership events for strategic leaders aimed at raising awareness of key leadership concepts;
- Conducted the third annual employment engagement survey, which showed that engagement increased by 3% and overall participation increased by 2%;
- Facilitated ILM training for 182 supervisors/managers, resulting in them obtaining or being in the process of obtaining formal leadership qualifications.

Goal 3: Pursue Excellence in Talent Development

- Completed a Learning and Development roadmap;
- Expanded the learning and development offerings to supervisors and managers through the ILM programme;

- Worked to develop and deploy a common framework for strategic workforce planning and the strategies for acquiring, developing and promoting talent.

Goal 4: Foster Effective Communications

- Maintained 95% awareness of the Vision to be a World-Class Civil Service (as measured by the 2019 Engagement Survey);
- Developed professional competencies for the Communications Profession, which was launched in 2019.
- Developed and implemented a Communications Strategy which consistently promotes the Government's policy priorities across internal and external audiences;
- Developed and launched brand standards to reflect the identity of the Cayman Islands Government.

Goal 5: Demonstrate Excellence in Governance Practices

- Trained 225 employees in Human Rights and Governance;
- Delivered two training sessions on Policy Development to 30 participants;
- Assisted with the operationalisation of the Audit and Risk Committee.

FORWARD LOOK – 2020 STRATEGIC FOCUS

In 2020, work on the five goals under the 5-Year Strategic Plan will continue and will be underpinned by three cross cutting themes:

- The Government's priorities
- Innovation
- Culture

In 2020, the MSU will work to embed a culture of putting our customers at the heart of all we do by contextualising our purpose – 'Making Lives Better'. This will be done by linking our work with the Government's eight Broad Strategic Outcomes.

The MSU, in consultation with Deloitte, will provide support in developing service standards for four Government departments and will assist with better aligning the processes and structures within those departments to deliver on Government's priorities.

The MSU will continue to develop exceptional leadership by, among other initiatives, administering an updated 360 feedback instrument to all strategic leaders. This will be supported by offering coaching support to respond to the feedback, as well as offering ongoing general support.

To continue to support talent development across the Civil Service, the MSU will roll out a learning and development framework, which will set out the development path for all civil servants. Additionally, a competency framework for human resource activities such as learning and development, performance management, recruitment, induction and 360 feedback will be embedded across the Service.

2.4 STRATEGIC & CORPORATE HR (SCHR)

ENTITY OVERVIEW

The Strategic and Corporate HR Unit provides a variety of HR services to entities across the core Civil Service, as well as to Statutory Authorities and Government Owned Companies (SAGCs). These services include:

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

These services mainly contribute to Cabinet's eighth Strategic Broad Outcome – Stable, Effective and Accountable Government.

SUMMARY OF 2019 ACHIEVEMENTS AND CONTRIBUTIONS

On 1st June 2019, Section 47 of the Public Authorities Law came into effect. This section requires all public authorities to use the same salary scale as determined by Cabinet and that all jobs be evaluated using the same job evaluation methodology.

As a result of the implementation of Section 47, the Strategic and Corporate HR unit within the PoCS spearheaded a project to have approximately 900 unique job descriptions across the 25 SAGCs evaluated. While the workload necessitated outsourcing a portion of the evaluations, SCHR, using internal resources, undertook a portion of the evaluations, effectively doubling the 2019 annual output

targets for the internal job evaluation team. Of the 25 SAGCs, the internal PoCS job evaluation team completed job evaluations for 14, while still managing job evaluation requests for their core Government client base. Following are the 14 SAGCs for which job evaluations were completed during 2019:

- Auditors Oversight Authority
- National Housing Development Trust
- Civil Aviation Authority
- The Utility Regulation and Competition Office (OfReg)
- Cayman Islands National Insurance Company
- Maritime Authority of the Cayman Islands
- Tourism Attractions Board
- Cayman Islands National Museum
- Cayman Islands Stock Exchange
- National Drug Council
- Cayman Islands Development Bank
- Cayman National Cultural Foundation
- Children and Youth Services Foundation
- National Gallery of the Cayman Islands

The evaluation work carried out in 2019, coupled with additional work that will take place in 2020, will ensure compliance with Section 47 of the Public Authorities Law and introduce consistency across the Public Sector.

FORWARD LOOK – 2020 STRATEGIC FOCUS

During the first quarter of 2020, the core PoCS job evaluation team will conclude job evaluations for both the Public Service Pensions Board and the University College of the Cayman Islands, bringing the total count of SAGCs completed to 16 (of 25). Following the completion of a successful tendering process, a contract will be awarded to provide job evaluations for all roles within the remaining SAGCs.

As only one aspect of compensation, namely salaries, is being regularised as a result of the implementation of Section 47, additional work will be required to review and adjust benefits such as health insurance and retirement benefits within the SAGCs. This work is necessary to further harmonize terms and conditions amongst all SAGCs as is contemplated in section 47 (2) and (3) of the Public Authorities Law. Assessments are currently being conducted to determine how further work will be incorporated into future phases of this multi-phase project to address wider compensation matters not resolved by the adoption of a common salary scale.

Additionally, Section 47 (6) of the Public Authorities law allows SAGCs to equally rely upon other factors when considering the value of a role. To provide a consistent approach to resolving this type of anticipated conflict for some roles, SCHR will assist with developing a “market factors analysis” methodology that will identify the circumstances where external market values may be applicable. This work is due to be completed in the first quarter of 2020.

2.5 CAYMAN ISLANDS NATIONAL ARCHIVE (CINA)

ENTITY OVERVIEW

The Cayman Islands National Archive provides two primary functions as mandated by the National Archive and Public Records Law (2015 Revision). The first service is to internal CIG customers in the provision of a records and information management framework across the Public Service to address information management needs. The second service is to members of the public through the provision of access to historical information and archives.

SUMMARY OF 2019 ACHIEVEMENTS AND CONTRIBUTIONS

During 2019, the Cayman Islands National Archive successfully delivered and/or contributed to the following:

- The provision of records and information management (RIM) training at new employee orientation, and one-on-one RIM support sessions (advice, guidance and meetings) for Government agencies, including SACGs. Included in the training is information on the development of operational disposal schedules, implementation of administrative disposal schedules, retention, destruction and digitisation of public records, and information on general recordkeeping matters.
- The acquisition and preservation of archival records for the historical collections, including publications, private papers and government records, photographic items and oral history interviews.
- The provision of reference services through onsite research visits, emails and telephone calls for a variety of research topics.
- The development and delivery of educational outreach presentations for various schools in the public and private sector.

FORWARD LOOK – 2020 STRATEGIC FOCUS

In 2020, CINA will continue to provide public sector wide records and information management services to enhance the management of Government's information assets, facilitate good governance and enhance ease of access to information. Additionally, through improved research services, CINA will provide wider access to historical information and archives to members of the public, both locally and overseas.

2.6 COMMISSIONS SECRETARIAT

ENTITY OVERVIEW

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

In addition, the Secretariat performs the recruitment functions for His Excellency the Governor for those posts listed in S.106(4) of the Cayman Islands Constitution Order (2009). The Secretariat will also maintain the Register of Interests in accordance with the Standards in Public Life Law (SPL) when the Law commences.

SUMMARY OF 2019 ACHIEVEMENTS AND CONTRIBUTIONS

In 2019, the Commissions Secretariat:

1. Conducted numerous complex and protracted investigations in accordance with the Anti-Corruption Law with numerous successful outcomes ensuring good governance.
2. Contributed to the development of Regulations for the Standards in Public Life Law to ensure the Law can commence.
3. Updated the working policies of the Civil Service Appeals Commission in order to ensure the principles of natural justice are upheld.
4. Created a new post of Public Relations and Education Coordinator in order to ensure the enhancement of the public profile of the Commissions.

FORWARD LOOK – 2020 STRATEGIC FOCUS

In 2020, the strategic focus of the Commissions Secretariat will be to:

1. Enhance the public profile of the Commissions through increased education and communication opportunities to ensure compliance with the Constitution, promote good governance, and provide the public with an opportunity to become involved in constitutional matters.
2. Modernise relevant legislation to strengthen the work of the Commissions.

3. Facilitate the Register of Interests (when the SPL commences) to ensure good governance, promote transparency, and ensure compliance with the Standards in Public Life Law.

2.7 INTERNAL AUDIT SERVICE (IAS)

ENTITY OVERVIEW

The Internal Audit Service (IAS) follows internationally recognized standards for the professional practice of internal auditing. This provides the Cayman Islands Government with independent and objective assurance, advice and insight to enhance and protect government operations.

SUMMARY OF 2019 ACHIEVEMENTS AND CONTRIBUTIONS

As per agreed Cabinet outputs, IAS was expected to deliver 22 - 27 internal audit reports, provide 700 to 800 hours of advisory services, deliver 12 - 20 reports relating to CIG's compliance with the Public Service Management Law (PSML), and undertake 1 - 3 HR-based investigations.

IAS met, or exceeded these expectations in 2019 by delivering:

- 26 internal audit reports;
- 844 hours of advisory services;
- 12 PSML compliance reports; *and*
- 2 PSML related investigations.

Other notable achievements during the year included:

- Evolving IAS management and reporting processes to facilitate the newly introduced Audit and Risk Assurance Committee (ARAC). IAS now attends quarterly ARAC meetings to discuss governance, risk and control matters. This marked a major step forward on the governance agenda;
- Delivering on succession planning investments including:
 - IAS's Caymanian Deputy Director completing a 17 month developmental secondment with the UK Government Internal Audit Agency, and then beginning a final developmental secondment as Deputy Chief Officer with the Portfolio of the Civil Service;
 - Preparing long term for future leaders by appointing high potential Caymanians to "Internal Auditor" and "Senior Internal Auditor" positions; *and*



- Hosting new and returning interns to help inform their consideration of internal audit with government as a career choice;
- Advising the Ministry of Finance and Economic Development (FED) on the new Risk and Control framework documents for all CIG operations, and aligning IAS working practices to these frameworks ahead of their implementation;
- Active participation in the Cayman Chapter of the Institute of Internal Auditors with four IAS staff members taking Committee positions, including Chair of the Membership Committee; *and*
- Completion of a move to new office accommodation, providing for greater independence and an improved work environment.

FORWARD LOOK – 2020 STRATEGIC FOCUS

IAS has the following strategic initiatives planned for the 2020 year:

- Updating the risk assessment methodology to include the confirmed 2020-21 budget and the results of senior stakeholder consultations in Q1;
- Preparing for an “External Quality Assessment” which is required by the International Standards for Internal Auditing at least once every 5 years. This will provide independent confirmation of the extent to which the IAS complies with internationally expected standards and provide a road-map for any identified improvements;
- Continuing to unlock the potential of the Audit Management system, TeamMate+, including the rollout to clients providing them with secure access to their audit reports and recommendations. IAS will also work with FED and any incoming Chief Risk Officer to test the system’s suitability to serve as the technical infrastructure for recording and reporting on risks across the Cayman Islands Government;
- Introducing regular reporting to, and information exchange with, Chief Officers; *and*
- Preparing for a change in IAS leadership with the return from secondment of IAS’s Caymanian Deputy Director.

2.8 ELECTIONS OFFICE

ENTITY OVERVIEW

The Elections Office is an independent Government agency which is responsible for the maintenance of the Register of Electors (Voter's List). The Office is charged with delivering General Elections, By-Elections and Referendums in accordance with the Cayman Islands Constitution (2009), Elections and Referendum Laws of the Cayman Islands.

SUMMARY OF 2019 ACHIEVEMENTS AND CONTRIBUTIONS

In 2019, the team of experienced professionals at the Elections Office completed the petition signature verification on the country's first people's-initiated referendum, to be brought pursuant to section 70 of the Cayman Islands Constitution (2009). The Office was advanced in the execution of its plans to deliver on the historic December 19th People's Initiated Referendum when the Grand Court ordered a stay in order to hear a Judicial Review.

Also in 2019, the Elections Office completed a move to its new office accommodation in Bay Town Office Suites on West Bay Road.

FORWARD LOOK – 2020 STRATEGIC FOCUS

The February 19, 2020 Grand Court judgment on the People's Initiated Referendum Law Judicial Review, found the Referendum Law to be incompatible with the Cayman Islands Constitution. As a result, the Elections Office continues to stand ready to deliver a referendum if called to do so by future Law.

For 2020 the Elections Office will begin the work necessary to plan and deliver the May 2021 General Elections. The team at the Elections Office will continue to deliver high quality General Elections which are in keeping with international standards, for which the Cayman Islands are regarded, ensuring that voters are able to execute their democratic right to vote.

2.9 OFFICE OF EDUCATION STANDARDS (OES)

ENTITY OVERVIEW

The Office of Education Standards (OES) is established as a department of Government and its role defined in the Education Law (2016). OES has responsibility for assessment and monitoring of provision in educational institutions and further requirements regarding the work of OES are defined within the Education Regulations (2017).

School Self-Evaluation and Inspection Framework

'Successful Schools and Achieving Students' was published in 2017 following consultation in five districts and after discussion with the Principals, Cayman Private Schools Association and the Ministry of



Education. This framework has been used throughout the last two years to ensure consistency and rigour in the inspection process. There are seven performance standards which relate to students' academic achievement, their personal and social development, teaching quality, the curriculum, health, safety, support and leadership.

SUMMARY OF 2019 ACHIEVEMENTS AND CONTRIBUTIONS

School and Early Years Centre Inspections

OES conducted 28 full inspections and 21 follow-through inspections in 2018-19. Full inspections are currently conducted once every two years and involve a review of all aspects of school performance, including health, safety, accommodation, leadership, teaching, support for students and academic progress. A four-point scale is used to determine the effectiveness of each school (excellent/good/satisfactory/weak).

Follow-through inspections are 'health checks' during which inspectors review the progress that each school has made in addressing the recommendations from the last inspection. If the overall performance of a school is judged to be 'weak' then the OES will revisit and report again approximately six months after the original inspection.

Training of Cayman Associate Inspectors

In 2018-19, applications were invited from experienced education professionals to join OES as Cayman Associate Inspectors (CAI). Priority was given to Caymanian applicants because OES is aiming to build capacity across the islands. The first cohort commenced training in September 2018 and the second cohort completed their training in September 2019, bringing the total number of CAIs to 28. Almost all CAIs successfully completed assessments and were deployed to their first inspections during 2019.

Training for Senior School and Early Years Leaders

In 2019, OES conducted the 'Successful Schools and Achieving Students' training for school leaders. In total, six sessions were delivered, one of which focused particularly upon support for leaders of Cayman Early Childhood Care and Education Centres.

Publications by OES

In addition to the 28 full inspection school reports and the 21 follow-through reports, OES published a number of sector reports, identifying strengths and weaknesses in provision in our Government primary and high schools. Additionally, the OES compiled a stakeholder report which gathered together the main opinions shared by parents, staff and students during inspection surveys.

Following are the number of survey responses received during full inspections in 2019:

Survey Responses - Full OES Inspections	
Parents	1,965
Staff	677
Students	2,553
Totals	5,195

Annual Report 2019



The 2019 OES Annual Report was published in the summer of 2019. This report, entitled 'Every School a Good School', offers an overview of all inspection findings to date. The report was distributed in hard copy to all MLAs, all schools and Early Years Centres, and relevant Ministry of Education colleagues. The report provides recommendations to the Minister and to the Ministry of Education regarding future policy and practices to help support ongoing improvement across education sectors.

How Well Are We Doing?

A key purpose of our inspections is to support school improvement. At the end of each inspection we request the Principal/Head of the school to complete a survey about the work of the inspectorate. The following questions are used as some of our key performance indicators.

Principal Survey

Question	% Strongly Agree/Agree
The inspection will help the school to make improvements.	100%
The inspectors were professional in their conduct and behaviour.	100%
The inspection judgements were fair and accurate.	95%

All reports in 2019 were published within the target of 20 days following the final day of the school inspection.

FORWARD LOOK – 2020 STRATEGIC FOCUS

More Inspections

In the next budget period, OES will complete the first inspection cycle and start the next. Every school and Early Years Centre will be inspected again in the second two-year cycle. 56 full inspections and an estimated 24 follow-through inspections will be conducted in 2020-21.

OES will continue to undertake follow-through inspections for those schools and Early Years Centres judged as 'weak' in their previous inspection.

Training and Building a Local Inspectorate

From January 2020, our Cayman Associate Inspectors will continue to be deployed and a third training course will be delivered in September 2020.

The team of full-time OES inspectors will be increased to meet the requirement of Government to complete the second inspection cycle by the end of June 2022. We will recruit two further Senior Inspectors to support this programme of delivery and reduce our dependency on international contracted inspectors.

2.10 LEGISLATIVE ASSEMBLY (LA)

ENTITY OVERVIEW

The Legislative Assembly (LA) is one of the three arms of the Government – namely the Legislature. Through the Office of Clerk, the Assistant Clerk, Parliamentary Clerk, and Procedural Clerk, the LA provides professional and administrative services and advice to the Honourable Speaker and Members of the Legislative Assembly. This is in regards to all House business, the Government Budget, parliamentary policies and procedures, Committee functions, as well as management of the precinct. The Clerk's Office fosters parliamentary democracy, promotes the aims and objectives of the Commonwealth Parliamentary Association (CPA) and provides services for the furtherance of the CPA's work.

SUMMARY OF 2019 ACHIEVEMENTS AND CONTRIBUTIONS

In 2019, the LA participated in the process of creating a legislative workflow for primary and secondary legislation, which included integrating iLAW. Additionally, the bill drafting process, including the management of amendments at Committee Stage, was re-engineered resulting in improved production time.

To improve the security of Members, staff and the premises of the Legislative Assembly, two full-time security officers were hired, replacing the police officers who were previously being utilized during Sittings of the House. A Parliamentary Page was also hired to assist the Serjeant-at-Arms with the overall responsibilities in the Chamber during House Sittings.

Also in 2019, Assistant Clerk, Debra Broderick attended the Westminster Seminar on Effective Parliaments. The Seminar provided a unique platform for participants to network and engage with counterparts and explored approaches to parliamentary democracy, practices and procedures in the context of the Westminster System. The programme drew on the perspectives of contributors and participants to stimulate discussion and learning on the role of Parliamentarians and Clerks.

On March 13th, 2019, 27 students from private and Government high schools participated in the annual sitting of Youth Parliament. During the sitting, the topics of implementing a ban on single use plastics and the introduction of a juvenile and rehabilitation centre were debated by the Youth Parliamentarians.



2019 Youth Parliament

As it relates to upskilling, Assistant Clerks, Debra Broderick and Davina Ramoutar successfully completed the Institute of Leadership and Management's Level Three Course. Additionally, a number of staff members undertook a minute taking and report writing course to enhance the services provided by the LA.

FORWARD LOOK – 2020 STRATEGIC FOCUS

In 2020, the LA will undertake the following projects/initiatives:

- The enhancement of the Hansard Office to include voice recognition software, which will dramatically reduce the production time for Hansard Reports;
- Extensive renovations to the exterior of the premises;
- Research into the creation of an electronic library; and
- The implementation of a Document Management System (DMS), including devising strategies to reduce the amount of paper currently being used.

2.11 OFFICE OF THE DEPUTY GOVERNOR

ENTITY OVERVIEW

The Office of the Deputy Governor (ODG) provides policy advice and strategic and administrative support to the Deputy Governor in relation to his responsibilities for ensuring the effective operation of the Civil Service and for providing the highest level of support to the Governor.

The Office also delivers a range of services to the general public, including the processing of applications for British Overseas Territories Citizenship and British Registration, as well as Secretariat Services to the Conditional Release Board, the Expungement Board, the Advisory Committee on the Prerogative of Mercy, the CI Independent Monitoring Board for prisons and other places of detention, and the CIG's Audit and Risk Assurance Committee (ARAC). Through its Strategic Reforms Implementation Unit (SRIU), the ODG delivers a range of strategic project support services to the Deputy Governor and across the Civil Service.



Staff of the Deputy Governor's Office supported the 2019 CIG 'Giving Tree', an initiative that facilitated gift giving to some of Cayman's most vulnerable citizens.

SUMMARY OF 2019 ACHIEVEMENTS AND CONTRIBUTIONS

In 2019, the work of the ODG contributed to the following Broad Strategic Outcomes as set by the Government:

Broad Strategic Outcome Eight - A Stable, Effective and Accountable Government

- The ODG successfully processed 1,196 applications for British Overseas Territories Citizenship, a 62% increase compared to last year, without compromising turnaround times.
- The ODG helped the Deputy Governor to establish the first ever ARAC for the Core Government, which held its first full meeting in September 2019.
- CIG's new standard business case templates, developed by SRIU in partnership with the UK's Better Business Case Programme, gained international recognition when they were included as part of the revised standard templates by the Welsh Government.
- Through SRIU's Professional Certification programme, 41 Civil Servants achieved one or more practitioner-level certifications in Business Case Development, Change Management and Project

Management. Additional Civil Servants earned Foundation-level certifications, bringing the total number of certified employees to 147 since the programme began in 2018. This programme supports improvements in governance by building Civil Service capabilities in areas related to advising, developing and managing successful projects.

- In late 2019, 18 Civil Service leaders embarked on the first ILM Level 5 Certificate in Leading Innovation and Change. The six-month course covered a range of topics in innovation, general leadership, and change management and encouraged participants to think innovatively within their agency as part of their work. A second cohort of this training will commence in September 2020.
- The ODG introduced new services to help the Deputy Governor drive innovation and operational efficiencies across the CIG.

Broad Strategic Outcome Six - Stronger Communities and Support for the Most Vulnerable

- The ODG helped the Deputy Governor to operationalise a new volunteer, Cayman Islands Independent Monitoring Board (CIIMB) for prisons and places of detention, to monitor the treatment and conditions of prisoners, against the basic norms of humanity and dignity expected by our Constitutional Order and international human rights expectations.
- Through the work of the Expungement Board, 29 persons met the legal requirements and were successful in their applications to have convictions removed from their criminal records, gaining an opportunity for a fresh start.
- Through the work of the Conditional Release Board, 46 inmates were processed for release.
- The ODG helped to advance our country's frameworks and mechanisms to safeguard our children. Through project services delivered by the SRIU, the Office delivered projects to improve the effectiveness of the National Child-Safeguarding Board, to develop a National Child Safeguarding Strategy and Policy, and to identify ways in which child safeguarding case reviews can be improved.
- December 2019 saw the first CIG Giving Tree initiative launched, encouraging Civil Servants to come together to support the Christmas gift drives for the Department of Children and Family Services and the Family Resource Centre. The initiative resulted in nearly 400 gifts being donated, brightening the holiday season for a number of local families.

Broad Strategic Outcome Four - Reducing Crime and the Fear of Crime

- Through project services provided by the SRIU, the ODG successfully facilitated and coordinated the development of the first National Anti-Gang Strategy and Plan, which has been approved by the National Security Council for implementation in 2020.

FORWARD LOOK – 2020 STRATEGIC FOCUS

- The ODG will launch a new online application process for British Overseas Territories Citizenship, for an enhanced customer service experience.
- Programme and project management services will be provided for the effective implementation of the new multi-agency National Anti-Gang and National Child Safeguarding strategies and plans.
- The CIIMB will publish its first Annual Report, to provide an independent, community-based perspective on treatment and conditions in our prisons.
- The ODG will coordinate a programme of overview training for SAGCs on the Public Authorities Law, and the Procurement Law.
- The SRIU's Professional Certification Programme will be expanded to include Business Analysis.
- A second cohort of the ILM training on Leading Innovation and Change will commence in September 2020. The ODG will also sponsor a “train the trainer” workshop in creative facilitation, to build our internal capacity to facilitate innovation across CIG agencies. This will include a half-day Senior Leadership Event to introduce the trained facilitators and launch the innovation initiative across the CIG.
- Legislative amendments will be pursued for the Public Authorities Law, the Criminal Records (Spent Convictions) Law, and to provide a statutory basis for the work of the CIIMB.

2019

SECTION 3.0

FINANCIAL STATEMENTS AT 31 DEC 2019





GOVERNMENT OF THE CAYMAN ISLANDS

Portfolio of the Civil Service

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Portfolio of the Civil Service

Financial Statements for the year ended 31 December 2019

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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

The financial statements fairly present the financial position, financial performance and cash flows of the Portfolio of the Civil Service for the financial year ended 31 December 2019.

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

- (a) Completely and reliably reflect the financial transactions of the Portfolio of the Civil Service for the year ended 31 December 2019;
- (b) fairly reflect the financial position as at 31 December 2019 and performance for the year ended 31 December 2019;
- (c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board. Where guidance is not available, the financial statements comply with International Accounting Standards issued by the International Accounting Standards Committee or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

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

Gloria McField-Nixon
Chief Officer
25th April 2020

Nadisha Walters
Chief Financial Officer
25th April 2020

AUDITOR GENERAL'S REPORT

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

Opinion

I have audited the financial statements of the Portfolio of the Civil Service (the "Portfolio"), which comprise the statement of financial position as at 31 December 2019 and the statement of financial performance, statement of changes in net worth and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 10 to 36.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Portfolio as at 31 December 2019 and its financial performance and its cash flows for the year ended 31 December 2019 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Portfolio in accordance with the 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.

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

Management is responsible for the preparation and fair presentation of the 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 Portfolio'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 Portfolio's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Portfolio's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

AUDITOR GENERAL'S REPORT (continued)

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 skepticism throughout the audit. I also:

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

I have undertaken the audit in accordance with the provisions of Section 60(1)(a) 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

25 April 2020
Cayman Islands

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF FINANCIAL POSITION
AS AT 31 December 2019
(Expressed in Cayman Islands Dollars)

		Note	Current Year Actual	Original Budget	Final Budget	Variance (Original vs Actual)
CI\$000			CI\$000	CI\$000	CI\$000	CI\$000
	Current Assets					
5,487	Cash and cash equivalents	2	7,919	1,913	1,913	(6,006)
1,617	Trade Receivables	3	1,491	946	946	(545)
1,239	Other Receivables	3	309	128	128	(181)
1	Inventories	4	-	1	1	1
34	Prepayments	5	35	40	40	5
8,378	Total Current Assets		9,754	3,028	3,028	(6,726)
	Non-Current Assets					
874	Property, plant and equipment	6	1,027	1,137	1,137	110
2	Intangible Assets	6b	1	932	932	931
876	Total Non-Current Assets		1,028	2,069	2,069	1,041
9,254	Total Assets		10,782	5,097	5,097	(5,685)
	Current Liabilities					
15	Trade Payables	7	2	29	29	27
556	Accruals and other liabilities	7	712	385	385	(327)
238	Unearned revenue	8	232	82	82	(150)
175	Employee entitlements	9	204	165	165	(39)
6,046	Repayment of surplus	10	7,000	982	982	(6,018)
7,030	Total Current Liabilities		8,150	1,643	1,643	(6,507)
7,030	Total Liabilities		8,150	1,643	1,643	(6,507)
2,224	Net Assets		2,632	3,454	3,454	822
	Equity					
398	Revaluation reserve		398	398	398	-
1,990	Contributed capital		2,285	3,279	3,279	994
(164)	Accumulated surpluses/(deficits)		(51)	(223)	(223)	(172)
2,224	Total net assets/equity		2,632	3,454	3,454	822

The accounting policies and notes on pages 10-36 form an integral part of these financial statements.

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Prior Year Actual CI\$000		Note	Current Year Actual CI\$000	Original Budget CI\$000	Final Budget CI\$000	Variance (Original vs Actual) CI\$000
	Revenue					
11,297	Sales of goods & services	11	12,217	11,403	13,539	(814)
3	Investment revenue	11	3	-	-	(3)
11,300	Total Revenue		12,220	11,403	13,539	(817)
	Expenses					
7,435	Personnel costs	12	8,282	8,675	9,608	393
2,120	Supplies and consumables	13	2,598	2,434	3,323	(164)
188	Leases	14	204	190	452	(14)
140	Depreciation	6	143	73	117	(70)
40	Litigation costs	15	43	31	31	(12)
9,923	Total Expenses		11,270	11,403	13,531	133
	Other Gains/(Losses)					
7	Gains on non-financial instruments		2	-	-	(2)
-	Loss on derecognition of financial assets		(1)	-	-	1
1	Gains on foreign exchange transactions	16	2	-	1	(2)
8	Total Other Gains/(Losses)		3	-	1	(3)
1,385	Surplus or (Deficit) for the year		953	-	-	(953)

The accounting policies and notes on pages 10-36 form an integral part of these financial statements.

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2017	1,884	398	(145)	2,137	2,454	2,454	317
Prior Year Adjustments	-	-	(19)	(19)	-	-	19
Restated balance	1,884	398	(164)	2,118	2,454	2,454	336
Changes in net worth for 2018							
Equity Investment from Cabinet	106	-	-	106	500	500	394
Repayment of surplus to Cabinet	-	-	(1,385)	(1,385)	-	-	1,385
Net revenue / expenses recognised directly in net worth	106	-	(1,385)	(1,279)	500	500	1,779
Surplus/(deficit) for the year 2018	-	-	1,385	1,385	-	-	(1,385)
Total recognised revenues and expenses for the year	106	-	-	106	500	500	394
Restated Balance at 31 December 2018	1,990	398	(164)	2,224	2,954	2,954	730
	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2018	1,990	398	(164)	2,224	2,954	2,954	730
Prior Year Adjustments	-	-	113	113	-	-	(113)
Restated balance	1,990	398	(51)	2,337	2,954	2,954	617
Changes in net worth for 2019							
Equity Investment from Cabinet	295	-	-	295	500	500	205
Repayment of surplus to Cabinet	-	-	(953)	(953)	-	-	953
Net revenue / expenses recognised directly in net worth	295	-	(953)	(658)	500	500	1,158
Surplus/(deficit) for the year 2019	-	-	953	953	-	-	(953)
Total recognised revenues and expenses for the year	295	-	-	295	500	500	205
Balance at 31 December 2019	2,285	398	(51)	2,632	3,454	3,454	822

The accounting policies and notes on pages 10-36 form an integral part of these financial statements.

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Prior Period Actual		Current Year Actual	Original Budget	Final Budget	Variance
CI \$'000		CI \$'000	CI \$'000	CI \$'000	CI \$'000
	CASH FLOW FROM OPERATING ACTIVITIES				
	Cash received				
891	Sale of goods and services - third party	1,626	394	394	(1,232)
11,461	Sales to Cabinet	11,652	11,009	11,009	(643)
12,352	Total cash received	13,278	11,403	11,403	(1,875)
	Cash used				
(7,476)	Personnel costs	(8,204)	(8,675)	(8,675)	(471)
(2,165)	Supplies and consumables	(2,599)	(2,624)	(2,624)	(25)
-	Other payments	(43)	(31)	(31)	12
(9,641)	Total cash used	(10,846)	(11,330)	(11,330)	(484)
2,711	Net cash flows used by operating activities	2,432	73	73	(2,359)
	CASH FLOW FROM INVESTING ACTIVITIES				
	Cash used				
(122)	Purchase of property, plant and equipment	(295)	(500)	(500)	(205)
(122)	Total cash used	(295)	(500)	(500)	(205)
(122)	Net cash flow used by investing activities	(295)	(500)	(500)	(205)
	CASH FLOW FROM FINANCING ACTIVITIES				
75	Equity injections from Cabinet	295	500	500	205
75	Total cash received	295	500	500	205
75	Net cash flows from financing activities	295	500	500	205
2,664	Net increase/(decrease) in cash and cash equivalents	2,432	73	73	(2,359)
2,823	Cash and cash equivalents at beginning of year	5,487	1,840	1,840	(3,647)
5,487	Cash and cash equivalents at the end of the year	7,919	1,913	1,913	(6,006)

The accounting policies and notes on pages 10-36 form an integral part of these financial statements.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)**

Description and principal activities

The Portfolio of the Civil Service (“the Portfolio”) is a government-owned entity as defined by section 2 of the *Public Management and Finance Law (2018 Revision)* (“PMFL”) and it is domiciled in the Cayman Islands.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Deputy Governor as defined in the Annual Plan and Estimates for the Government of the Cayman Islands for the financial year ending 31 December 2019.

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

Note 1: Significant Accounting Policies

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used. There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will impact these financial statements.

(a) Basis of preparation

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

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2019 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2019 reporting period and have not been early adopted by the Portfolio. The 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*.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

It is anticipated that IPSAS 41 will not have a significant impact on the Portfolio's financial statements. This will be assessed more fully close 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 Portfolio's financial statements, but this will be assessed more fully closer to the effective date of adoption.

Changes in Accounting Policies

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

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

Segment reporting has been included in accordance with IPSAS 18.

(b) Reporting Period

The 2019 financial statements are being reported for a period of 12 months commencing 1 January 2019 and ending 31 December 2019 per Section 2 of the *Public Management and Finance Law (2018 Revision)*.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(c) Budget amounts

The original budget amounts for the 12-month financial period are as presented in the 2019 Annual Budget Statement and the amounts are rolled up into the Annual Plan and Estimates document which was presented to the Legislative Assembly. Any changes to the original budget are reflected in the final budget and have been approved by Cabinet through Section 11(5) of the PMFL. As required by the PMFL, budgets are presented on the same basis as the annual financial statements.

The original budget is lower than the final budget due to the fact that Cabinet approved supplementary appropriations for additional output funding in the amount of \$2.12M to assist with additional costs incurred by the Portfolio during the year arising from exceptional circumstances in accordance with section 11(5) and 12 of the Public Management and Finance Law. The final revised output revenue budget in 2019 during the 12 month period ending 31 December 2019 was \$13.5M. The supplementary appropriations will be ratified by the Legislative Assembly post year end.

(d) Judgments and Estimates

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

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

(e) Cash and Cash Equivalents

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

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

(f) Prepayments

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

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment (continued)

Buildings and structures

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

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

Valuation methods

The property valuations have been prepared in accordance with the Standards and the guidance notes provided by the Royal Institute of Chartered Surveyors (RICS). Particular regard should be paid to the following definitions and methodology having been adopted in the assessment of value:

- Fair Value (Market Value) defined in accordance with IFRS 13 Fair Value Measurement as follows: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."
- Fair Value (Existing Use Value) extends the definition of Fair Value (Market Value) in "assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost."
- Specialized Assets: specialized assets are those for which no market exists for the current use. Specialized assets are valued using the Depreciated Replacement Cost method (DRC valuation). The definition of 'Depreciated Replacement Cost', as contained in The Standards, is as follows: "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment (continued)

Valuation assumptions

Plant and machinery have only been included in the valuation of building assets where these form an integral part of the fabric of the building (e.g. lifts or air conditioning equipment) or where it perform a task crucial to the continuation of the existing use (e.g. swimming pools). Unless specifically stated otherwise, it is assumed that such items are reflected in the unit building cost.

It is assumed that all properties have the required planning consents and certificates for use and construction. Where Fair Value (or land value in a DRC valuation) relies on obtaining an alternative planning consent the alternative use has been derived from consideration of prevailing land uses in the immediate area and Local Planning Policies and practice.

Where an asset has been valued by Depreciated Replacement Cost (DRC) it is subject to the prospect and viability of the asset continuing to be used for the existing use. These valuations do not take into account any form of selling or purchase costs, tax (including Stamp Duty), inflation or finance costs. In Cayman, there is no tax on property except for Stamp Duty which is ordinarily required to be paid by a purchaser.

Valuations of each 'specialized building' state their total asset value and the (depreciated) value of the respective building. Those with a depreciated building value greater than \$500,000 also state figures for their 'component' parts. Buildings valued by the investment or comparison methods of valuation also state figures for their respective land values. These do not compute to reflect actual building values but indicate the inherent value attributing to the land only.

Where applicable, the remaining economic life of the building and/or building components has been indicated. This is the period during which the building element is anticipated to have a future useful economic life for its existing purpose.

In preparing the valuations, information has been obtained from the following sources:

- Cayman Islands Government 2001 Asset Register.
- Cayman Islands Government Land Registry Database
- Cayman land Info System (Mapping, aerial photography, evidence of comparable sales and lettings).
- Copies of and extracts from leases.
- Architect scaled floor plans.
- Ministries and users / occupiers of operational property assets.

Land areas (where stated) are provided for guidance only and are quoted from the Land Registers or otherwise from Caymanlandinfo database. Any building floor areas supplied have been obtained from one of the following sources:

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment (continued)

- Measurements taken on site.
- Measurements extracted from Cayman Islands Government property records.

Land and Buildings were revalued as entire classes of asset.

Depreciation

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

<u><i>Asset Type</i></u>	<u><i>Estimated Useful life</i></u>
• Buildings and structures	10 – 60 years
• Building fit-out (when accounted for separately)	5 – 25 years
• Leasehold Improvement	Over the unexpired period of lease or the useful life of the improvement
• Computer Equipment	3 – 10 years
• Developed software	4 – 10 years
• Office equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 years
• Boats and marine equipment	3 – 25 years
• Cleaning, refuse and recycling equipment	3 – 15 years
• Construction and other equipment	3 – 25 years
• Telecommunications	5 – 50 years
• Books, Music, manuscripts and works of art	2 – 10 years
• Clothing	0 – 4 years
• Aeroplanes and airport/aviation equipment	8 – 33 years
• Fire fighting plant and equipment	10 – 12 years
• Other equipment	5 - 20 years
• Medical and medical laboratory equipment	1 – 25 years
• Library assets	5 – 10 years
• Scientific and laboratory equipment	4 – 25 years

Disposals

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

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(h) Employee Benefits

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

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

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

(i) Revenue

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

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

(j) Expenses

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

(k) Operating leases

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

(l) Financial Instruments

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

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(l) Financial Instruments (continued)

Classification

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

Recognition

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

Measurement

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

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

De-recognition

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

(m) Contingent Liabilities and Assets (including guarantees)

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

(n) Foreign Currency

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

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

(n) Foreign Currency (continued)

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

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

(o) Comparative Figures

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

(p) Revenue from Non-Exchange Transactions

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

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand; bank accounts in the name of Portfolio maintained at Royal Bank of Canada. As at 31 December 2019, the Portfolio unrestricted cash balances were as presented below. No restricted cash balances were held by the Portfolio at 31 December 2019.

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
5,439	Operational Current Account - KYD	8,692	1,857	(6,835)
24	Cash in Transit	6	24	18
24	Payroll Current Account	(779)	32	811
5,487	Cash and cash equivalents	7,919	1,913	(6,006)

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 3: Trade receivables and other receivables

Prior Year Actual CI \$'000	Trade Receivables	Current Year Actual CI \$'000	Budget CI\$'000	Variance CI\$'000
49	Sale of Good and Services	43	30	(13)
1,548	Outputs to Cabinet	1,099	993	(106)
20	Reimbursable Expenditure from Exec	349	-	(349)
1,617	Total Trade receivables	1,491	1,023	(468)
-	Less: provision for doubtful debts	-	(78)	(78)
1,617	Net Trade receivables	1,491	946	(545)

Prior Year Actual CI \$'000	Maturity Profile	Current Year Actual CI \$'000	Budget CI\$'000	Variance CI\$'000
1,592	Current	1,443	946	(497)
-	Past due 31-60 days	-	-	-
-	Past due 61-90 days	-	-	-
25	Past due 90 and above	48	-	(48)
1,617	Total Trade Receivables	1,491	946	(545)

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
-	Advances	214	29	(185)
1	Dishonoured cheques	2	-	(2)
1,238	Other	93	99	6
1,239	Total Other Receivables	309	128	(181)

Prior Year Actual CI \$'000	Maturity Profile	Current Year Actual CI \$'000	Budget CI\$'000	Variance CI\$'000
1,239	Trade Receipts due in one year	309	128	(181)
-	Trade Receipts due after one year	-	-	-
1,239	Net Total Other Receivables	309	128	(181)

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

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 4: Inventories

Prior Year Actual CI \$'000	Description	Current Year Actual CI \$'000	Budget CI\$'000	Variance CI\$'000
1	Raw Materials (including consumable stores)	-	1	1
1	Total Inventories	-	1	1

Note 5: Prepayments

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
34	Other Prepayments	35	40	5
34	Total Prepayments	35	40	5

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 6: Property, plant and equipment

<i>Cost of Property, plant & equipment</i>	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total Property Plant and Equipment</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 1 January 2018	616	535	330	309	434	140	27	253	36	2,680	3,066	386
Additions	-	60	1	28	49	-	12	-	(27)	123	32	(91)
Disposal/ Derecognition	-	-	-	-	-	-	-	(23)	-	(23)	-	23
Balance as at 31 December 2018	616	595	331	337	483	140	39	230	9	2,780	3,098	318
<i>Cost of Property, plant & equipment</i>	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total Property Plant and Equipment</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 1 January 2019	616	595	331	337	483	140	39	230	9	2,780	3,098	318
Additions	8	-	119	50	62	32	-	33	(9)	295	40	(255)
Disposal/ Derecognition	-	-	-	(16)	-	-	(3)	-	-	(19)	-	19
Balance as at 31 December 2019	624	595	450	371	545	172	36	263	-	3,056	3,138	82

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 6: Property, plant and equipment (continued)

<i>Accumulated Depreciation and impairment losses</i>	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Budget C\$'000</i>	<i>Variance C\$'000</i>
Balance as at 1 January 2018	544	40	259	239	423	130	26	129	-	1,789	1,856	66
Eliminate on Disposal/Derecognition	-	-	-	-	-	-	-	(23)	-	(23)	-	23
Depreciation Expense	12	30	13	36	13	2	1	33	-	140	72	(68)
Balance as at 31 December 2018	556	70	272	275	436	131	27	139	-	1,906	1,928	21
<i>Accumulated Depreciation and impairment losses</i>	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Budget C\$'000</i>	<i>Variance C\$'000</i>
Balance as at 1 January 2019	556	70	272	275	436	131	27	139	-	1,906	1,928	21
Eliminate on Disposal/Derecognition	-	-	-	(16)	-	-	(4)	-	-	(20)	-	20
Depreciation Expense	12	31	13	36	13	3	2	33	-	143	73	(70)
Balance as at 31 December 2019	568	101	284	295	449	134	25	172	-	2,029	2,001	(28)
Net Book value 31 December 2018	60	525	59	62	47	8	12	91	9	874	1,170	296
Net Book value 31 December 2019	56	494	165	76	96	38	11	91	-	1,027	1,137	110

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 6b: Intangible Assets

<i>Cost of Intangible Asset</i>	<i>Computer Software</i>	<i>Total</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 1 January 2018	53	53	52	(1)
Additions	-	-	468	468
Disposal/ Derecognition	-	-	-	-
Balance as at 31 December 2018	53	53	520	467

<i>Cost of Intangible Asset</i>	<i>Computer Software</i>	<i>Total</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 1 January 2019	53	53	520	467
Additions	-	-	460	460
Disposal/ Derecognition	-	-	-	-
Balance as at 31 December 2019	53	53	980	927

Accumulated Depreciation and impairment losses

<i>Accumulated Depreciation and impairment losses</i>	<i>Computer Software</i>	<i>Total</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 1 January 2018	51	51	48	(3)
Eliminate on Disposal/Derecognition	-	-	-	-
Amortization Expense	-	-	-	-
Balance as at 31 December 2018	51	51	48	(3)

<i>Accumulated Depreciation and impairment losses</i>	<i>Computer Software</i>	<i>Total</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 1 January 2019	51	51	48	(3)
Eliminate on Disposal/Derecognition	-	-	-	-
Amortization Expense	1	1	-	(1)
Balance as at 31 December 2019	52	52	48	(4)

Net Book value 31 December 2018	2	2	472	470
Net Book value 31 December 2019	1	1	932	931

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 7: Trade payables, accruals and other liabilities

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
15	Trade Payables	2	29	27
93	Payroll Deductions	96	-	(96)
339	Accruals	533	373	(160)
(1)	Transfers payable	(1)	-	1
19	Core government trade with other public entities	32	-	(32)
105	Other	51	13	(39)
570	Total Trade Payables, Accruals and Other Liabilities	714	414	(300)

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

Note 8: Unearned Revenue

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
238	Other Deposits Held	232	82	(150)
238	Total unearned revenue	232	82	(150)

The Deputy Governor's office collects fees for Naturalization and British Overseas Territories Applications that are not recognized as revenue until the application is approved.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
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Note 9: Employee entitlements

Prior Year Actual CI\$'000	Details	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
-	<i>Employee entitlements are represented by:</i>	-	-	-
135	Annual leave	161	147	(14)
40	Comp Time Liability	43	18	(25)
175	Total employee entitlements	204	165	(39)

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

Note 10: Surplus Payable

The Portfolio budgeted to break even and therefore did not budget for any change in the surplus payable. The Portfolio made a surplus of \$953K and now has a cumulative surplus payable to the Cayman Islands Government in the amount of \$7.0M as at 31 December 2019. The Portfolio intends to engage the Ministry of Finance during the 2020 fiscal year to repay the surplus.

Note 11: Revenue

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
633	Fees and charges	986	370	370	(616)
17	General sales	21	4	4	(17)
10,630	Outputs to Cabinet	11,203	11,009	13,145	(194)
8	Outputs to Other Government Agencies	6	-	-	(6)
9	Other	-	20	20	20
11,297	Total Sale of Goods & Services	12,217	11,403	13,539	(814)

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
3	Investment Revenue	3	-	(3)
3	Total Sale of Goods & Services	3	-	(3)

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 11: Revenue (continued)

Outputs to Cabinet

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

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

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

Note 12: Personnel costs

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
6,097	Salaries, wages and allowances	6,745	7,189	7,960	444
901	Health care	1,150	1,063	1,214	(87)
326	Pension	337	399	406	62
42	Leave	29	7	7	(22)
69	Other Personnel related costs	21	17	21	(4)
7,435	Total Personnel Cost	8,282	8,675	9,608	393

Note 13: Supplies and consumables

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
246	Supplies and Materials	391	216	344	(175)
1,230	Purchase of services	1,520	1,429	2,124	(91)
273	Utilities	326	330	375	4
-	General Insurance	-	74	79	74
201	Travel and Subsistence	148	115	122	(33)
86	Recruitment & Training	131	206	195	75
64	Interdepartmental expenses	66	60	70	(6)
20	Other	16	4	14	(12)
2,120	Total Supplies & Consumables	2,598	2,434	3,323	(164)

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 14: Leases

Prior Year Actual CI\$'000	Type of Lease	Current Year Actual CI\$'000	Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
188	Lease and Rent of Property and Sites	204	190	452	(14)
188		204	190	452	(14)

Note 15: Litigation Costs

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
40	Legal Fees	43	31	(12)
40	Total Litigation costs	43	31	(12)

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

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
1	Gains on Foreign Exchange Transactions	(2)	-	2
7	Gains on Sale of Assets	(2)	-	2
-	Loss on derecognition of financial assets	1	-	(1)
8		(3)	-	3

During the period the Governor's office disposed motor vehicle that was used as a fleet vehicle. The net gain on sale of the motor vehicle disposal was \$2K. Approval was obtained to dispose of these assets.

Note 17: Revenue from Non- Exchange Transactions

During the year ended 31 December 2019, the Portfolio received services in-kind in the form of accommodation in the central government building, computer repairs and software maintenance by the computer services department. The fair value of these services cannot be determined and therefore no expense has been recognized in these financial statements.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

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

Prior Year Actual	Reconciliation of Surplus to Net Operating Cash	Current Year Actual	Original Budget	Variance
CI \$'000		CI \$'000	CI \$'000	CI \$'000
1,385	Surplus/(deficit) from ordinary activities	953	-	(953)
19	Prior Period Adjustment	113	-	(113)
	Non-cash movements			
140	Depreciation	143	73	(70)
-	(Gain)/losses on Foreign Exchange	3	-	(3)
(7)	(Gain)/losses on revaluation/disposal of property plant and equipment	(2)	-	2
1	(Gain)/losses on non-financial instruments	-	-	-
	Changes in current assets and liabilities:			
1,189	(Increase)/decrease in receivable	1,056	-	(1,056)
-	(Increase)/decrease in inventories	1	-	(1)
10	(Increase)/decrease in other current assets	(1)	-	1
(20)	(Increase)/decrease in payables and other accruals	143	-	(143)
(47)	(Increase)/decrease in other current liabilities	(6)	-	6
41	(Increase)/decrease in provisions relating to employee costs	29	-	(29)
2,711	Net cash flows from operating activities	2,432	73	(2,359)

Note 19: Related party and key management personnel disclosures

Related party

The Portfolio is a wholly owned entity of the government of the Cayman Islands from which it derives a major source of its revenue. The Portfolio and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the financial year ended 31 December 2019 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
(Expressed in Cayman Islands Dollars)

Note 19: Related party and key management personnel disclosures (continued)

Key management personnel

Key management personnel, are also considered to be related parties.

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000
1,435	Salaries & other short term employee benefits	1,748
1,435	Total Remuneration	1,748
15	Number of Key Management Personnel	13

No loans were granted to key management personnel or their close relatives during the financial year.

Note 20: Explanation of major variances against budget

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

Revenues

Total Revenues were \$814K above budget. Outputs to Cabinet performed well against budget targets with 98% billed as at the end of the year. All departments, with the exception of two, met or exceeded their original budget targets. This 2% variance over our original budget equates to \$194K. As the Portfolio obtained supplementary funding during the year it therefore did not exceed any approved allocations. Third Party revenues is the primary contributor to exceeding the budget. Naturalization and Registration Fees more than doubled its budget exceeding it by \$616K. General sales from National Archives also exceeded budget target by \$17K.

Personnel Costs

Personnel Costs were \$393K below budget. These savings were largely driven by \$444K savings in Salaries, Wages and Allowances and \$62K saving in Pension. This was mainly due to delays in the recruitment timelines. These savings are netted however, from an unfavourable impact in Health Care Costs exceeding budget by \$87K. This was from increased health insurance premiums from CINICO that were approved by Cabinet.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
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Note 20: Explanation of major variances against budget (continued)

Supplies and consumables

Supplies and consumables exceeded budget by \$164K. Supplies and materials and purchase of services were the primary drivers exceeding budget by \$175K, and \$91K respectively. Purchases of services includes the costs associated with major projects being implemented and not fully materialized. Even so, there were cost savings in recruitment and training and general insurance for a combined savings of \$148K. General insurance budgeted centrally by risk management unit.

Cash and cash equivalents

The year end cash balance was \$6.0M above budget. The material variance in cash above budget is primarily due an opening cash balance that was \$3.6M. During the year, as a result of a more effective and efficient collection of Cabinet Invoice and increased cash flow for third party revenues we increased our cash balances by \$1.9M over budget. In addition, the reduced cash outflows on operational expenses mainly from Personnel costs also increased cash balances by another \$485K.

Trade payables, accruals and other liabilities

Trade Payables, Accruals and Other Liabilities were \$300K above budget. The general accruals make up \$160K of this. This can be attributed to a number of factors. A more comprehensive accrual process to improve completeness and accuracy of the accounts are done during the final year-end process. Department push forward with project and services that are provided before year-end deadlines coupled with reduced staff complements during the holiday season to process the invoice payments. There is also \$96K for December 2019 pension contributions not paid to the PSPB until January 2020.

Unearned Revenue

Unearned revenues were \$150K greater than the amount budgeted. This resulted from a significant increase in Naturalization and British Overseas Territory applications above the amount forecasted as a result of passing to the Immigration (Amendment) Law, 2018 ("the Amendment Law"), which presented new opportunities for persons who are married to a Caymanian and hold (or are seeking) Residency and Employment Rights Certificates as the spouse of a Caymanian.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Note 20: Explanation of major variances against budget (continued)

Cash from operating activities

At the end of the year, cash flow from operating activities was \$2.4M above budget. During the year, as a result of a more effective and efficient collection of Cabinet Invoice and increased cash flow of our third party revenues from processing Naturalization and BOTC applications we increased our cash balances by \$1.9M over budget. In addition, there was \$485K reduction in Personnel Cost cash outflows due to the delays in recruitment for budgeted vacancies.

Cash from investing activities

The actual cash used for the purchase of property, plant and equipment was \$205K below budget. While the Portfolio spent \$295K on capital expenditures during the year, a significant variance in cash used resulted from a major capital project to procure a new HR Management Software (HRMS) system that did not incur any capital expenditure as at year end.

Cash from financing activities

The Portfolio did not draw down on the full equity injection for 2019 required to purchase assets before the year end for the same reason described above. There was \$295K in capital purchase during 2019 that would be fully funded by the Equity Injection. As capital expenditure on the HRMS system, the Portfolio did not draw down on the full budgeted Equity Injection.

Property, Plant & Equipment

At the end of the year, Property, Plant & Equipment was \$110K below budget. In addition, because the amount budgeted for the depreciation of assets was below actual depreciation by \$70K.

Intangibles

The purchase of Intangibles were \$931K below budget as a result of the delay in purchasing a new HR Management system during the 2018-19 budget cycle.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Note 21: Financial instrument risks

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

Credit risk

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

Currency and interest rate risk

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

Liquidity risk

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

Note 22: Commitments

Property	Area (Sq.Ft)	Location	Occupier	Commitment	Vendor Name	Months remaining as at 31 Dec 2019	Monthly Rental Charge	Due within One Year	Due within Years 2 to 5	Total Committed as at 31 Dec 2019
							\$000	\$000	\$000	\$000
One year or less:										
Highgrove Business Park	506	UNIT 28	POCS (File Store)	1 April 2018 to 31 March 2020	Artemis	3	2	7	-	7
Highgrove Business Park	400	UNIT 4	POCS (File Store)	1 April 2018 to 31 March 2020	Artemis	3	2	7	-	7
Artemis House		2nd Floor	Commissions Secretariat	31 April 2015 to 31 May 2020	Appleby	5	4	20	-	20
One to five years:										
HSBC Building (lease signed as of October 2019)	3,652	Ground Floor	Elections Office	March 14, 2020	B&B Properties Ltd	60	6	71	285	351
Bermuda House	3,543	5th Floor	Office Of Education Standards/ Internal Audit Unit	01 July 2019 - 1 February 2024	CITYVEST Ltd	55	10	120	430	550
TOTAL COMMITMENTS							25	226	715	936

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Note 23: Segment reporting

Policy Advice and Support for the Governor and the Deputy Governor

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

Operational Human Resource Services

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

H.E. Governor's Office

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

Deputy Governor's Office

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

Strategic Human Resource Services

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

Management Support of Civil Service Agencies

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

Public Sector Reform

- Monitor and support the effective implementation of the 5 Year Strategic Plan, Project Future and other public sector management reform initiatives.

Office of Educational Standards

- Complete inspections and monitor performance of all educational institutions in accordance with the law and directives from the Minister of Education and the Educational council.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Note 23: Segment reporting (continued)

Elections Office

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

Commission Secretariat

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

Legislative Assembly

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

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

Internal Audit Services

- Evaluation of management systems in order to determine whether financial and operating information is accurate and reliable; risks to government agencies are being identified and minimized; regulations, policies and procedures are followed; assets are adequately safeguarded; resources are used efficiently and economically; agencies are operating efficiently and effectively.
- Audits of Civil Service entity HR systems, to establish the extent of compliance with the Public Service Management Law and PR and relevant legislative requirements.

Cayman National Archives

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

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2019
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Note 23: Segment reporting (continued)

Civil Service College

Learning and Development Opportunities within the Civil Service

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

	Policy Advice and Support for the Governor & Deputy Governor		Elections Office		Commissions Secretariat		Legislative Assembly		Internal Audit		Cayman National Archives		Civil Service College		GRAND TOTAL	
	2018 Actual	2019 Actual	2018 Actual	2019 Actual	2018 Actual	2019 Actual	2018 Actual	2019 Actual	2018 Actual	2019 Actual	2018 Actual	2019 Actual	2018 Actual	2019 Actual	2018 Actual	2019 Actual
Total Revenue	5,869	6,084	408	741	1,157	1,208	1,261	1,330	1,080	1,154	1,130	1,139	395	564	11,300	12,220
Outputs to Cabinet	5,225	5,094	407	740	1,157	1,208	1,260	1,327	1,072	1,148	1,115	1,121	395	564	10,630	11,203
Sale of Goods and Services	645	990	1	1	-	-	1	2	8	6	15	18	-	-	670	1,017
Total Gain/(Losses) on Financial and Non-Financial	1	(4)	-	-	7	1	-	-	-	-	-	-	-	-	8	(3)
Gain/Losses on non-financial	1	(4)	-	-	7	1	-	-	-	-	-	-	-	-	8	(3)
Total Expenses	4,695	5,284	362	743	1,097	1,145	1,257	1,415	955	1,141	1,044	1,040	512	502	9,920	11,270
Personnel Costs	3,548	3,830	153	373	850	858	893	1,067	880	1,049	882	861	229	244	7,434	8,283
Supplies and Consumables	1,110	1,415	192	356	234	273	332	315	74	89	123	139	282	258	2,347	2,845
Depreciation	37	39	17	14	13	14	32	33	1	3	39	40	1	0	140	143
Surplus/(Deficit)	1,175	796	46	(2)	67	65	4	(86)	125	13	86	99	(117)	62	1,388	953
Total Assets	8,084	9,994	2	341	16	19	1,116	246	13	156	20	23	9	3	9,254	10,782
Current Assets	7,245	9,152	2	343	8	2	1,098	228	13	23	3	3	9	3	8,378	9,754
Non-current Assets	839	842	-	(2)	8	16	18	18	-	133	17	20	-	-	876	1,028
Total Liabilities	6,773	7,738	28	65	24	82	110	96	23	79	33	72	38	19	7,030	8,150

	Policy Advice and Support for the Governor & Deputy Governor		Elections Office		Commissions Secretariat		Legislative Assembly		Internal Audit		Cayman National Archives		Civil Service College		GRAND TOTAL	
	2018 Actual	2019 Actual	2018 Actual	2019 Actual	2018 Actual	2019 Actual	2018 Actual	2019 Actual	2018 Actual	2019 Actual	2018 Actual	2019 Actual	2018 Actual	2019 Actual	2018 Actual	2019 Actual
Capital Purchases	27	59	0	0	4	14	65	29	3	141	23	44	1	8	123	295
Capital Assets	27	59	0	0	4	14	65	29	3	141	23	44	1	8	123	295

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Note 24: Financial Instruments – Fair Values

As at 31 December 2019, the forecasted carrying value of cash and cash equivalents, trade and other receivable, trade and other payable and employee entitlements approximate their fair values due to their relative short-term maturities. Fair values estimates are made at a specific point in time, based on market conditions and the information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

Note 25: Contingent Liabilities

As at 31 December 2019, there are no quantifiable and non-quantifiable contingent liabilities and therefore no contingent liabilities have been provided for within these financial statements.

Note 26: Events Occurring After Reporting Date

In December 2019, a novel strain of coronavirus was reported to have surfaced in China. The global efforts to contain the spread of the coronavirus began to cause significant disruption in the global and local economies from January 2020 to date. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Entity expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

Note 27: Going Concern Disclosure note

As explained in Note 26 the coronavirus outbreak has caused significant disruption in both global and local economies. However, on the basis of management assessment and forecasts, management believes that the risk that the Entity would not be able to meet its obligation as they become due is low and that the Entity will continue as going concern for the foreseeable future.