



Annual Report



About This Report

This Annual Report is for the Ministry of Commerce, Planning & Infrastructure (CPI). The report outlines the Ministry's performance during the period from January 1st, 2020 to December 31st, 2020 in comparison to that which was outlined in the Ministry's budget for the corresponding period.

LEGAL REQUIREMENT

The requirement for an Annual Report is prescribed under section 44 of the Public Management and Finance Act (2020 Revision) ("PMFL").

In particular, Section 44 (2) states:

(2) The report shall –

- (a) state details of the entity's activities during the year;*
- (b) include a statement reporting all executive financial transactions that the entity administered;*
- (c) include the entity's financial statements for the year; and*
- (d) compare the actual performance shown by the financial statements with the performance proposed in the relevant budget statement.*

As well as fulfilling our statutory obligations, this Annual Report describes how the Ministry has invested public funds for the benefit of the Cayman Islands.

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Who We Are

The Ministry of Commerce, Planning and Infrastructure (CPI) funds, develops, and monitors the implementation of policy, legislation and services in the areas of, commerce, cyber security, management of information systems and infrastructure.

The departments and units within its remit include:

- Ministry Administration;
- Department of Planning;
- Facilities Management;
- Public Works Department;
- Vehicle and Drivers Licensing;
- Vehicle and Equipment Services;
- Computer Services Department;
- Department of Commerce and Investment;
- E-Government Unit;
- Cayman Islands Centre for Business Development;
- Cyber Security Unit;
- National Energy Policy;
- George Town Revitalization.



Where We Are: Customers of the Ministry are wide ranging and include residents, Cabinet, visitors, as well as commercial, private and public sector entities, both international and on a local level.

Activities take place on the three islands of Grand Cayman, Cayman Brac and Little Cayman.



**Participants in the NICE programme*

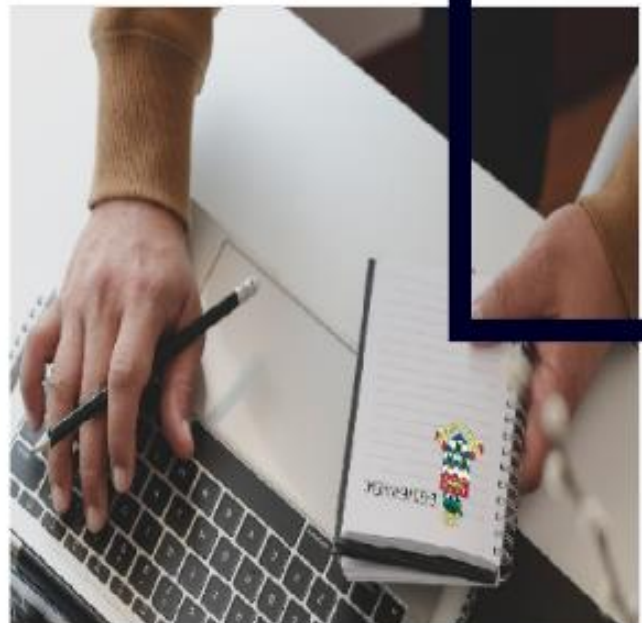
The authorities, boards and committees within the Ministry's remit include:

- National Roads Authority;
- Electrical Trade Licensing Board of Examiners;
- Central Planning Authority;
- Planning Appeals Tribunal;
- Development Plan Tribunal;
- E-Government Steering Committee;
- CISO Governance Board (planned to commence in Q2 2019);
- CIRT (member working with Utility Regulation (OFREG), Cayman Islands Monetary Authority (CIMA) and other Authorities);
- Trade and Business Licensing Board;
- Liquor Licensing Board;
- Special Economic Zone Authority;
- Builders Board;
- Road Assessment Committee;
- Film Control Board;
- Trade and Business Appeal Tribunal.

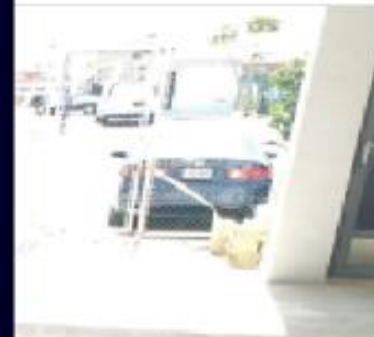


What We Do

- Provide support to various Boards in licensing of local business in accordance with relevant legislation and delegated authority
- Create an efficient compliance regime in which infractions of local licensing laws can be identified and action taken within a reasonable period of time
- Provide business process reengineering support for digitizing of services
- Provide common enabling platforms and infrastructure for e-Government services to be utilised by all CIG entities
- Develop policies, procedures, standards, and guidelines for the implementation and operation of e-Government infrastructure and services
- Provision of quality roads within the islands
- Maintenance of government buildings
- Professional project management and consulting services for government buildings and other facilities
- Provide information technology infrastructure administration, management and support, development and implementation support of software packages
- Vehicle procurement and maintenance
- To provide cyber risk advisory briefings to the leadership on matters of strategic cyber security policy and matters of national security



- To devise and seek leadership support and funding for the strategic cyber security framework permanent account numbers government
- To lead on the development of a strategy for disseminating cyber security awareness across Government and building cyber technical competence
- To lead on public-private sector cyber intelligence sharing initiatives
- To undertake an audit and assessment of the Government's systems, operations and projects deemed critical for our mission/purpose and to provide recommendations for information security improvements
- To develop trusted relationships within the Ministry of CPI as well as pan-government and provide leadership and advisory on cyber security matters. Specifically, to develop trusted relationship with Ministry of Employment and Border Control, Cayman Islands Monetary Authority, Royal Cayman Islands Police Service and Utilities Regulatory Authority
- Facilitate and coordinate the review and completion of development plans for Grand Cayman
- To conduct a review of the preparedness and robustness of our recovery capability, specifically related to CSD's replication and backup, in the event of a business continuity
- To process development applications in a timely and efficient manner, and ensure that development is in compliance with the Development and Planning Laws and Regulations
- Ensure compliance with the planning act, regulations and guidelines by enforcing against those who choose not to apply for planning permission, or to construct to required codes and standards
- To implement an interim Security Operations Centre (SOC) function, with the capability to detect and respond to actionable incidents, based on the existing tool-sets and existing shared resources. Thereafter to transition to a 24/7/365 Security Operations Capability with standard operating procedures, best in breed toolsets and personnel
- Provide project and programme management support to CIG entities for business process improvement and automation projects and the implementation of infrastructure for the e-Government programme
- Property management and security
- National Energy Policy
- George Town Revitalisation
- Natural hurricane response
- Provide timely and comprehensive professional planning advice and input into the National Planning Initiative



Our Purpose, Vision and Values

Our purpose, vision and values guide us throughout all we do; they serve as our reason for being.

Our Purpose

is to provide efficient and effective services relating to Commerce, Infrastructure and the Management of Information Systems, on behalf of the Government.

Our Vision

is to facilitate economic growth in the Cayman Islands, through world class business and infrastructure.

Our Core Values

Passion

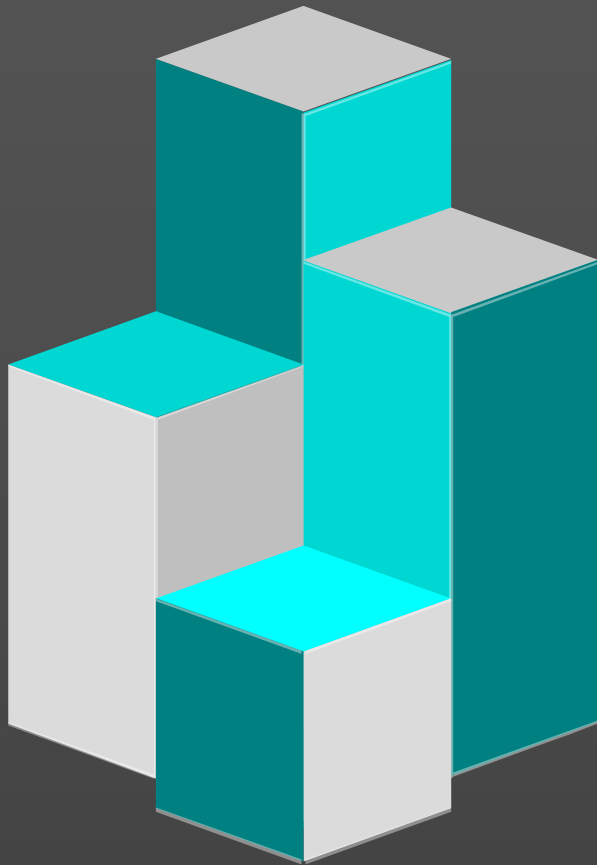
- We care intensely about the success of the Cayman Islands and its people
- We are committed to teamwork, innovation and the achievement of results

Integrity

- We act honestly, impartially and fairly
- We welcome public scrutiny of our work and conduct

Professionalism

- We deal with the public and their affairs efficiently, effectively and sensitively
- We strive to be the best



Sale of Goods & Services (in thousands)

2018	\$38,048
2019	\$43,343
2020	\$44,945

Value of Total Assets (in thousands)

2018	\$42,100
2019	\$47,012
2020	\$46,465

Total Full Time Staff

2018	385
2019	409
2020	382

At a Glance

(IN THOUSANDS)

Financial Performance Measures (\$000's)	2020 Target	2020 Actual
Revenue from Cabinet	43,736	38,689
Revenue from Ministries, Portfolios, Statutory Authorities, Government Companies	2,198	2,186
Revenue from Others	3,878	4,110
Total Revenue	49,812	44,985
Expenses	49,812	44,825
Operating Surplus/ (Deficit)	-	160
Net-Worth (\$000's)	39,355	32,997
Cash Performance (\$000's)	2020 Target	2020 Actual
Cash Flows from Operating Activities	2,861	(3,743)
Cash Flows from Investing Activities	(9,390)	(1,611)
Cash Flows from Financing Activities	9,390	2,924
Change in cash balances	2,861	(2,430)
Financial Performance Ratios	2020 Target	2020 Actual
Current Assets: Current Liabilities	2.5:1	2.27:1
Total Assets: Total Liabilities	4.4:1	3.45:1
Human Capital Measures	2020 Target	2020 Actual
Total full-Time Equivalent Staff Employed	439	382
Physical Capital Measures	2020 Target	2020 Actual
Value of Total Assets	50,985	46,465
Asset replacements: Total Assets	-	-
Book value of Assets: Cost of those assets	-	-
Depreciation: Cash Flow on Asset Purchases	-	-
Changes to Asset Management Policies	None	None

Financial Snapshot



Supplies & Consumables

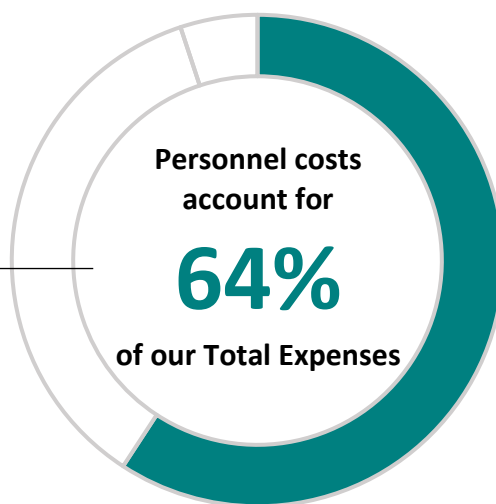
Supplies & Consumables were \$2.2 million less than budget as a result of the pandemic negatively impacting the carrying-out of a number of projects, primarily software development projects.

\$46 Mil

The Ministry's asset portfolio was valued at over \$46 million at the end of 2020.

Funding

For 2020, Cabinet provided 86% of the Ministry's funding, while 9% was generated from trading with the public and the remaining 5% from inter-government trading.



Personnel Costs

Personnel costs were \$3 million less than budgeted as a result of the COVID-19 pandemic which impaired the Ministry's ability to fill a number of budgeted vacant posts.

78% Salaries, wages and allowances

17% Health care

5% Pension & other costs

\$39 mil received by Cabinet
\$4 million received from Fees & Charges

Outputs to Cabinet were \$5 million less than budgeted.

\$5 Mil

Fees and Charges were largely in line with budget expectation falling short by \$249 Thousand.

-\$249K

Outputs to other government agencies were in line with budget. These comprise trade between the Ministry and other government bodies, and are arm length transactions governed by Service Level Agreements between the contracting parties.

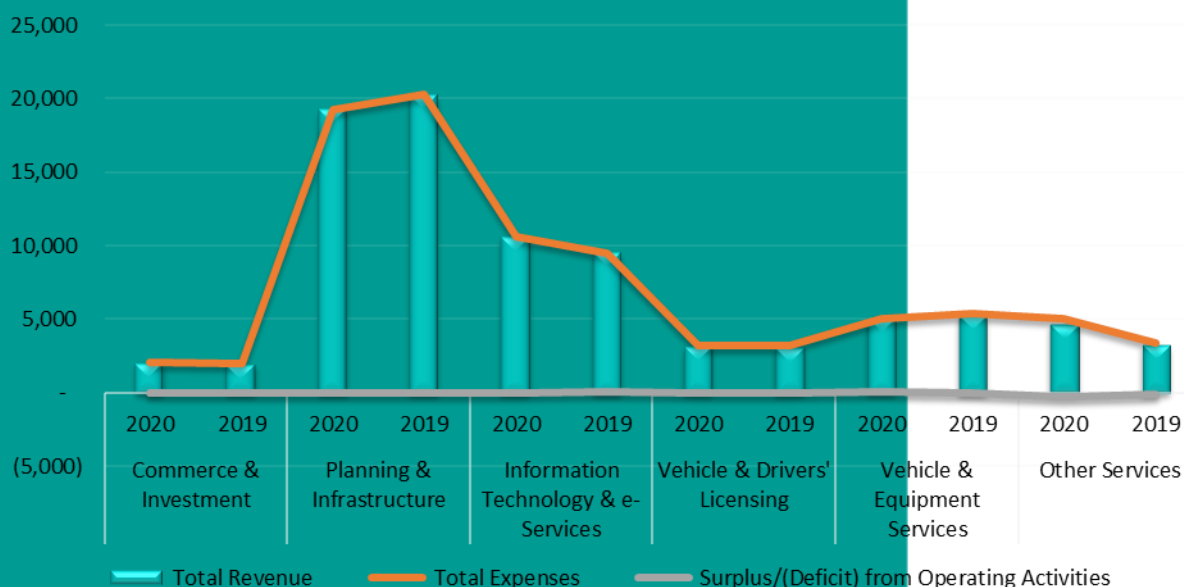
\$45 Mil

Total Sales of goods and services for 2020

The Ministry ended the year with \$5.4 million in cash and cash equivalents; \$16 million in trade receivables, and \$5.2 million in marketable securities and deposits.

The Ministry's segments for the financial year ended December 31, 2020, are based on the following services: Commerce and Investment, Information Technology and e-Services, Vehicle and Drivers' Licensing, Vehicle and Equipment Services, Planning and Infrastructure and Administrative Services. Commerce and Investment is provided by the Department of Commerce and Investment; Information Technology and E-Services by Computer Services and E-Gov. Planning and infrastructure services are delivered by the Departments of Planning, Public Works and Facilities Management and other services are provided by the Ministry Administration.

Segment Reporting





The Public Work Department assembled two emergency field hospitals to serve for patient overflow in Grand Cayman, in the event that COVID-19 cases stretch the capacity at local hospitals. Minister Hew praised our dedicated PWD employees for constantly being called to the front line to prepare for hurricanes, earthquakes, sargassum and now COVID-19.



Minister Hew spoke at the Cayman Alternative Investment Summit. Among other things, Minister Hew stated that through its robust legislative framework and support eco-system, the Government has begun to successfully attract digital businesses to Cayman.

JANUARY

MAY

MARCH



Caymanians Daniel Dawkins, Davanni James and Adrian Jackson successfully completed an 18-month Level III technical course offered in Jamaica by Heart Trust NTA's College of Construction Services. Ministry's Deputy Chief Officer Leyda Nicholson-Makasare presented the diplomas at the Public Work Department's retreat.

Minister Hew participated in the Caribbean Infrastructure Forum in Jamaica. He represented the Premier Hon. Alden McLaughlin in the keynote opening session alongside Prime Minister of Jamaica, the Most Hon. Andrew Holness, as they presented on strategies for advancing infrastructure, sustainability and resilience in their respective islands.



2020 in Review

Our Department of Commerce and Investment was short listed for three Investor in People Awards: Employer of the Year: Gold, 2-49 Employees; Employee Engagement up to 250 Employees & Leader of the Year, up to 250 Employees.



The Ministry of CPI partnered with Cycle Cayman to provide bicycles for civil servants as part of a 3-month trial Bikeshare programme, as part of the CIG's national energy policy encouraging cycling as an alternative mode of transportation.

257 new participants and 431 returning participants took part in the Christmas National Community Enhancement (NiCE) Programme between December 7-18.



NOVEMBER



The Ministry of CPI, through the George Town Revitalisation Initiative and the National Energy Policy, launched a free hop-on, hop-off shuttle service for George Town.

JULY

SEPTEMBER



Minister Hew officially opened the Cayman Islands Centre for Business Development on September 1st.



Hon. Joseph Hew
Minister



Alan Jones
Chief Officer

Leyda Nicholson-Makasare
Deputy Chief Officer



Tamara Ebanks
Deputy Chief Officer



Tristan Hydes
Deputy Chief Officer



Stephen Quinland
Director
Vehicle & Equipment Services



Simon Spiers
Director
Computer Services

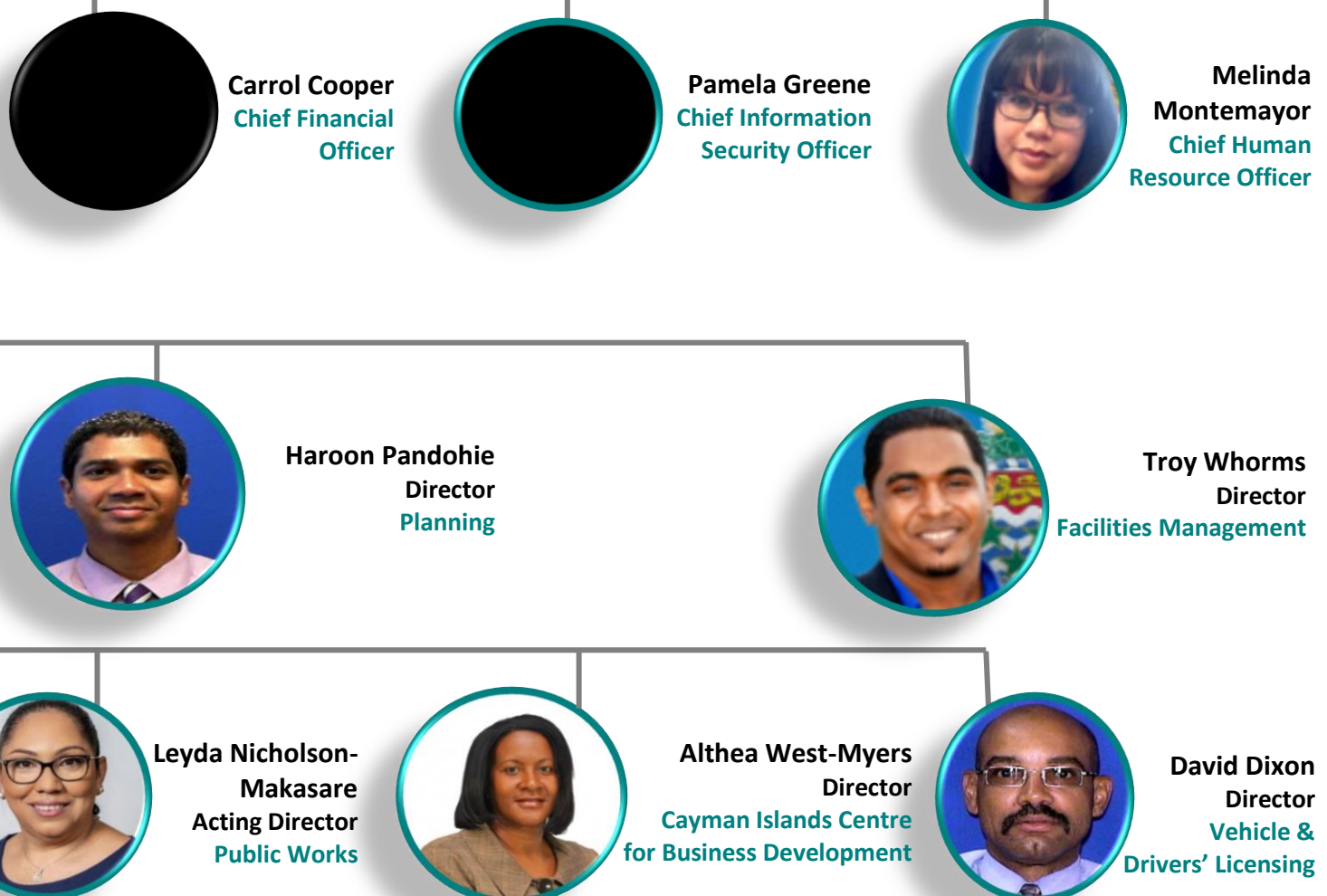


Ryan Rajkumarsingh
Director
Commerce and Investment



Ian Tibbetts
Director
E-Government

Our Management Structure



Message From The Minister

TURNING OUR CHALLENGES INTO OPPORTUNITIES

It is with humility, a sense of accomplishment, and great pride that I deliver my final annual report of this administration. The report provides an account of my stewardship for the subjects and resources entrusted to my Ministry in 2020, and provides insight to the services delivered during an extraordinary year.

The most fundamental roles of any government are to provide for good order, deliver public services, manage the economy, and protect its citizens. I am proud to present the achievements of my Ministry in support of the Government's aspiration to meeting these standards.

The challenges of 2020 will long be remembered; but so too, will the heroism and tremendous response by all sectors of our Government.

The wellbeing and prosperity of our people depend critically on how we build our economy, transform our infrastructure, and enhance public services. The events of the past year have brought this reality into sharp focus, and reinforces the requirement for a progressive approach to commerce, planning, and infrastructure development.

“The world around us is changing in profound ways creating both challenges and opportunities. We face a future that requires an open embrace, a willingness to adapt, and the fortitude to persevere.”

Commerce is essential to the livelihood of our people. Individuals with ideas, who work to make it happen by taking on entrepreneurship roles have remained the backbone of our Cayman Islands economy and enabled our islands to find success in 2020 where many others were not as fortunate.

Against all odds, our local economy has proved its mettle, and continues to be resilient by generating jobs and new businesses even in the absence of our key tourism market.

Investor and entrepreneurial confidence were supported by our positive policy environment, which promotes business development as a sustainable source for income and employment generation. This is evident by the 30% growth in trade and business licences recorded by our Department of Commerce and Investment during a global pandemic.

The excitement of possibilities is conceived through the leaps of imagination and ambition. We could not have envisioned the circumstances under which the Cayman Islands Centre for Business Development would have become operational in 2020, but I am proud to be part of an administration with the vision and ambition to develop such an effective policy instrument, long before the arrival of COVID-19 to our shores.

I am also proud to be part of a Government with the fiscal prudence and sage stewardship that enabled the provision of some \$14.5 million in direct support to micro, small and medium-sized enterprises to mitigate the economic impacts of COVID-19 restrictions.

It is the manifestation of leadership that is effective, visionary, and frugal in the stewardship of public resources.

Our Major Projects Office provided crucial management services for the completion of the airfield runway upgrade at the Owen Roberts International Airport in 2020. Work also progressed on the John Gray High School project, and we are poised to deliver the long-term residential mental health facility by the 4th quarter of 2021.



Hon. Joseph Hew, MLA

Minister of Commerce, Planning & Infrastructure

These projects aid in the long-term sustainability of our economy, and make us a more resilient country. So too are the strides taken to bring more government services online through the work of the E-Government Unit and our Computer Services Department.

In 2020, some 254 workers benefited from temporary work as part of our National Community Enhancement project (NiCE). This programme allows individuals to earn income while improving and beautifying our communities. It also provides pathways to permanent employment opportunities by providing workers with opportunities to display skills, build relationships and gain experience.

I started my political career with the goal to help my fellow Caymanians; an ambition that never waned, and a beacon that has guided my actions throughout my political career. The period ahead will be challenging, but through hard work, partnership with our stakeholders, and the continued support of the able professionals in my Ministry, I am confident that the Cayman Islands will weather the present crisis and emerge stronger.

The world around us is changing in profound ways creating both challenges and opportunities. We face a future that requires an open embrace, a willingness to adapt, and the fortitude to persevere.

I am grateful for the support of an incredible team, who provided truly amazing services under the able leadership of Chief Officer Alan Jones. Your dedication, sacrifice, and commitment have made the accomplishments of the past four years possible.

I would also like to thank the people of the Cayman Islands, and specifically the people of George Town North for your continued support as we work in partnership towards a stronger, more vibrant, and resilient Cayman Islands.

Message From The Chief Officer

COURAGE, SACRIFICE AND COMMITMENT

I am pleased to join the Hon. Minister in presenting the annual report for the Ministry of Commerce, Planning and Infrastructure. The report provides accountability for the appropriations approved by the Parliament for our Ministry, and communicates the achievements made and services delivered during the year.

Fiscal year 2020 was the year no one planned. It took personal courage and tremendous sacrifice for staff to maintain performance under severe conditions, and to find innovative and bold ways to deliver public services.

The impacts of the pandemic will be felt for many years to come; but for all its disruptors, 2020 will also be a year that will be memorialized by those who fearlessly worked to protect our community, and kept our government functioning against incredible odds.

Our Department of Commerce and Investment issued almost 15,000 trade and business licences during the year, some three thousand of which represented new licences. Customers applied for over nine thousand licenses using the Department's online portal. At the same time, staff worked to execute some 1,793 commercial inspections, delivered industry training, and carried out 42 onsite and offsite inspections for Designated Non-Financial Business and Professions (DNFBs).

“The impacts of the pandemic will be felt for many years to come; but for all its disruptors, 2020 will also be a year that will be memorialized by those who fearlessly worked to protect our community, and kept our government functioning against incredible odds.”

Several important legislative amendments were also made to support the local economy in 2020. These include modifications to the Liquor Licensing Regulations and the Trade and Business Licensing Regulation to facilitate a temporary reduction in annual renewal fees, and reduce fees temporarily for micro businesses and small businesses.

Our traffic laws were amended to allow vehicles to continue operations via a six-month waiver. This facilitated the ongoing online renewal of vehicle licenses with a deferred requirement for inspections to be carried out. Over 29 thousand vehicle license renewals were facilitated by the Department of Vehicle & Drivers' Licensing. These efforts supported the over 50 thousand drivers and vehicles registered to operate in the Cayman Islands at the end of 2020.

Our Centre for Business Development served as a precision policy instrument to deliver some \$9 million in direct grants to over fourteen hundred small and micro businesses ailing from the effects of COVID-19. An additional \$950 thousand in low-interest loans was afforded to 27 small businesses, and 370 businesses were assisted in preparing strategic plans during 2020.

Our Computer Services Department supported multiple agencies to move payment processes online; answered over 46 thousand telephone calls; and processed more than 48 thousand requests for services.

The local construction industry is a significant engine for the generation of local employment, especially with the suspension of our tourism market. The Department of Planning built on a solid e-commerce foundation by working assiduously during the year to consider and approve some 837 planning applications for projects with an estimated value of over seven hundred million dollars. An additional 741 building permits were issued, having an estimated value of over \$457 million, and 275 projects with an estimated value of \$243 million received certificates of occupancy.



Alan Jones, Chief Officer

Ministry of Commerce, Planning & Infrastructure

The Public Works Department continued previous successes by administering an effective apprenticeship programme, facilitating our annual National Community Enhancement Project, and managing our major capital works. This year they also completed a state-of-the-art facility to continue their training programme.

Our Facilities Management team kept the center of Government administration safe during the pandemic's critical days, and our Cyber Security and E-Government teams ensured our systems remained safe and accessible to the public.

It has been my absolute honour to work alongside dedicated and talented people within the Ministry, and to lead an organisation that not only rose to the challenge, but also met and surpassed expectations. This report highlights a few of our accomplishments this year and the strides we have taken to build an even more resilient Ministry.

Looking ahead, there is much to be done, but there is also much that we can build upon. I am grateful for the solid foundation laid by the hundreds of professionals who work in our Ministry and their consistent toil towards the delivery of services that are truly world-class.

Our present response mode will persist for quite some time. While we have transformed the way we operate to deliver services faster, we will continue to seek increasing ways to leverage technology as a critical enabler for efficiency and greater access to the customers we serve.

The success we enjoyed over the years reflects our firm commitment to the fundamentals of hard work, professionalism, and integrity. I would like to thank our staff for their loyal and steadfast service, and our Minister for his oversight and support for our efforts.

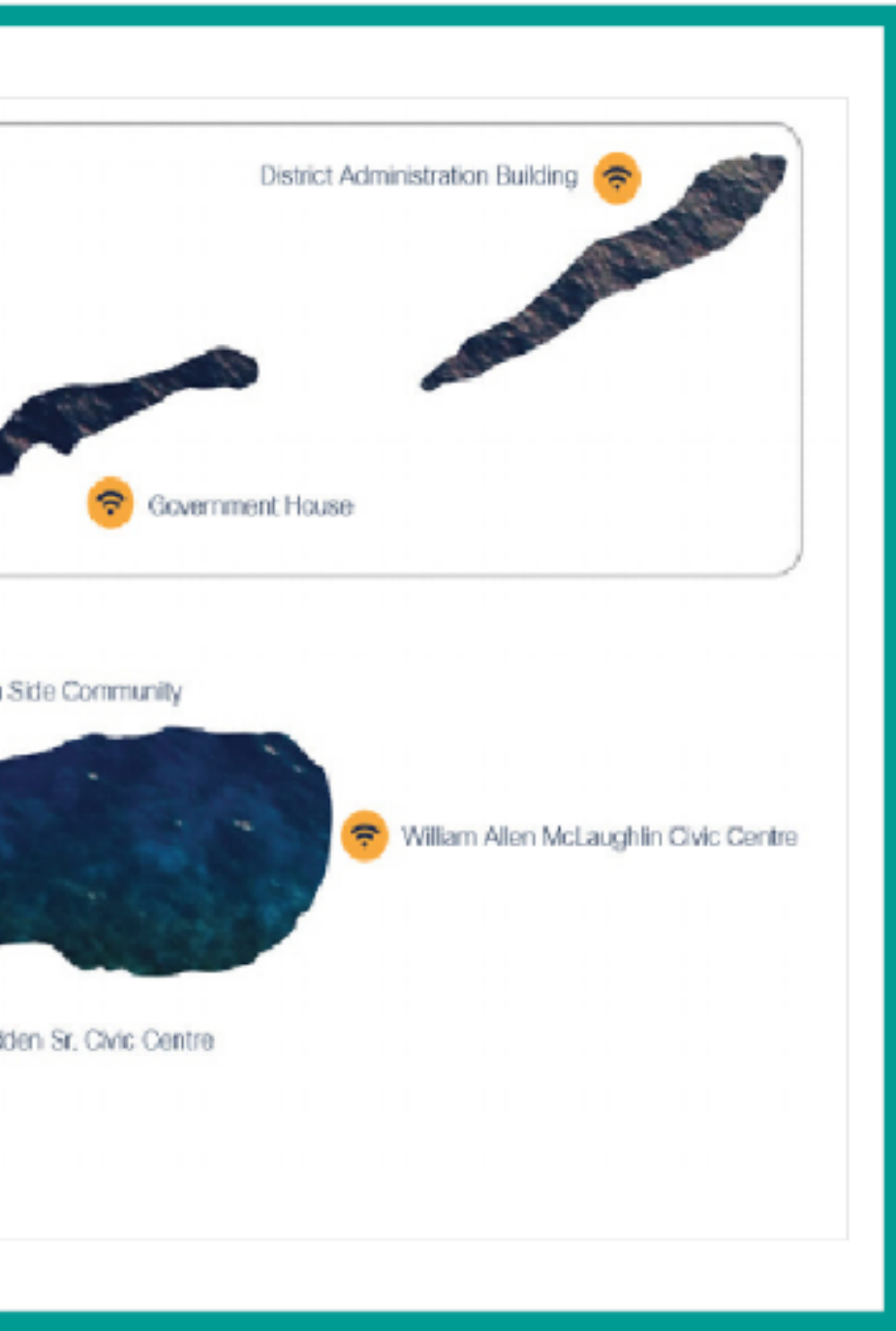
Strategic Overview

The Key **Strategic Ownership Goals** for the Ministry of Commerce, Planning and Infrastructure in the 2020 financial year were as follows:

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Wifi Hotspot Locations





- i. Provide a cohesive, co-ordinated body of policies relating to the various Ministry subject areas, with the goal of providing the necessary legislative and policy framework to help the Cayman Islands plan and grow
- ii. Introduce an effective e-process method of business throughout Government reducing bureaucracy
- iii. Devise and deliver a strategic cyber security framework which includes policies, procedures, risk management, enhanced monitoring and protection capability, awareness and incident preparedness and response capabilities as well as leadership advisory on legislation and matters of national security
- iv. Ensure that Government's IT infrastructure is properly protected from cyber-attacks and manipulation
- v. Promote, encourage and facilitate commercial activity within these Islands
- vi. Ensure a well-developed national infrastructure
- vii. Implement the National Energy Policy
- viii. Improve the sustainability and viability of micro & small businesses
- ix. Provide Facilities Management services for the Government Administration Building, the home for Government's administration and financial services
- x. Development of training programmes and succession plans for the advancement of Caymanians within the Ministry
- xi. Ensure staff complement, training and equipment are in accordance with industry standards

STRATEGIC OVERVIEW

The Ministry's **Cayman Islands Centre for Business Development (CICBD)** was fully operational in 2020. It was developed with the focus to facilitate a sustainable business ecosystem which allows micro & small businesses to take advantage of emerging opportunities in the global and local contexts. The Centre has been in development since 2018, but only officially started operating from its Bay Town Plaza location in March 2020. During the interceding period, staff received training and were certified as business advisors. This training was put to quick use in the months that followed the initial opening. The CICBD swiftly became an effective Government policy instrument, and a conduit to assist struggling small businesses. It mobilized with speed and agility to support strategies aimed and sustaining the operations of small businesses as many struggled to meet ongoing operational costs while local economic restrictions caused by COVID 19 relief persisted. The raft of measures introduced by Government to support small business were valued at some \$14.5 million and included direct grants, technical assistance, low interest loans, and training support.

We are also proud of the work done in partnership with the University College of the Cayman Islands (UCCI) as part of a student consulting programme. The programme matches small business owners with a team of students enrolled in UCCI's upper-level entrepreneurship management course. The 2020 ten-week programme kicked off in February with some twelve students meeting with five business owners as part of a mutually beneficial consulting project.

Our **Planning Department** has progressively become digitally enabled as more processes

migrate online. The Department's modern planning portal offers convenience and efficiency for planning services ranging from the issuance of certificates of occupancy to payment collection. These enhancements have reduced the requirements for in-person transactions at the Government Administration building, and has allowed technical personnel to focus on substantive areas of work rather than administrative duties. Our technology platform was developed with the customers' experience as the guiding beacon. We continually loop back to the industry to obtain feedback and adjust key areas to promote a consistent positive customer experience. Digitalization has also paid internal dividends through the improvement of internal efficiencies. Our re-engineered business processes track documents entering work queues with date stamps and an auditable movement trail. This enables customers and staff to easily determine the progress of an application, and the next step in the process. The days of documents being lost in planning is now a thing of the past. Systems have robust backup capabilities which ensure documents are not misplaced or deleted, and can be quickly restored in the event of a critical failure. The suite of improvements has benefited stakeholders and further enhanced the vision of the Government to operate a **World-Class Public Service**.

Work continued in 2020 towards the implementation of a National Identification System with and a register of natural persons. This work is being led by our **E-Government Unit** with the team completing several pieces of the prerequisite work during 2020. Work also progressed on the Government's X-Road initiative, which is crucial to the development of various online systems that augment Cayman's overall system security.

This is a substantial project for the Unit, and builds on prior successes which now enable cargo customs to process over five thousand monthly declarations with ninety-two percent completed through the online process. The Unit has also facilitated the digital processing of more than ninety-six percent of local company registrations, annual reports and changes in directorships. These projects followed from earlier successes with the online criminal records certificate process and work at the Department of Vehicle and Driver's Licensing, which enabled text message reminders to be sent notifying customers of expiring vehicle licences. Nearly 8,000 reminders were sent out during the first full month of operation to ensure customers have sufficient time to update their vehicle registration.

Our **Department of Commerce & Investment (DCI)** were trail blazers for digitalization through early improvements in their online platform which, among other things, enables customers to submit a trade and business license application from any smart phone device. Whilst many agencies scrambled to migrate services online following the 2020 national lockdowns, the DCI continued largely unabated, since most of their processes were already virtual. The lessons of the pandemic fully illustrated the value of continuous innovation, and a resilient government. When it comes to business interruption, it is not a matter of "if" it is a matter of "when". The leadership of DCI subscribes to this mindset and has led a relentless focus on improving public service by consistently challenging their team to raise the bar in the award-winning Department. Accomplishments in 2020 include the issuance of some 14,890 trade and business licenses (including 3,407 new licenses- a growth of 30%), execution of over 1,793 inspections, and the

effective regulation of Designated Non-Financial Businesses and Professions (DNFBPs). The DCI was appointed as the anti-money laundering Supervisor for DNFBPs, which include real estate agents, property developers and dealers in precious metals and precious stones, in 2017 and was charged with an expanded remit in 2018. This created the responsibility for the issuance of business licenses, and enforcing regulatory compliance for businesses falling into this category with the exception for lawyers and accountants.

The effective regulation of DNFBPs has reputational importance to the Cayman Islands Government. It is part of our local efforts in the global compliance framework to stem money laundering and prevent the financing of terrorism.

Notwithstanding the challenging circumstances of 2020, the Department delivered four educational outreach and support interventions, undertook multiple enforcement actions, and carried out some 42 onsite and off-site inspections. This allowed the Department to maintain engagement with the 451 licensees categorized as DNFBPs. An online registration portal for DNFBPs was also launched, and a chatbot feature was added to the DCI's website. Changes were also made to five key pieces of legislation in 2020 including those governing special economic zones, liquor licensing, and trade and business licenses.

Our **Public Works Department** completed a state-of-the-art Construction Trades Training Centre in January 2020. The facility has been under development for some time, and can comfortably accommodate 50 learners, 2 instructors and associated equipment and training infrastructure. The training Centre will serve as a crucial conduit for individuals pursuing careers in the many

technical and vocational areas within our economy. The facilities and curriculum are purposed for the needs of our local learners and will include technical skills training modules, practical workspaces, lockers, and theory related study classrooms. In 2021, we will begin pursuing the construction of individual workshops for the trades (plumbing, electrical, air conditioning and carpentry). The workshops will be equipped with furniture, fittings and equipment that meets City and Guilds international standards.

The **Major Projects Office** completed the Owen Roberts International Airport airfield runway upgrade, and substantially progressed the long-term Residential Mental Health Facility and the John Gray High School project. The Project Management and Consultancy section implemented seven projects in 2020 including the new office building for the Civil Aviation Authority, Phase II of the Heroes Square improvements, and re-roofing works at the Lighthouse school. Salaries and wages paid to staff in the MPO are recovered from client agencies to whom project management services are provided.

The 2020 **NiCE project** was delivered in December 2020 following COVID-19 related delays. This project continues to deliver positive outcomes through mutually beneficial engagements that provide temporary employment opportunities and community enhancements.

Our **Facilities Management** team was busy in 2020 ensuring occupants of the main Government Administration Building (GAB) remained safe, and our Civic Centre facilities were well maintained. The team provided quick action to maintain air quality standards throughout the building, implement COVID-19 appropriate protocols at all facilities, procured protective

equipment for staff, and installed various safety features including plexi-glass separations on all ground floor counters. The main elevator system at the GAB was also upgraded during the year and the main entry and bathroom doors were automated to make them ADA compliant. Other systems upgraded include those for closed-circuit television, telephone, and generator. Works were also carried out to complete required changes to the offices of the Deputy Governor and Ministry of Education.

The team at our **Computer Services Department** is charged with ensuring the Information Technology (IT) services provided to our clients and business partners run without interruption. This responsibility is mission critical in a normal year; however, the COVID-19 pandemic and ensuing remote working arrangements magnified the criticality of this area several times over, and required innovation and operating levels not previously experienced. Notwithstanding, the team responded with agility and perseverance and successfully kept all major systems operational and supporting the business of the Government by implementing measures such as remote desktop access for users, RSA Citrix upgrades and deployment, and the roll out of a twenty-four hour helpdesk.

Cyber threats became more pervasive in 2020 as more services moved online and additional users began accessing those services virtually. Our **Chief Information Security Officer (CISO)** works to protect and defend our jurisdiction's interests from cyber-threats that have the potential to undermine our international reputation, digital economy, way of life and our future ambitions. The Ministry observed Cyber Security Awareness month in October 2020 with the launch of the first cyber security public education campaign under the theme, "Better Cyber Safe than Sorry". The

initiative was meant to create awareness and educate various target groups about the importance of cyber security. The target groups include children and adolescents, parents, older persons, and small businesses. Additional tools and resources were provided through www.gov.ky/cybersafe, to support the target groups as well as other stakeholders to stay safe online and to increase their resilience in the event of cyber incidents.

The **E-Government Unit** was created from a Cabinet mandate for a strategic e-government programme. Its goal is to make it easier for citizens to access government services, improve the customer's experience, reduce costs, and increase efficiency. Major accomplishments in 2020 include the implementation and completion of the technical solution for the Population Register; a data quality analysis for key registers such as births, deaths, and residency registers; and obtaining approval of the business case for the National ID project. The Unit also implemented and launched the online service and back office solution for the online submission of applications for BOTC naturalization, registration, and proof of nationality for the Office of the Deputy Governor. The solution allows persons to prepare, submit, pay, and monitor the progress of their applications online. It incorporates the enhanced security feature of multifactor authentication for the persons submitting applications to protect access to their data.

Our **Vehicle and Driver's Licensing Department** closed to the public in March 2020 as a result of COVID-19 and resumed operations in July 2020. Notwithstanding, during the year, staff processed some 29,046 vehicle license renewals; over 7,571 driver's license renewals; and facilitated the booking of over 8,128 appointments for written and road tests. Some 3,915 vehicles were

replated in 2020, continuing with a replating programme that began in 2017 and has so far processed over 28,000 vehicles. Work also commenced in 2020 with the hiring of an IT consultant for the new online service to book written and road tests. This will significantly improve the efficiency of this process, add convenience to our customers, and reduce the number of in-person encounters at the Department.

The provision of innovative, engaging and simplified fleet management services for the Cayman Islands Government and its stakeholders in a manner that ensures continual availability of transport and equipment, whilst being admired and respected for our level of professionalism and customer service are the guiding principles of our **Vehicle & Equipment Services Department (DVES)**. As part of its pandemic response, DVES created three self-sufficient and strategically placed mobile teams to respond to emergencies and calls for critical vehicle repairs across the island. The Department also assisted other agencies with fueling and transportation needs to enable vital support to the National Emergency Operation Committee.

Government Fueling Facility integration upgrades were also carried out in 2020 which now allows the DVES to connect remotely to both the GasBoy and Veeder-Root system from anywhere with an internet connection. This allows the provision of real time information.

You will read more about these and other Departmental accomplishments in the pages that follow.

Department of Commerce & Investment





**“Really spend time with your people.
Understand what they do.
Understand what they are about.
Understand what motivates them.
Because if they feel valued, you are
limitless in terms of what you can
accomplish.”**

**- Ryan Rajkumarsingh
Director
Department of Commerce and Investment**

Our Director of Department of Commerce and Investment (DCI) since 2013, Ryan Rajkumarsingh, was recently featured in Accounting and Business, ACCA's Global Members' Magazine. Ryan's work in this Department has been exemplary and we pause here to highlight some of his most recent achievements.

The concept of continual innovation is one which has served Ryan well over the years, especially as it pertains to his role at DCI. Since joining the Department, he has worked closely with his team to build departmental resilience, an investment which enabled operational continuity following the sudden effects of the COVID-19 pandemic.

"Because we were already functioning with our 24/7 online system, when the pandemic happened, there was not a big shift for us," he says. "If anything, the pandemic really made us appreciate what technology could do for us by improving our efficiency. We didn't close down to the outside world. We just weren't there in person."

As a result, while other economies worldwide were contracting, locally, our islands saw a 30% increase in new licenses, and the issuance of some 14,890 Trade & Business licenses during 2020.

DCI's importance as a regulator extends beyond our shores. As the anti-money laundering Supervisor for Designated Non-Financial Businesses and Professions (DNFBPs), Ryan and his team are charged with enforcing regulatory compliance for businesses falling into this category.

This responsibility is one the DCI team takes seriously, due to the potential reputational consequences of failure in this area.

Ryan's attention is not solely output driven; he has successfully transformed his Department into an award winning entity, having won various accolades over the years, including the Investors in People Gold certification for 2019-2022, and being named one of the Best Places to Work in the Cayman Islands in 2018/19.

"At DCI we have created an environment where the hearts and minds of employees are committed to service excellence. That is what Investors in People Gold accreditation represents. Our team is united by our values: respect for each other and our stakeholders; unity is our strength and belief in our purpose of service excellence."

We commend Ryan and his team for their stewardship, and relentless pursuit for initiating positive change.

Well done!



‘Staying ahead of the curve’

The good book speaks of a time to plant and a time to reap; the Department of Commerce and Investment (DCI) epitomized that lesson through its work over the years to embrace virtual commerce and drive systems and process efficiencies by leveraging technology. Those investments paid dividends in 2020 as staff temporarily retreated to remote working arrangements, and demand for services soared.

There is anecdotal evidence of a surge in demand for new trade and business licenses following the pension withdrawal programme. The additional liquidity provided seed money for aspiring entrepreneurs to pursue plans long held, and open small businesses in 2020. That phenomena contributed to a record 14,890 licenses issued, with three thousand of those being new trade and business licenses.

A few short years back, a volume increase of this magnitude would have required significant administrative resources and many long hours to achieve. In 2019, 2,830 applications were processed online, that figure increased to 9,542 in 2020 as customers become more aware of the benefits and convenience of using the Department’s online portal.

Whilst the staff and leadership in DCI are to be congratulated for the dedication and hard work, it was also recognized that the efficient use of technology significantly reduced the resource requirement to process the volume of licenses required in 2020, and allowed the Department to continue meeting customer expectations even under challenging circumstances.

Enforcement and Compliance Monitoring

The DCI regulates commerce generally, and is also the supervisory authority for Designated Non-Financial Businesses and Professions in real estate, property development and dealers of precious stones and precious metal.

In 2020 the Department carried out some 1,793 inspections of commercial premises including those licensed for the sale of alcohol. The Department was also instrumental in providing industry statistics and advice to ensure the relief measures implemented by the Government reached the intended areas of business. This was made possible by the agility of the extensive database the Department had developed, and its close engagement with industry.

Staff delivered 42 onsite and off-site inspections for DNFBPs. The inspections covered businesses in Real Estate, Property Development, and dealers in precious metals and stones.

The inspection assessed the anti-money laundering framework implemented by licensees, and measures in place to counter the financing of terrorism. Whilst much work is required, there is a general sense of compliance improvement in this sector of the economy with several licensees developing AML manuals, attending training, and developing policies for compliant commerce. The Department prepared an overall sector assessment report for 2020 which will be shared with stakeholders including the Caribbean Financial Action Task Force (CFATF).

Engagement activity

Compliance and enforcement activities are supported by direct engagement with the industry to promote compliant practices, share best practices and provide training and advice.

The department pursues a multi-faceted approach to achieve this objective by providing training sessions, creating a repository of guidance and training materials on its website and by visiting the premises of licensees during onsite inspections.

Multiple training sessions were delivered in 2020. These included sessions on the development of an appropriate risk assessment framework, introduction to all things AML for new registrants, and virtual support engagements. The DCI's website also had over a million hits during the year, with over 230,000 coming from mobile devices.

Legislative Changes

The Department was instrumental in the progression of several industry related legislative changes in 2020. These included the Special Economic Zones (Amendment) Act, 2020 (to provide for anti-money laundering and counter terrorist and proliferation financing) and a 2020 revision of the Special Economic Zones (Cayman Enterprise City) Order. Amendments were also made to the Liquor Licensing Regulations and the Trade and Business Licensing Regulation. The former was amended to facilitate a temporary reduction in annual renewal fees, and the latter was amended to also reduce the fees temporarily for micro businesses and small businesses.

Staff training

DCI continues its leadership in talent management through ongoing investment in staff training; however, like many others, the Department's professional development goals were stymied in 2020 due to travel and social distancing requirements.

Notwithstanding, several professional development activities were undertaken including training in the detection of proliferation financing, development of business writing skills, and attendance at the anti-money laundering supervisors forum.

Technology advancements

The Chatbot feature on the DCI's website has become a useful tool for the public to query and find information. It allows questions to be asked and intuitive responses provided to help customers better navigate the resources available.

A new online registration portal for DNFBPs was also launched in 2020. This will bring greater information in the submission of documents and records and ease their retrieval for monitoring and supervisory purposes.

Awards and Achievements

The Department and its staff picked up multiple awards in 2020. This continues a trend of yearly recognition for outstanding achievements and services. Ms. Claudia Brady was recognized for meritorious service rendered during the COVID Pandemic; Mr. Ryan Rajkumarsingh for achievements in leadership and innovation; and the overall department won the "Moment of Magic Award."

Looking ahead, the Department will be facilitating the Sectoral Risk Assessment in the first quarter of 2021, and will also begin early execution of its 2021 Inspection Plan.

*As an economic development agency that specialises in licensing and regulation, the **Department of Commerce and Investment** has a key role to play in Government policy relating to economic growth and diversification.*



**Record number
of new Licenses
Issued in 2020**

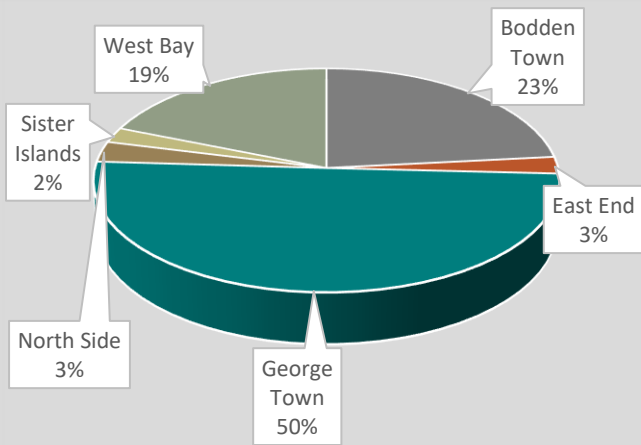
3,407

**Total number of
Licenses Issued
in 2020**

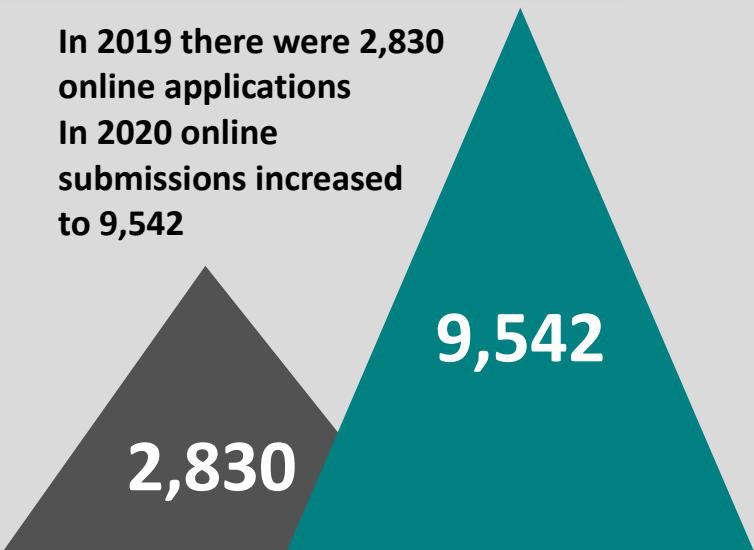
14,890

Quality Measures	Actual Total
Film Exhibition Premises Licenses	6
Liquor Licenses/ Music & Dancing Licenses	871
Tobacco Permits	164
SEZA Trade Licenses	52
T & B Licenses	14,890

To maintain business continuity, Commerce is an essential service to peoples’ lives and even more during a time of so much uncertainty.



Pie chart breaks down the number of new licenses issued by District



+31% DCI organized 42 onsite and offsite inspections (up 31% from 2019) to DNFBP sectors Real Estate, Property Developers and Dealers in precious metals and stones on AML/CFT obligations & ML/TF risks



DCI organized 2 outreach sessions in 2020 including an introduction to all things AML for new Registrants in Oct 2020



Enforcement inspections decreased to 1,793 in 2020 from 2,743 in 2019 due to the COVID lock-down

Cayman Islands Centre for Business Development



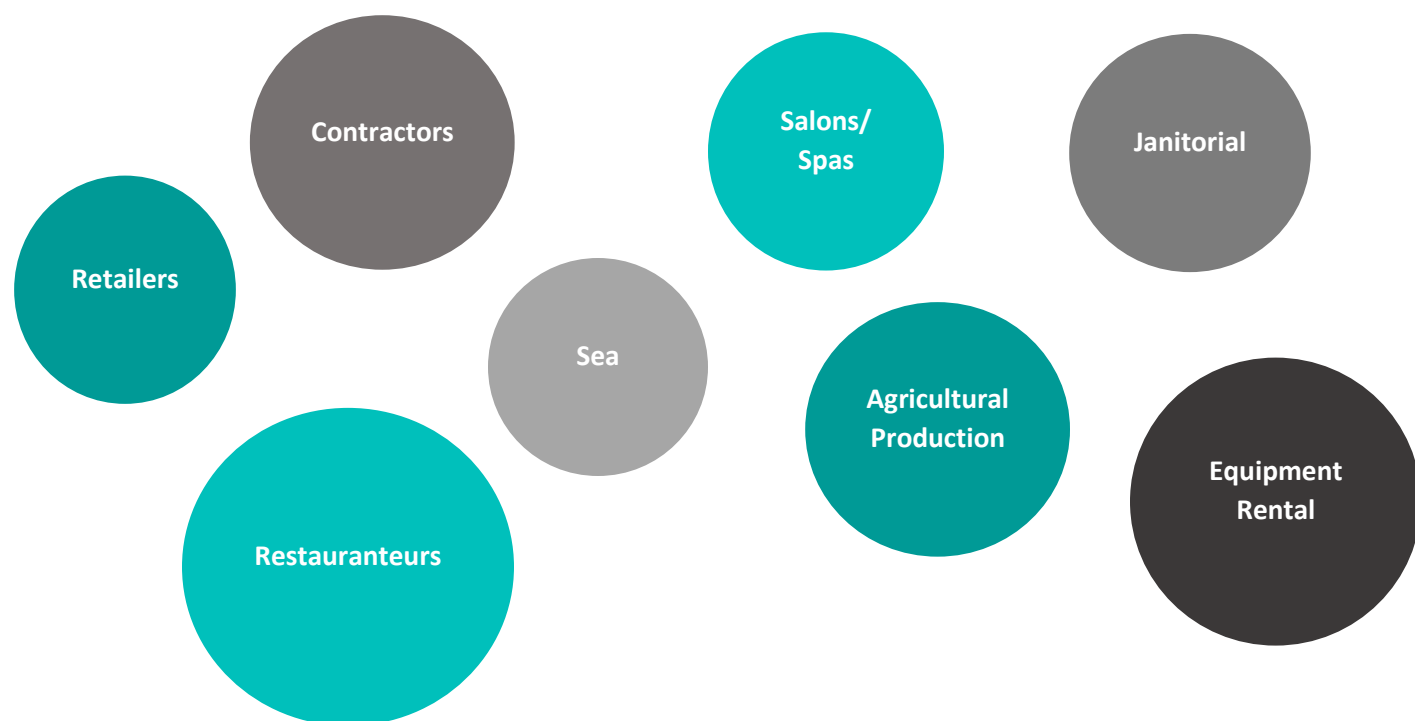


Package #	Package Name	Maximum Amount (Small Business)	Maximum Amount (Micro Business)
1	Wage Subsidy	\$ 20,000.00	\$10,000.00
2	Digital Enablement	\$ 15,000.00	\$10,000.00
3	Commercial Rent Assistance	\$ 6,000.00	\$6,000.00
4	Business Process Innovation	\$ 15,000.00	\$10,000.00
5	Business Continuity Plan	\$ 5,000.00	\$5,000.00

The Second Phase
of the small business grants programme was intended to identify and support businesses that had a viable market and were likely to withstand the ravages of COVID-19.

The programme was intended to benefit a minimum of three hundred (300) businesses.

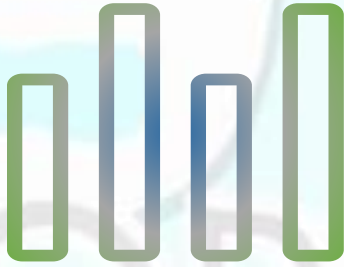
Applicants were asked to identify their strategic priorities and, with the assistance of technical advisors, were required to choose from one of five, or a combination of, packages:



Three hundred and seventy (370) businesses were selected to benefit from Phase II.

Businesses that benefited spanned the spectrum of business types, inclusive of:

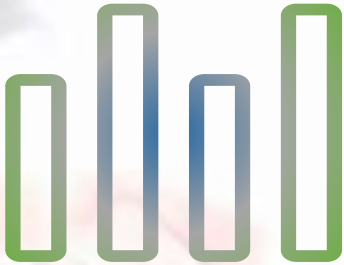
\$4.296M



\$4.36M



\$950K



370 firms



Grant- Phase I

- 1,543 applications processed
- 1,432 applications approved
- Total value of grants approved \$4.296M
- Total Value of grants paid as at Dec 31, 2020 \$4.061M

Grant- Phase II

- 981 applications processed
- 370 Businesses approved for between \$6-20K each
- Total value of grants approved \$4.36 M
- Total value of grants sent for payment as at Dec 31, 2020 \$635K

Loans

- 82 applications processed
- 27 applications approved
- Total value of approved applications \$950K

Technical Assistance

- 10 small firms recruited to provide financial & strategic support to MSMEs
- Financial Statements prepared for 44 MSMEs
- 370 firms assisted with strategic planning post COVID-19

The **Cayman Islands Centre for Business Development (CICBD)** has been under development since 2018, and became operational in March of 2020. The Centre was developed with a strategy that is focused on ensuring small and micro businesses are afforded a regulatory system and business environment to assist in taking advantage of emerging opportunities in the local and global marketplaces.

Three strategic pillars were defined for the pursuit of this goal.

1. **Enterprise-level development:** To improve the entrepreneurial competencies of small business owners. Through a long-term relationship-based approach, the Centre provides mentoring, coaching, advice, and training services to small businesses to help them navigate the different stages of the business life-cycle.

2. **Strengthening the ecosystem:** The intentional development of the environment that supports small businesses through a strong industry/ sector-linkage framework, the encouragement of a private equity support for small businesses; the establishment of a consortium of professionals/ experts to support business owners and developing a strong link with academia.

3. **Institutional learning and growth:** Creating an internal dynamic learning environment that embraces innovation and technology to adequately support meaningful small business growth.

The Centre was launched in what could be described as a 'baptism by fire'. Within its first week of operations, the corona virus arrived on our shores and shelter in place regulations were issued.

The ensuing conditions created a severe shock to local commerce, especially for those in the micro and small business sectors.

The Centre served as an instrument of precision that quickly facilitated the provision of much needed support to small and micro businesses, through a \$14.5 million relief package. The relief package provided temporary insulation by assisting businesses with certain operational costs while they weathered the pandemic.

The strategic approach entailed four key components: Sector Grants; Technical Assistance; Low Interest Loans; and training/support.

Sector Grants

Some \$9 million was allocated for the provision of direct grants to businesses requiring assistance. The grants were paid in two tranches, with businesses required to provide support for the use of the initial grant (specified for use as business expenses) before release of the second tranche. Some 1,432 applications were approved as part of \$4.3 million paid out in assistance under the first phase of this programme.

The second phase of the programme was used to identify and support businesses that had a viable market and were likely to withstand the effects of COVID-19.

This intervention was positioned as an economic incentive package with the intent to provide benefits to a minimum of three hundred (300) businesses.

Applicants were asked to identify their strategic priorities and, with the assistance of technical advisors, to choose from one of five, or a combination of, packages.

Some three hundred and seventy (370) businesses including retailers, contractors, restaurateurs and others in the service industry benefited from the \$4.4 million provided in the Second Phase of the programme.

Technical Assistance

The Centre's Technical Assistance programme utilized qualified accountants and other professionals to provide technical guidance and coaching to micro and small businesses. The assistance took the form of one-on-one consultation and coaching with clients. Assistance included the preparation of financial statements, business plans, financial forecasts, financial modeling, and budget management.

The programme contracted with ten small accounting firms who assisted forty-four (44) businesses with the preparation of financial statements, twenty-seven businesses with the monitoring of loan performance, and 370 firms with the preparation of strategic plans.

Provision of low interest loans

A loan scheme was offered to provide financial and non-financial support to Micro and Small Businesses affected by COVID-19. The programme was administered in collaboration with the Cayman Islands Development Bank (CIDB) and assisted 100% owned Caymanian businesses with operational cash flow to meet ongoing obligations.

Some twenty-seven (27) applicants received \$950,000 in low interest loans under this programme.

Training and other support

The Centre worked collaboratively with several local subject matter experts to design and/ or present topics which are critical to successfully navigating the post COVID-19 business environment. The objective was to improve knowledge and competences through a series of free strategy-focused webinars delivered virtually.

More than three quarters of attendees rated the webinars as excellent and relevant to their business needs. Topics covered included: Managing Cash Flow in a Crisis; Moving Your Business Online; Crisis Management: Navigating Uncharted Waters; and Managing Financial Risk.

The raft of measures the Centre implemented during its first year of operations was nothing short of amazing. Additionally, the Centre also partnered with the George Town Revitalization Initiative to execute a Small Business Saturday Event.

This year the event took place on the platform of Experience Cayman, which for the most part, was a virtual show-casing of Cayman's business offerings. The partnership facilitated an in-person marketplace where small business owners were given a chance to make sales going into the Christmas season. The event was staged on December 5, 2020 and saw 22 small business owners participating.

Planning & Infrastructure





**This Section is
comprised of:**

- **Department of Planning**
- **Public Works Department**
- **Facilities Management**

'Planning the way forward'

Department of Planning

The Department of Planning is charged with the responsibility of supporting the Central Planning Authority and Development Control Board in regulating all forms of physical development in the Cayman Islands.

The Department laid solid foundations in 2019, by refining its online planning system to offer several enhanced features. This included a planning portal that facilitates most of the Department's planning activities, from the issuance of certificates of occupancy to payment collection.

This reduced the need for customers to attend the planning counter and has allowed technical personnel to focus on substantive areas of work rather than administrative duties.

One of the main advantages of the online planning system is the ability to track processes. Documents entering work queues are date stamped. They have a movement trail that is auditable, and there are backup capabilities to ensure documents are not misplaced or deleted. These features have delivered significant improvements to staff and customers, including timeliness of service, and enhanced customer experience.

The solid foundation the Department developed enabled the effective continuation of services in a COVID-19 era. In 2020, the Administrative section processed 1,632 incoming applications for planning permission; 1,849 applications for permits; and opened almost 200 enforcement cases for illegal development.

Current Planning

We are primarily responsible for processing development applications for presentation to the Central Planning Authority (CPA) on Grand Cayman and the Development Control Board (DCB) on Cayman Brac and Little Cayman.



Building Control

We review applications for building permits and inspect the structural, plumbing, electrical and mechanical components of buildings and structures to ensure that Central Planning Authority and Development Control Board approved developments comply with all the codes.



Policy Development

We are responsible for policy preparation and long-range planning issues such as land-use policies, conducting special studies, recommending revisions to the Development Plan, processing rezoning applications, reviewing Designating Order applications and preparing proposed amendments to the Development Plan, Planning Law and Regulations.



Our Department is focused on the following three areas:

Some 27 policies and guidance notes were issued covering areas such as plan review submittal guidelines for single family dwellings; duplexes and townhouses; emergency and urgent repair work procedures; and the execution of virtual inspections.

Response support was also provided to the National Emergency Operations Centre through design guidance, plan reviews and expedited inspections for the conversion of the Family Life Centre to a field hospital for treating potential COVID-19 patients.

The Government's "Curfew time" also received assistance with re-opening the construction/ development industry through the provision of statistics and administrative help with the phasing of project restarts.

The local construction industry is a major engine for the generation of local employment, especially with the current suspension of our tourism market. Staff in the Department worked assiduously during the year to consider and approve some 837 Planning applications for projects with an estimated value of \$727,247,033.

An additional 741 building permits were issued, having an estimated value of \$457,789,806, and 275 projects with an estimated value of \$243,891,071 received certificates of occupancy.

This work supported the industry in safely starting, maintaining, and completing critical projects. The business of the Department is largely compliance driven. Staff work based on international building codes, local

building guidelines, formal guidance and departmental policies.

Inspection and thorough plan reviews are therefore core activities to ensure safety and resiliency in our local construction processes.

Amidst the lockdowns during the year, the Building Control section of the Department persevered and conducted 10,802 inspections, and completed 6,715 plan reviews. These achievements were possible due to quick actions that enabled the rapid implementation of work-from-home protocols.

These protocols enabled the screening and acceptance of new applications, plan reviews, and general customer assistance via the Online Planning System, Citrix, emails, and mobile phones. The pandemic also contributed to the expedited development of the Department's 'Virtual Inspection' program.

2020 Upgrades to the Online Planning System

Updates to the Online Planning System were completed in February 2020. These updates will improve customer visibility over projects and resubmittals, as well as improve flow and communication of code/ regulatory deficiencies. General changes were made to improve clarity in navigation, financial information, and email notifications. Significant works also progressed in preparation for a major system upgrade and user interface/ experience that will be rolled out in 2021. There will also be an eventual rebranding of the Online Planning System.



Helping guide the growth and development of the Cayman Islands

The Department of Planning has responsibility for supporting the Central Planning Authority and the Developmental Control Board in regulating all forms of physical development in the Cayman Islands.

We are working hard to ensure that the Cayman Islands stands as a tower of strength in the Caribbean, with solid infrastructure that supports the continued well-being and prosperity of our islands.

Here is a brief summary of our activities during 2020



1,849 applications for permits were processed



10,802 inspections were completed



Despite the shelter-in-place order that was put in place due to Covid-19, the Department was able to mobilize work-from-home protocols very quickly.



199 enforcement cases were opened



6,715 plan reviews were completed



New application screening/ acceptance, plan reviews and general customer assistance continued to be done remotely via the Online Planning System, Citrix, emails and mobile phones



1,632 applications for Planning permission were processed



837 planning applications were approved



The pandemic also contributed to the expedited development of the Department's 'Virtual Inspection' program

‘Building Strength into our Environment’

Public Works Department

The Public Works Department (PWD) is the Government’s principal advisor on matters relating to public buildings and their facilities.

The Department provides project management, construction management, construction activities, architectural, quantity surveying and MEP consultancy services for building related projects, and provides repair and maintenance services to Government properties as requested by fund-holding client agencies.

Approximately 84% of the Department’s 131 staff are Caymanians, several of whom received promotions in 2020.

The year started on a positive note for PWD with the completion of our state-of-the-art Construction Trades Training Centre.

This new facility can comfortably accommodate up to 50 learners, 2 instructors, equipment, and training infrastructure.

This facility is a key enabler for our Apprenticeship Programme which saw 14 trainees awarded City and Guilds certification in 2020 (six Level I, and eight Level II).

It comes equipped with practical workspaces, and lockers. This will facilitate technical skills training modules, and theoretical classroom study.

The next phase of this project will see the construction of individual Workshops for trades (plumbing, electrical, air conditioning and carpentry) learning, complete with furniture, fittings and equipment that meets City and Guilds international standards.

Some 26 trainees were enrolled in our Construction trades training programme during the year including 15 students from the Cayman Islands Further Education Centre (CIFEC), and 11 from within the Department.

*The Public Works
Department is the
Government’s principal
advisor on matters relating
to public buildings and
facilities.*

HABAKKUK



Our PWD team completed the newly renovated Habakkuk House, an eight-bed assisted living facility.

26

A total of 26 trainees enrolled in the Construction Trades Training Programme; 15 were CIFEC students, while 11 were PWD employees.



These training programmes are effective pathways to gainful employment, evidenced by the 13 programme graduates who are presently on 1-year internship contracts with the Department.

The 2020 National Community Enhance (NiCE) project was a collaboration between the Department and four other participating agencies namely National Roads Authority (NRA), Department of Environmental Health (DEH), Mosquito Research Control Unit (MRCU) and the Cayman Islands Agriculture Society.

The programme benefited over 250 participants who obtained temporary employment maintaining and beautifying various sections of our community.

Works carried out in 2020 included the upgrade and beautification of parks, beaches, side-roads, public open spaces, and cemeteries, along with assistance to the elderly in the community.

Emergency Field Hospital

PWD assisted with the assembly of the emergency field hospital at the Family Life Centre which was established in response to the COVID-19 pandemic.



14

14 trainees completed the City & Guilds Certification training; 6 trainees completed Level I, and 8 trainees completed Level II.



We are proud to be leading the way by playing our part in helping young Caymanians gain the necessary skills and qualifications for the future.

The Recreations Parks and Cemeteries Section completed the William Harvey Community Park in West Bay; the Bright Court Park in Bodden Town; and the Frenchman Drive Community Park.

The Section also took on responsibility for three additional restrooms in West Bay, Northside, and East End. These were previously maintained by the Ministry of Education, Youth, Sports, Agriculture and Lands.

Our Major Projects Office was instrumental in the successful completion of the airfield runway upgrade at the Owen Roberts International Airport, and continues to manage works for the long-term Residential Mental Health Facility and the John Gray High School projects.

The Project Management & Consultancy Section also had a busy year implementing over 7 projects including: a new office building for the Civil Aviation Authority, roofing works at the Lighthouse school, and Phase 2 of the redevelopment project for our Department of Vehicle & Equipment services.

In addition to core services delivered, the Department also supported agencies in providing effective responses to hurricane/ disaster preparedness, 2020 landfill fires, post-earthquake assessments, and the management of COVID-19.

“These dedicated PWD employees are constantly called to the front line to prepare for hurricanes, earthquakes, sargassum, and now COVID-19.

I tip my hat and salute them for their dedication to our safety.”

-Minister Joe Hew

Facilities Management (FM) team is accountable for the supervision, operations and maintenance of nine Government-owned properties.

These include seven community centres, the Environmental Centre and the main Government Administration Building.

FM is a prime example of a small unit that is delivering impacts significantly above our weight category.

Entire team is focused on **customer service**, efficiency, security, and improving performance.

We are very proud of what we do, and we always aim to do it well.

‘Operating outside routine’

Facilities Management

The Facilities Management Department, administers and oversees the operations of the Government Administration Building (GAB) and the maintenance of our Civic Centres.

The GAB is the epicenter for the administration of Government. The safety and support for staff occupying the building was paramount for the Facilities team throughout the pandemic. Once the announcement was made that the virus had reached our shores, the team quickly morphed into a support group that adapted to constant environmental changes and executed several key actions.

Additional measures were implemented to maintain high quality air control throughout the building by changing filters more frequently. Protocols were enforced for social distancing and the wearing of masks for persons entering the building, and signs were installed on walls and floors that displayed COVID-19 protocols.

The Department also oversaw the deployment of additional security to assist with the opening of doors, sanitization upon entering the building, quantity control of customers who entered the building, and directing clients to appropriate drop-off points or departments.

Drop boxes were provided to various departments for the collection of documents, and plexiglass was procured and installed on all ground floor counters to ensure safe social distancing protocols.

These measures were geared towards ensuring our staff remained safe, and families could feel confident when their loved ones report to work in our main building.

Under the able leadership of Mr. Troy Whorms, additional janitorial services were also procured to assist with cleaning of frequently used areas after each customer, including stairwells, countertops/ desks, chairs, bathrooms and phones.

Masks, sanitizers, gloves, and full Personal Protective Equipment (PPE) suits were also procured as part of a suite of safety measures. These were distributed to various Government departments.

Working with our technology departments, the FM team vigorously deployed softphones to various departments to ensure the continuation of services during remote working conditions, and the Governments switchboard by implementing a Call Center.

In the prevailing environment of expanded role and staff redeployment, support was also provided with the management of the Government quarantine facilities by allocating guests, providing full PPE, handling guests' complaints and medical emergencies.

Other significant achievements for 2020 included the reconfiguration of offices to ensure safe social distancing between staff members, oversight of the elevator upgrade automation of the main entry and bathroom doors to make them ADA compliant, and the upgrade of our building access system.

Numerous upgrade works were also carried out at our Civic Centres, along with upgrades to our camera and Mitel Phone systems.

Information Technology & E-Services



This Section is comprised of the Computer Services Department and the E-Government Unit



‘Adapting our Services; Facing our challenges’

Computer Services Department

Our Computer Services Department (CSD) manages the backbone of Government’s critical Information Technology infrastructure with the mission to facilitate high quality solutions and outcomes for business transformation while maintaining the security and integrity of information assets.

The importance of this function was in sharp focus in 2020 as many of the services we offer moved to virtual spaces.

The Department’s 71 professionals are split into 11 teams and worked long hours to ensure customer agencies were provided reliable, secure, and fast technical support, and systems ran without interruptions. These teams are responsible for different layers of the services provided by CSD and are strategically grouped to enhance necessary interactions and service delivery.

These arrangements created an agile response eco system, and was instrumental in 2020 with the timely provision of remote desktop access for users, RSA Citrix upgrades and deployment, and the roll out a twenty-four-hour helpdesk.

Those were just a few ways that the Computer Services team successfully adapted its services to meet the challenges stemming from the COVID-19 pandemic.

The Governance Team was successful in managing some 320 changes implemented across the core network environment.

The team assisted other units with creating various business cases, Request for Proposals (RfPs), policies, strategy plans, and procedural documents.

The Department processed some 36,400 emails, answered 46,221 calls, and handled some 48,692 requests.

Dozens of Government agencies were supported in implementing solutions ranging from upgrades to the Customs On-Line System (COLS), the re-engineering of web services to improve performance and reliability for the General Registry, and improvements in the application for British Overseas Territories Citizenship.

The Computer Services Department leverages technology as part of its core strategy to explicitly support and enable business units to achieve business objectives while increasing levels of innovation.

Demand for development services soared in 2020. This required redeployment strategies where staff took on additional roles to shield developers from day-to-day interruptions and allow uninterrupted development sprints.

Notwithstanding, several unplanned and urgent project works were required to deal with the evolving environment caused by the pandemic.

These included changes to allow customers to pay the Customs, Lands & Survey, and WORC Departments via Bank Transfer; implementation of an E-Stats management dashboard to allow Customs to monitor increased traffic on-line; and changes to allow the Brac to administratively process work permits without the need to hold boards meetings.

COVID-19 response measures and the implementation of Government's policies also required the team to quickly act to facilitate Trade & Business Penalties relief (including the temporary waivers of fees), and deliver changes to the vehicle inspections system to allow customers of the Department to utilize tablets at the Crewe Road location to complete online transactions.

The Criminal Records Office was also supported to enable police clearance Certificates to be collected in different locations following the closure of the Departments' offices.

The preceding is a sample of the multiple concurrent projects the team managed throughout the year.

To cope, the Department introduced daily scrums with the development team using Trello boards. This tool assisted with work prioritization and allowed the team to deliver an impressive work programme in 2020.

Another significant challenge the Department faced was the urgency of the Boarder Reopening programme. This required the implementation of a complete solution for travel approvals and quarantine management which required significant efforts to meet the urgent delivery requirement.

The team met this challenge by quickly adopting a flexible working approach that allowed working when required, instead of the traditional hours. Teams had to be available to work weekends and overnight shifts to assist with the 24/7 operation.





71

Employees

[20 Females, 51 Males]

11

**Number of CSD
teams**

36,400

**Emails
processed**

46,221

Calls received

48,692

**Requests
processed**

10,529

**Procurement
requests**

Staff also took on multiple expanded roles during the year. For example, when it was identified that resources were not going to be ready in time for the first group of travelers for the Quarantine at Residence programme, our BRM team stepped in, assisted with the greeting of incoming travelers and the fitting of monitoring wristbands.

The Department came under tremendous pressure in 2020 and responded with poise and excellence in execution. The work delivered was a key part of the operational success the Government achieved in 2020, and will be memorialized as a key chapter in the story of our pandemic response.

Our Mission Statement:

We will facilitate high quality solutions and outcomes for business transformation while maintaining the security and integrity of information assets.

Our Motto:

“We drive our Business Partner’s Success!”



IN MEMORIAM

Rexford ("Rex") Whittaker

1969-2020

During 2020, the Computer Services Department lost a longtime colleague and friend with the death of Deputy Director (Governance & Architecture), Rexford ("Rex") Clivine Whittaker.

A dedicated employee, a strategic thinker, an innovator, Rex led by example and generously gave of his knowledge, expertise, and skill. He was known to going above and beyond that which was required, and contributed heavily to the development of the CSD team.

On behalf of all of us at the Computer Services Department and the Ministry of CPI, we want to extend our condolences to Rex's family and loved ones.

We will truly miss him.

“Focused on Facilitating”

E-Government Unit

The E-Government Unit is the result of a Cabinet mandate for a strategic e-government programme tasked with working in parallel on the introduction of new services, the expansion of existing online services, and the implementation of the digital infrastructure elements of the programme to facilitate eGovernance.

The Unit’s principal objectives are to make it easier for the public to access government services, improve the customer’s experience, reduce costs, and increase efficiency.

In 2019, the Unit completed significant work on the National Identification System with the register of natural persons. This is a key prerequisite to uniquely document all residents of the Islands electronically.

Work also progressed on the Government’s X-Road initiative, which is crucial to the development of various online systems that augment Cayman’s overall system security. Through its ongoing work, E-Services have enabled cargo customs to process over five thousand monthly declarations. Ninety-two percent of these are now completed through the online process.

Similarly, over ninety-six percent of company registrations, annual reports and director changes are now being processed digitally.

The online criminal records certificate process was one of the E-Government Services early projects. More recently, the General Registry commenced its rollout of e-services to various clients. This is part of an initial launch, which will be expanded through further development.

E-Government allows us to deliver more services within shorter periods than would be otherwise possible using conventional service delivery methods.

To achieve its mandate, the Unit provides programme and project management, business process reengineering, requirements gathering and solution engineering, which it extends to other Government entities to move services online and/ or enhance existing online services.

During its relatively brief period of existence, the E-Government team has established a proven delivery model for online services that includes project management, business process reengineering, user experience design, consultative support, and supplier/ vendor management. The result is online services that offer convenience, choice and simplicity for persons needing to interact with government services.

The E-Government Unit works to develop e-Government solutions that improve the customers’ experience, reduce costs, and increase efficiency.

- 
- Apply for or renew a Trade and Business Licence
 - Customs online system
 - Cayman online registry information system
 - Immigration online
 - National job link portal
 - Online planning system
 - Search companies information
 - View companies struck off register
 - CIMA filings
 - Government procurement opportunities
 - Cayman business self-service portal for resident companies
 - Corporate administration portal for corporate service agents
 - Domain registration
 - Order a birth, death or marriage certificate
 - Vehicle licensing renewals
 - Express Mail Service tracking
 - Parcel and registered mail tracking
 - Ship registry
 - Aircraft registry
 - Caymap online mapping
 - Lands & Survey online tools
 - Online planning system
 - Land Registry forms
 - Search for a justice of the peace, licensed attorney or notary public
 - Apply for police clearance certificate
 - Criminal record checks (personal and legal entity)

Check out the range of services available using our online services portal www.eservices.gov.ky

The pandemic experience of 2020 further highlighted the need to fast track key elements of the digital infrastructure to facilitate eGovernance such as the national electronic ID and the population register.

The business case for the National ID project was approved in 2020 and the technical solution for the Population Register was implemented.

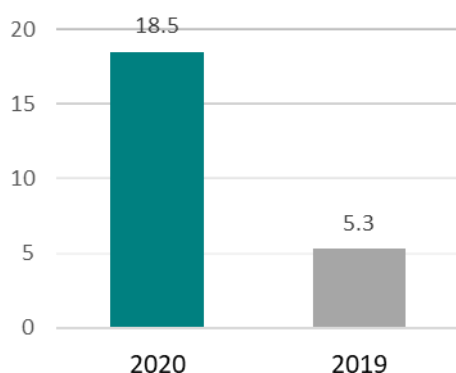
This was coupled with data quality analysis work for key registers relating to births, deaths, and residency.

These data quality surveys are core requirements for the full implementation of the Population Register, and will allow the full benefits of the planned system to be derived.

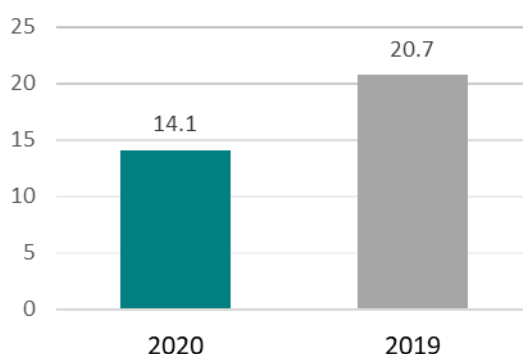
Accomplishments in online services included the implementation and launch of the online service and back-office solution for the online submission of applications for BOTC naturalization, registration and proof of nationality for the Office of the Deputy Governor.

This solution allows persons to prepare, submit, pay, and monitor progress of their applications online. It incorporates the enhanced security feature of multifactor authentication for the persons submitting applications to protect access to their data.

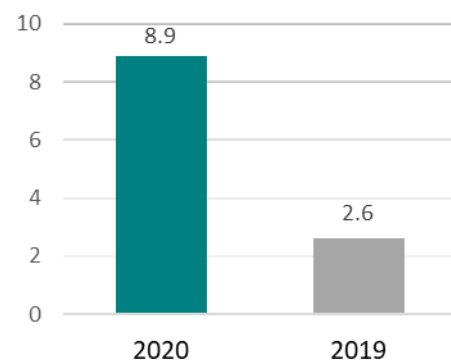
Vehicle license renewals



Police Clearance Certificate Applications



T&B License grants and renewals



**Amounts shown are in thousands*

The E-Government team also launched the first solutions using the interoperability platform implemented the previous year. This initial project facilitated a more efficient registration process for the British Overseas Territories Citizen (BOTC) application process.

The online services portal for the Department of Commerce and Investment to facilitate interactions with Designated Non-Financial Businesses was also completed, and features multifactor authentication for security purposes.

Other 2020 accomplishments include the COVID-19 self-assessment online tool and chatbot for the explore.gov.ky/coronavirus site to provide answers to questions from site visitors; the initial online service to facilitate submission of emergency travel requests; and the implementation of a solution to send a text message to persons whose drivers' license is about to expire. The message included the code required to facilitate registration for the DVDL online service, and the renewal of driver's licenses.

This capability allowed customers to apply and pay for the vehicle and personal license renewals which would then be delivered via post.

Another accomplishment of the Department included the implementation of the eGazette portal for Government Information Services (GIS) which allows customers the ability to submit eGazette requests online, thereby automatically calculating the word count for each submission, and allowing the customer to pay through their bank online and submit the proof of payment receipt on the eGazette portal.

The operations of the E-Government Unit were not severely impacted by the lockdown. The team was equipped and familiar with remote working on an individual basis and seamlessly went into full remote working before it was even mandated.

Certain ground rules were established to maintain the collaborative environment enjoyed in the physical office. These include dress code requirements, virtual morning huddles, the observance of normal business hours, weekly team meetings and the occasional virtual team social.

Adequate preparation and flawless execution enabled the team to deliver another successful year, advancing the online services and capabilities of agencies across the Government.

Vehicle & Drivers' Licensing





The Department of Vehicle & Drivers' Licensing (DVDL) was established under the Traffic Act and has overall responsibility to inspect, test and register vehicles, issue vehicle and drivers licences, and conduct driving tests. The Department adopts a culture of continuous improvement by undertaking frequent steps to improve the value and quality of the services it provides.

The facilities of the Department are not conducive to social distancing and therefore closed to the public in March 2020 before resuming operations in July. Notwithstanding the temporary closure, essential services were continually provided to emergency personnel in renewing their vehicle and driver's licences.

Parliament passed the Traffic (Amendment) Act, 2020 which allowed vehicles to continue operations with a six-month waiver

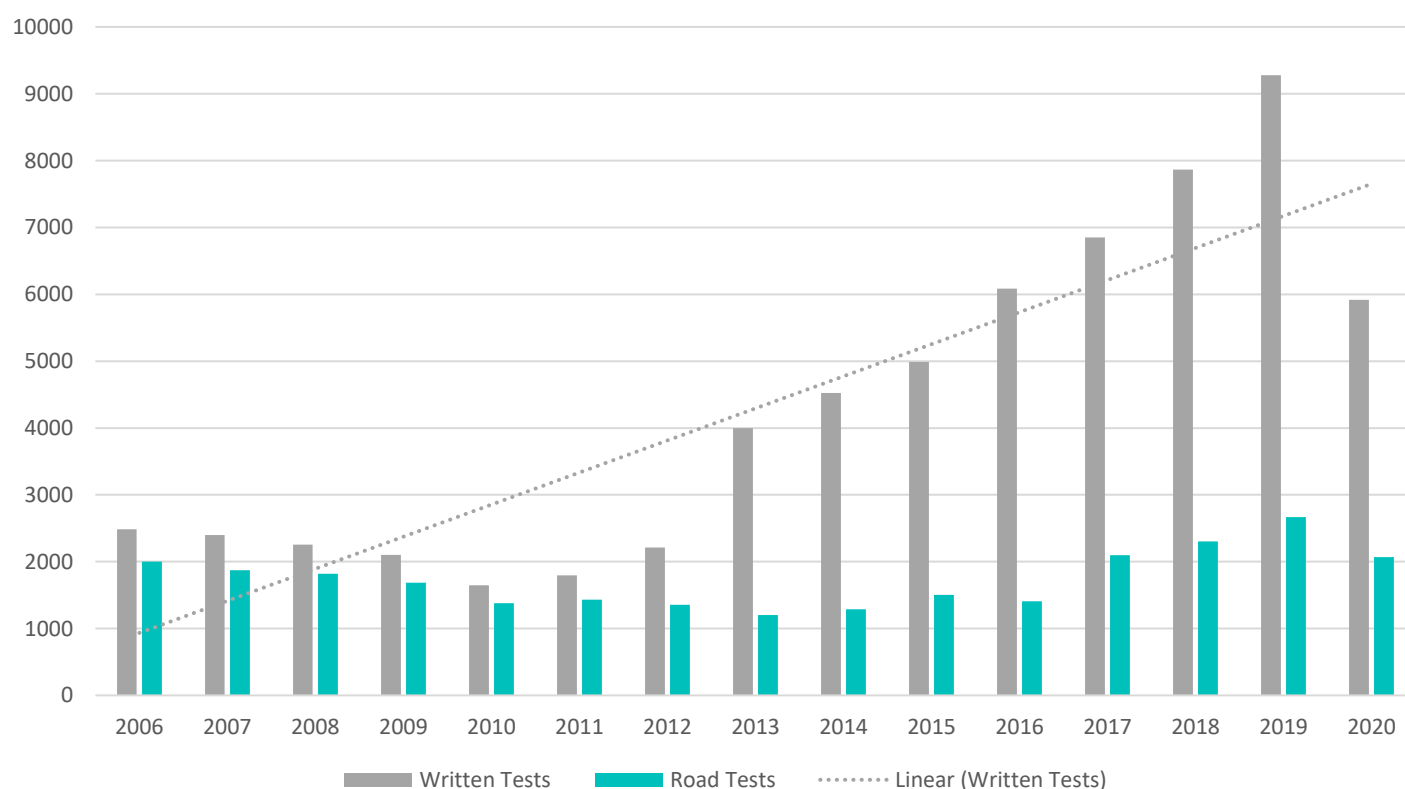
(Temporary Certificate of Exemption) for vehicle inspections. This facilitated the ongoing online renewal of vehicle licences with a deferred requirement for inspections to be carried out.

Some 29,046 vehicle license renewals were processed during the year (some encounters were for 3-month renewals); over 7,571 driver's licenses were renewed; and staff facilitated the booking of over 8,128 appointments for written and road tests.

Included in the preceding statistics were some 3,620 first time registration for cars, and 32,023 vehicle inspections (compared to the 21,700 conducted in 2019).

There are presently 52,908 vehicles and 54,409 driver's licences on the Register. This represents an increase of 16% from the 45,659 vehicles on the Register at the close of 2019.

Written and Road Tests Conducted



This increasing trend for vehicle registration and licensing has become a challenge as the resources afforded to the Department have not commensurately changed.

The Department continually reviews its business processes with a view to moving more services online and reduce in-person encounters as a strategy for dealing with the continual growth in demand for services.

Work commenced in 2020 to hire an IT consultant for the new online service to book written and practical road tests. We expect the online booking system to be completed in 2021. Given the annual volume of driving examinations, this will lessen the number of encounters at our facilities and reduce customer wait times.

Following implementation, the IT Consultant will work to address other IT reform areas such as the integration of all operating systems, and the electronic mailing of receipts for vehicle renewals.

In the interim, the Department launched a Call Center which is manned by a Licensing Officer and three temporary staff members. Customers are encouraged to call the Department's telephone number, then dial 1 to access the Call Centre team. Once connected, a staff member collects the customer's information and makes the necessary bookings. This has been well received by the public.

Four touch screen devices were also added to address the volume of written test, and to add the capability to administer the Spanish test.

We welcome the Government's efforts in addressing the increasing vehicles on our roads, through the creation of a "Standards for Vehicles Imports & Transportation Committee." The Committee will review potential policies that will limit vehicle imports based on safety standards, age of vehicle, mileage, and residency status.

A Policy Paper has been submitted to the Cabinet for approval. If approved, the recommendations will require minor amendments to the Traffic Regulations (2017 Revision) and the Customs (Prohibited Goods) Order.

The Department is also seeking ways to better manage the volume of written and road examinations, and has engaged the Royal Cayman Islands Police Service and the Cayman Islands Fire Service to conduct road examinations to augment the Departments' inspection team.

Some nineteen Officers were trained by DVDL and are now certified under the Traffic Act as Driving Examiners. We continue to close the Vehicle Inspection pits on Wednesdays to facilitate the administration of road tests for new drivers. These joint initiatives have significantly reduced the overall number of customers with waiting times exceeding three months for road tests.

The recent measures will continue in an effort to minimize backlogs, while two additional examiners are recruited.

As a signatory (though the United Kingdom) to the 1949 Geneva Convention, the Cayman Islands allows persons to carry out what is known as a 'Geneva Transfer' for their driver's licenses. This process allows new residents to exchange a foreign driver's license for a Cayman Islands driver's license within the first three months of being in the Islands if they successfully pass a written exam. Over a thousand Geneva Transfer exchanges were carried out.

Our 2020-2021 fiscal plan included provisions for the expansion of the customer lobby area at the George Town licensing facility, and the redevelopment of a multi-purpose facility in West Bay. The expansion of the lobby area at Crewe Road will enable the number of customer service windows to increase from six to twelve.

A cross-agency collaboration with the Public Works Department is expected to deliver these two enhancements by June 2021. A new facility was leased in West Bay at the Jacques Scott Plaza. This created added improvements, including some 1,300 sq. ft. of space (more than double the amount previously occupied), public restroom facilities, handicap ramp / parking, and more seating capacity for customers, from 10 to 24.

The number of licensing officers at that location will also be increased to four. Work continues in the search for a suitable permanent location for the construction of a purposed facility in West Bay.

Facilitating the continual inspection, registration and recording of changes in circumstances for the Islands' growing number of vehicles is leading the Department towards greater use of innovation and technology by moving more services online. This evolution allows continuous process optimization as circumstances change.

In 2017, we began modernizing the process for vehicle registration by replacing it with an Electronic Vehicle Registration (EVR) System. Since then, the project has progressed steadily with the re-plating of 28,334 vehicles, including 3,915 that were replated for 2020.

The new EVR technology will be a critical enabler to serve the public more efficiently, and to improve registration and insurance compliance on our roads.

EVR allows for automatic vehicle identification using Radio Frequency Identification (RFID) technology, which will work in tandem with a series of Gantry Systems planned for installation at strategic locations throughout the island. When fully operational, the system will deliver significant benefits to all stakeholders including drivers, road planners and law enforcement.

When a vehicle passes a Gantry, the cluster of sensors will identify the vehicle by its unique identifier, and check the information against the licensing and insurance databases. This will create alerts and messages when an unlicensed or uninsured vehicle passes.

The first Gantry system was installed in South Sound and has been operational since September 2019. System changes were carried out to enable the Gantry to begin transmitting information to law enforcement. A second Gantry system will be completed along the Esterley Tibbetts highway in 2021.

The increased number of vehicles traversing the roadways has also led to delayed journeys, especially for people travelling from the eastern districts. The Gantry system will provide the National Roads Authority with raw monthly data for traffic flows and patterns to aid in transportation modeling for future road planning, and to redirect traffic flows for optimal throughput.

This information will be crucial as the Government embarks on a series of major investments to enhance the road network and traffic flows.

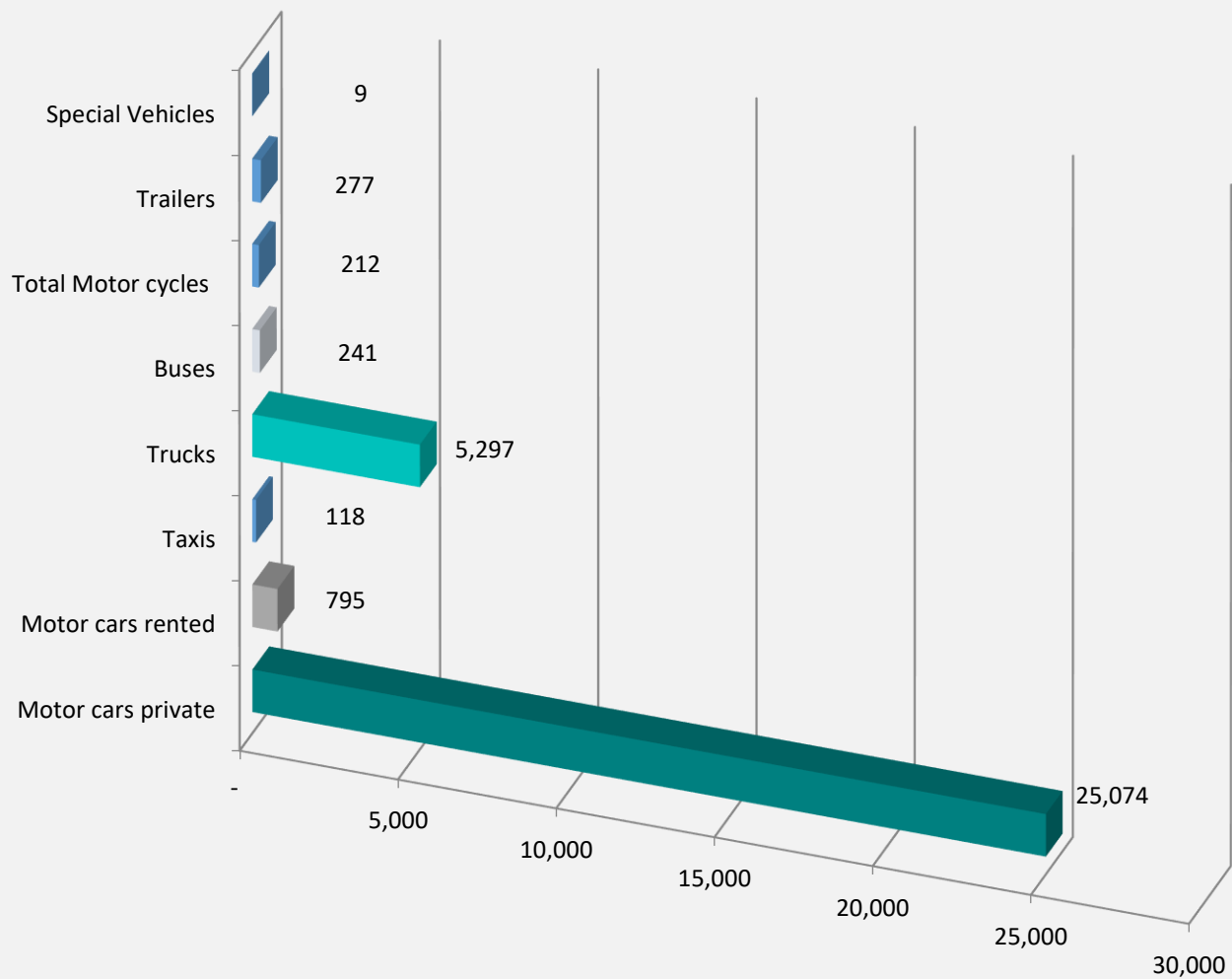
Relevant amendments were made to the Traffic Act in 2018 that will allow insurance companies to update the Vehicle and Drivers' Licensing database in real-time. This will help to address the dangerous practice of drivers insuring their vehicle at the point of registration, then allowing the insurance coverage to lapse thereafter. This is another initiative that the IT Consultant will undertake in 2021.

Traffic related legislative amendments currently in development include:

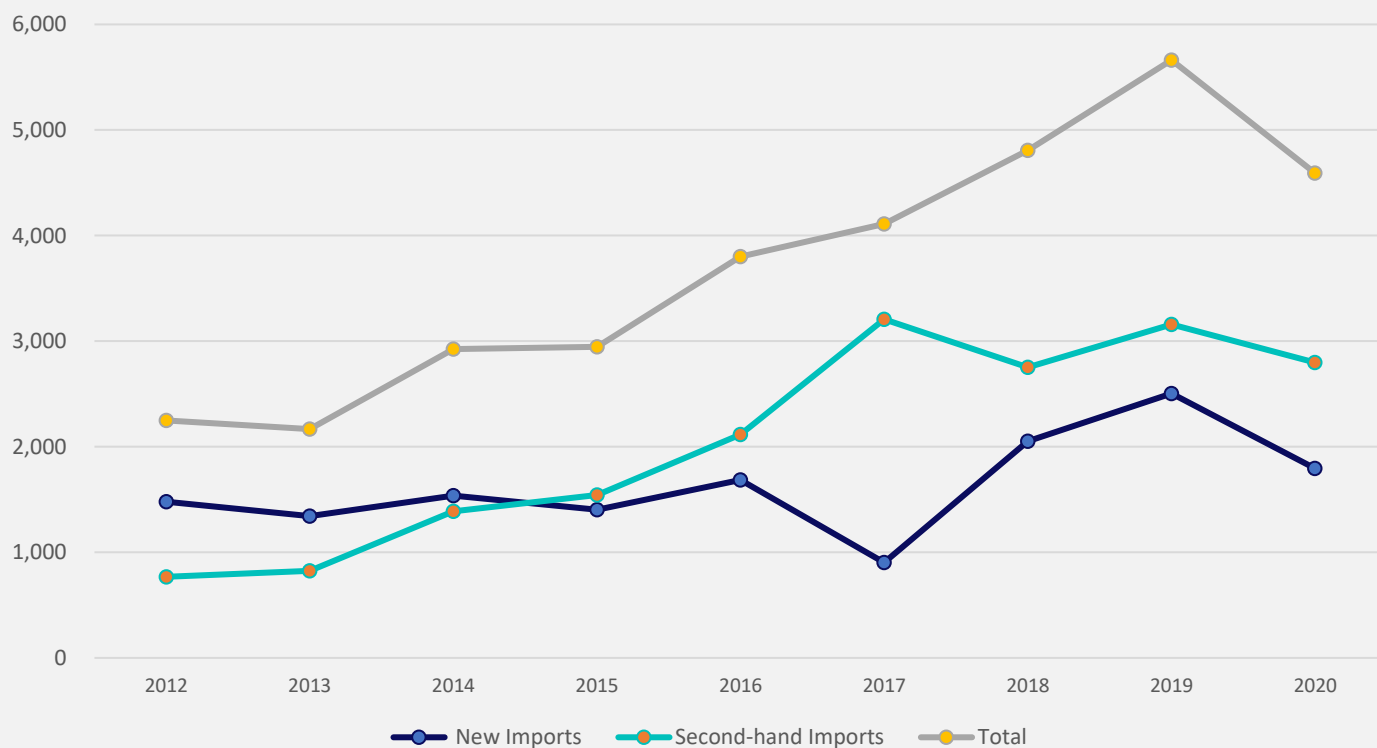
1. Reduction in fees for elderly persons (age 65 years and older); and
2. Reduction in fees for those persons using on-line services

The Government is responding to citizen demands for improved and expanded roadways to enable more efficient journeys. The staff at DVDL play a pivotal role in collecting the necessary revenues that will allow the vital infrastructure investment that will lead our country to greater strength and prosperity.

Vehicles that Passed Inspection by Type, 2020



Vehicle Imports



Vehicle & Equipment Services

The Department of Vehicle & Equipment Services works to provide innovative, engaging and simplified 'Fleet Management' services for the Cayman Islands Government and its stakeholders in a manner that ensures continual availability of transport and equipment, whilst being admired and respected for professionalism and customer service. Our services include:

- Preventative Maintenance and Repairs;
- Acquisition and Disposal of Fleet;
- Sale of Fuel; and
- Maintenance of Transport, Generator and Vehicle repair capacity during emergencies.

DVES faced numerous challenges in 2020, and, like other Departments within the Ministry, had to quickly adapt to meet the environmental conditions.

As an essential department, the DVES created three self-sufficient and strategically placed mobile teams to respond to emergencies or critical vehicle repair needs across the island.

The Department also assisted the National Emergency Operation Centre by ensuring that the fueling and transportation requirements of the respective departments who were providing vital support, were timely met.

The pandemic resulted in most of government capital projects being delayed, with the DVES redevelopment project being one. Notwithstanding, the Department initiated Phase 2 of the redevelopment project through demolition of the old West Garage bays.

The backfill and compaction for the new foundation will be completed in the first quarter of 2021.

Integration upgrades were also carried out for our Fueling Facility. This provides the ability to connect remotely to both the GasBoy and Veeder-Root systems providing real time information from any place where there is an internet connection.

Further enhancements are planned for the upcoming budget year including the upgrade of the current GasBoy control tower. This will offer an improved display, enhanced contactless fob reader, upgraded vandal proof keyboard and improved software package.

The Department works to reduce negative impacts to the environment and has partnered with a local supplier to manufacture cleaning chemicals for daily use in the garage. This is part of an effort to become more environmentally conscious and improve waste management by utilizing chemicals which are non-corrosive.

“Our mission is to provide innovative, engaging and simplified ‘Fleet Management’ services for the Cayman Islands Government and its stakeholders in a manner that ensures continual availability of transport and equipment, whilst being admired and respected for our level of professionalism and customer service”.

-Stephen Quinland, Director
Vehicle & Equipment Services

	2020 Budget	2020 Actual
Acquisition of Fleet (DVE000116)	\$ 118,828.00	\$ 295,904.77
Preventative Maintenance & Repairs (DVE00216)	\$ 3,010,218.00	\$ 1,882,347.42
Disposal of Fleet (DVE000316)	\$ 118,828.00	\$ 271,632.05
Sale of Fuel (DVE000416)	\$ 1,499,729.00	\$1,419,483.82
Servicing of Emergency Equipment (DVE000516)	\$ 210,403.00	\$ 177,881.44
Technical Advice and Assistance on Fleet Related Matters (DVE000616)	\$ 115,446.00	\$ 921,895.86
Totals	\$5,073,448.00	\$ 3,632,144.00



MINISTRY OF
COMMERCE, PLANNING &
INFRASTRUCTURE
CAYMAN ISLANDS GOVERNMENT

Ministry Administration

The Ministry Administration Team is the hub that supports many of the activities and outcome results you will read about in this report.

A significant portion of our work is concentrated in talent management, financial reporting, administration and management, legislative planning, research, policy development, strategic planning, governance, and ministerial servicing.

We support sound policies, clear legislation, informed decision making, and the prudent management of the resources entrusted to our care.



Alan Jones

Chief Officer

Alan Jones is a chartered surveyor, and has been with the civil service for over 30 years.

He holds a Bachelor of Science in Urban Estate Surveying.



Leyda Nicholson-Makasare

Deputy Chief Officer

Leyda Nicholson-Makasare has been with the service for 22 years, and holds a Bachelor of Science in Business Administration.



Tamara Ebanks

Deputy Chief Officer

Tamara Ebanks holds a Master of Science in Human Resource Management and Social Work, and has been with the service for 18 years.



Tristan Hydes

Deputy Chief Officer

Tristan Hydes has been with the service for 23 years, and holds a Bachelor's in Architecture.



Melinda Montemayor

Chief Human Resources Officer

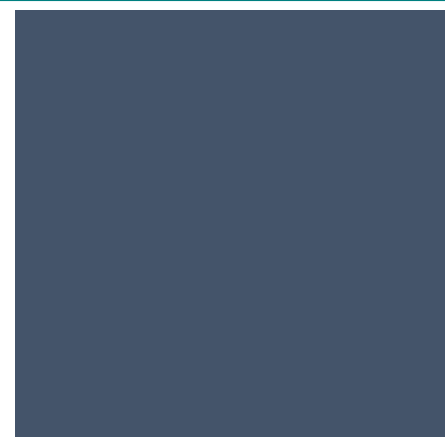
Melinda Montemayor holds a Bachelor's in Business Administration in Human Resources, and has been with the service for 14 years.



Carrol Cooper

Chief Financial Officer

Carrol Cooper is a certified accountant, with a Master's in Business Administration and has been with the service for 13 years.



Pamela Greene

Chief Information Security Officer

Pamela Greene holds a Bachelor's in Business Administration in Information Systems, and has been with the service for 13 years.

Cyber Security Office

The Cyber Security Office is the most recent addition to the Ministry. It exists to continue to protect and defend our jurisdiction's interests from cyber-threats that have the potential to undermine our international reputation, digital economy, way of life and our future ambitions.

Its strategic intent is to continually improve our cyber-resilience to effectively deter and mitigate the risks of cyber incidents, which have the potential to have a significant disruptive effect on our national security posture, our government, our agencies, our thriving private sector, our citizens, as well as those who choose to visit our beautiful islands.

The emergence of COVID-19 led to a global increase in cyber-attacks to agencies ranging from the CIA to personal home computers. COVID-19 also created an environment where systems normally accessed internally, were now required to be remotely accessible to facilitate work from home arrangements. Systems and services were also moved into virtual environments to facilitate customer access and enable the continuation of commerce.

These factors significantly changed the cyber risk profile for many agencies. This requires an effective system to ensure digital services remain resilient to cyber-attacks through robust and regularly tested capabilities to prevent, detect, respond, and recover in the event of a disruption.

New requirements for protection were also a driving force behind the recognized need to work collaboratively with international

regulators and the private sector, in safeguarding our digital ecosystems.

To meet these cyber challenges, in 2019 the Government established the Chief Information Security Office (CISO) as the competent authority for providing advice and guidance to the central Government, and Statutory Authorities and Government owned Companies.

The Office performed remarkably in 2020 by monitoring systems and deterring attacks. Much of what the Office oversees rarely becomes public information; however, it is comforting to know that we have highly trained individuals monitoring and protecting our critical systems as we go about the work of delivering Government services.

In the coming months, we will continue our engagement with industry groups to strengthen our collaboration and information sharing on cyber matters. We will also continue to amplify our messaging on the cyber public education initiative launched in October 2020.

Human Resources

Our Ministry's Human Resources team focuses principally on recruiting, motivating, and retaining the best talent; sustaining a high performing workforce; providing for business continuity through succession planning; and ensuring the Ministry retains a positive and productive work environment.

Our 2020 human resources management was punctuated with training achievements, promotions, awards and other accolades, which will be highlighted over the next few pages.

Staff Appointments

Jessica Pawlik was appointed as Head of Business Services and Licensing in the Department of Commerce and Investment.



Kerry-Ann Picard was appointed Deputy Director, Building Control in the Department of Planning. She joined the department over 26 years ago as a Clerical Officer, and moved to Building Permit Clerk. She was the first person to hold that position, and also the first female certified as Building Plans Examiner. Ms. Picard was the department's first female Plans Examination Supervisor and with her appointment to Deputy Director, is the first Caymanian female to hold the post.



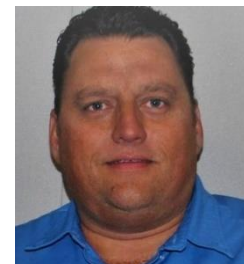
Troy Whorms, will take up the Acting Director post of PWD in January 2021. Troy holds a post graduate certificate in public administration from the University of Liverpool, a Bachelor of Science degree in Construction Management and an Associate of Science degree in Architectural Building Engineering Technology from the New England Institute of Technology.



Craig Maitland, who was previously the Mechanical, Electrical, Plumbing (MEP) and Operations Manager in the Facilities Management Department, will assume the role of Acting Director of the FM Department in January 2021.



Mark Bothwell was appointed as the Deputy Director of the Department of Vehicle and Equipment Services, after having served in an Acting capacity since July 2019.



Several other appointments were made at the Public Work Department: Lee Mike Parchmont was appointed to Lead Carpenter from Facilities Construction Technician II; Pedro Triana-Williams was appointed to Laboratory Technician from Lead Carpenter; Stephen DaSilva – appointed to Lead Carpenter from Carpenter; and Adrian Jackson was appointed to Facilities Construction Technician II from designate role.

Accolades

Three employees from the Public Works Department, Daniel Dawkins, Davanni James and Adrian Jackson, successfully completed an 18-month Level III technical course offered in Jamaica by Heart Trust NTA's College of Construction Services.



Other PWD staff receiving various certifications in 2020 included: Niasha Brady who completed the Public Private Partnership (PPP) Certificate and ILM Level 5 Certificate in Innovation and Change Management; Tanisha James- who completed her Bachelors in Human Resource Management; Glenda Martin who completed her Chartered Manager status and became a full member of the Chartered Management Institute, an Associate RICS member and Associate member of the Chartered Institute of Arbitrators (CIARB). She also completed her Post Grad Diploma in Construction Contract Management, Integrated Talent Management Certificate and became a Professional Member of the Association of Talent Development (ATD). Melissa Dilbert completed her Bachelors in Management with a minor in Psychology. Cathy Seymour completed the IFMA, Facilities Management Professional (FMP); and Marco Montero completed the IFMA, Essential of Facilities Management (EFM).



Ms. Tia Parrot received the 2019 Employee of the Year Award from the Ministry of CPI. She was recognised for consistently exceeding the expectations of her position by finding new, innovative and efficient ways to manage the operations of the Computer Services Department's service desk and IT procurement process.

The Department of Commerce and Investment was shortlisted for three Investor in People Awards: Employer of the Year Gold, 2-49 Employees; Employee Engagement up to 250 Employees and Leader of the Year, up to 250 Employees.



Training

Ministry staff were afforded the opportunity to participate in an online cyber awareness training course via Degreed. The course was designed to be informative as well as to provide clear guidance on good cyber practices. Staff of the DCI underwent training in Anti-Money Laundering (AML) Supervisor's Forum-103; Business Writing Skills Part 1 &2, and Gallup Strength Finder.

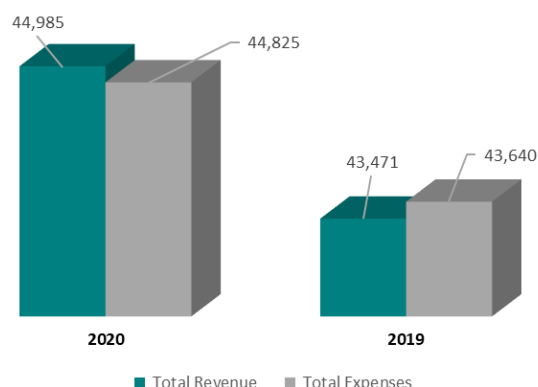
Management Discussion and Analysis of Financial Results

Results of Operations

Fiscal year 2020 ended with a marginal surplus of \$160K.

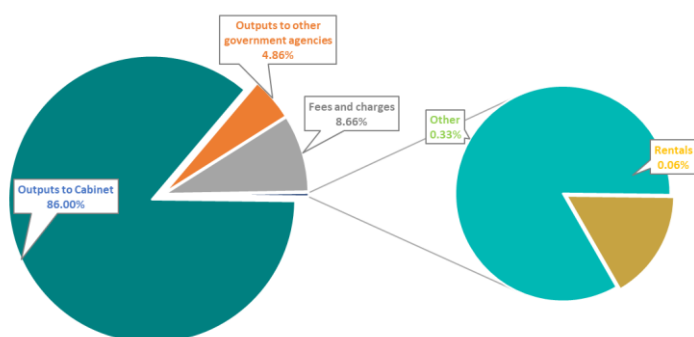
The Ministry's Total Revenues were \$4.8 million less than the budget anticipated, while Total Expenses were \$5.0 million lower than budget.

P&L ANALYSIS 2020 VS 2019



Further analysis of the areas of performance are as follows:

Sources of Revenue



Revenue

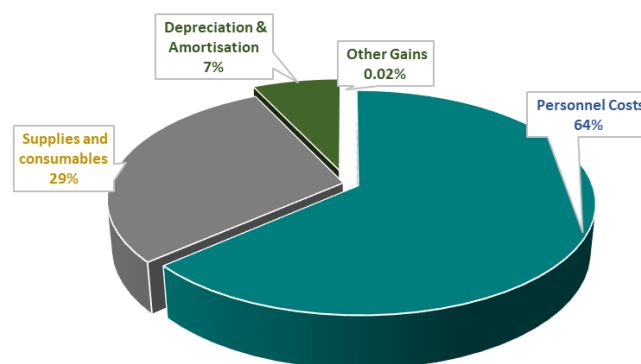
Our 2020 revenue of \$44.9 million for the Sale of Goods and Services showed an

increase of \$1.6 million (4%) over the previous fiscal year, but was \$4.9 million less than the budget for 2020.

Year-on-year the only revenue growth experienced was due to an increase in the Sale of outputs to Cabinet (\$3.0 million). However, compared to budget, Cabinet billings fell short by \$5 million.

This was largely attributed to the COVID-19 pandemic, which impaired the Ministry's ability to fill a number of budgeted vacant posts and pursue some planned activities, thereby resulting in positive variances in personnel costs and supplies and consumables, and the consequent drawdown from Cabinet being less than budgeted.

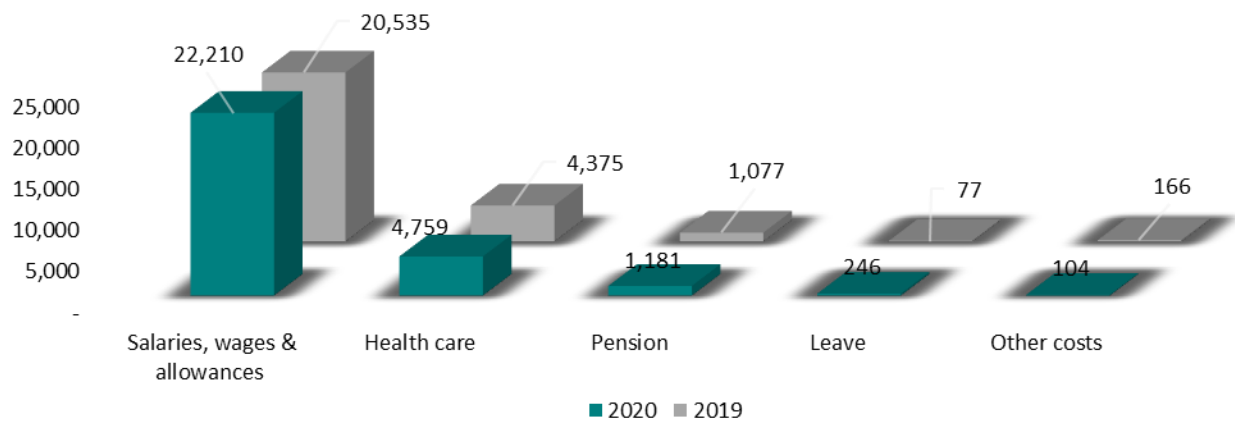
2020 Expenses



Expenses

Total expenses for the year amounted to \$44.8 million. This was \$5.0 million below the budget of \$49.8 million for 2020.

Personnel Costs Analysis



As previously explained, savings of \$3.1 million in personnel costs (which account for 64% of our total expenditures) accrued primarily from the pandemic which negatively impacted the Ministry's ability to fill a number of budgeted positions.

The pandemic also impacted the carrying-out of a number of projects, primarily software development projects, resulting in savings in supplies and consumables of \$2.2 million when compared to budget.

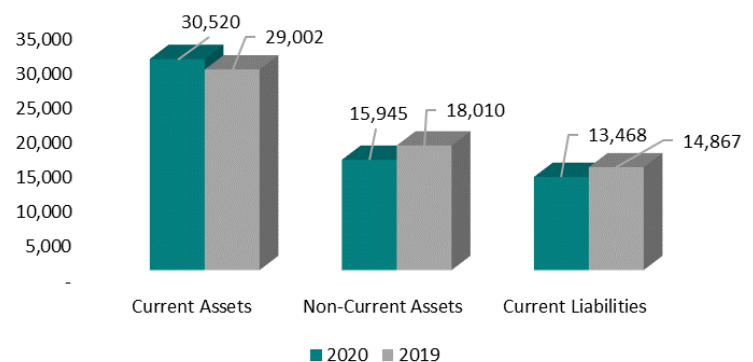
The Ministry has invested in some \$5.7 million in additional assets during the past two fiscal years.

The largest of these investments for 2020, were seen in Assets under construction or development (\$439 thousand), and computer hardware (\$402 thousand). Accordingly, depreciation expense increased some \$304 thousand above the budgeted expectation.

Current Assets

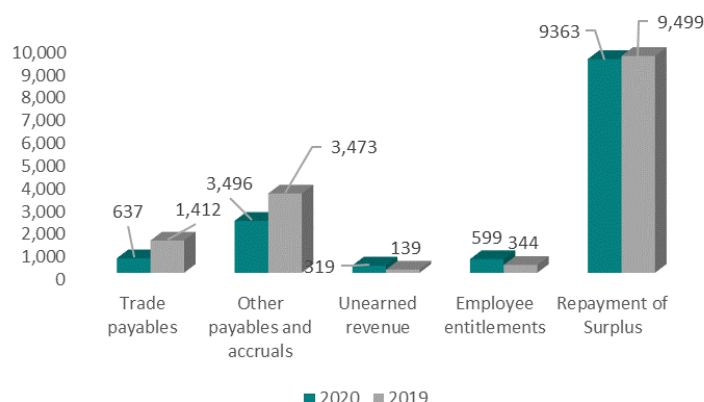
The 2020 fiscal year ended with cash and deposit balances of \$10.6 million. This was \$7 million lower than budget anticipated, but \$2.4 million lower than the \$13 million closing position of the prior fiscal year. The lower than budgeted cash position is largely due to the lower-than-expected Cabinet billings.

Balance Sheet Analysis



Trade and Other receivables both ended higher than the budget anticipated (\$8.4 million). This is largely due to a delay in the receipt of payment for year-end Cabinet billings. Approximately 96% of the closing receivables (\$15.4 million) were in the 1-30 days age category.

Current Liabilities 2020 vs 2019



Fixed Assets

The net book value of property plant and equipment decreased by \$2.0 million over the closing balance of 2019 and was \$2.5 million lower than the budget anticipated. The budget variance largely stemmed from capacity and efficiency building investments in computer hardware, buildings, and vehicles.

Liabilities

Closing liability was \$1.8 million above budgeted levels and \$1.4 million lower than the closing position of 2019.

Trade payables closed the fiscal year at approximately \$0.6 million, while Accrued Expenses closed at \$2.3 million.

Net-Worth

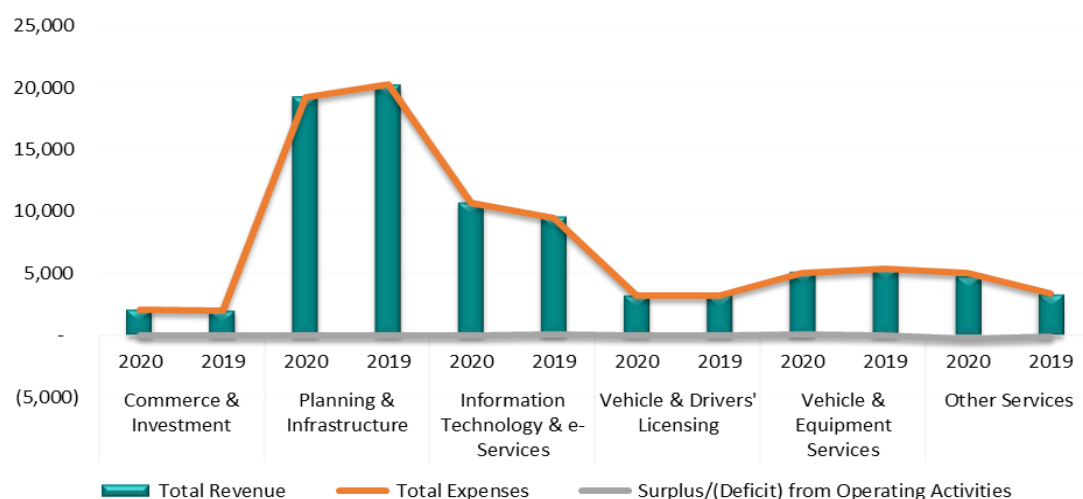
The Ministry recorded closing net assets of \$33.0 million at the end of 2020.

This was \$6.4 million short of budget expectations but largely in line with the prior year's closing position.

Conclusion

The operating results and financial position show another strong year for the Ministry, with a marginal surplus being recorded. Although somewhat impaired by the effects of COVID-19, the Ministry was still efficiently able to manage its finances prudently.

Segment Reporting



Legal Framework

The Specific Acts which govern Agencies under the Ministry of Commerce, Planning & Infrastructure are:

- Public Management and Finance Act
- Public Service Management Act
- Public Management and Finance Act
- Trade & Business Licensing Act
- Local Companies (Control) Act
- Second-hand Dealers Act
- Liquor Licensing Act
- The Film Exhibition Control Act
- Special Economic Zone Act
- The Development and Planning Regulations
- The Development and Planning Act
- Building Code Regulations
- Building Code (Amendment) Regulations
- Electricity Act
- Electricity (Amendment) Act
- Electricity Regulations
- Standard Building Code (SBCCI)
- Builders Act
- The Builders Regulations
- Freedom of Information Act
- Freedom of Information (General) Regulations
- Freedom of Information (Information Commissioner) Regulations
- Public Management and Finance Act
- Public Service Management Act
- Public Management and Finance Act
- Public Service Management Act
- The International Traffic (International Circulations) Regulations
- The Traffic Amendment Bill 2020
- The Traffic (Categorization and Grouping) Regulations
- The Traffic (Disable Person) (Badges for Motor) Regulations
- The Traffic (Driving Instruction) Regulations
- The Traffic (Public Passenger) Regulations
- The Traffic (Public Transport Appeals Tribunal) Regulations
- The Traffic (Seat Belts) Regulations
- The Traffic (Speed Limit on Cayman Brac) Regulations
- The Traffic Control Regulations
- The Traffic Act
- The Traffic Regulations
- The Traffic Ticket Regulations
- The Traffic Act
- The Motor Vehicle Insurance (Third Party Risks) Act
- Public Management and Finance Act
- Public Service Management Act
- Public Management and Finance Act
- Public Service Management Act
- Freedom of Information Act
- Information & Communications Technology Act
- EU General Data Protection Regulation
- Data Protection Act
- Builders (Amendment) Bill, 2019 and the Trade and Business Licensing (Amendment) Bill, 2019.

Internal and External Audit Updates

The Ministry is compliant and has submitted and met all relevant Legislative deadlines.

Glossary of Abbreviations

AMLR	Anti-Money Laundering Regulations
CBC	Customs & Border Control
CFATF	Caribbean Financial Action Task Force
CIFEC	Cayman Islands Further Education Centre
CIG	Cayman Islands Government
CO	Certificates of Occupancy
COLS	Customs On-Line
CORE	Consumer Owned Renewable Programme
CPA	Central Planning Authority
CPI	Ministry of Commerce, Planning and Infrastructure
CSD	Computer Services Department
DCI	Department of Commerce and Investment
DNFBPs	Designated Non-Financial Businesses and Professions
DoP	Department of Planning
DPL	Data Protection Act
DPLC	Domestic Private Leased Circuit
DVDL	Department of Vehicle and Drivers Licensing's
DVES	Department of Vehicle & Equipment Services
EGOV	Electronic Government
ECM	Enterprise Content Management
ESID	Electronic Services Identification Number
EU GDPR	European Union General Data Protection Regulation
EVR	Electronic Vehicle Registration
FM	Facilities Management
FOI	Freedom of Information
ICC	International Code Council
ICT	Information and Communications Technology
IT	Information Technology
ITIL	Information Technology Infrastructure Library
JRCC	Joint Regional Communications Centre
LCCL	Local Companies Control Act
NIST	National Institute of Standards and Technology
NRA	National Roads Authority
OPS	Online Planning System
PWD	Public Works Department
RFID	Radio Frequency Identification
RCIPS	Royal Cayman Islands Police Service
ROI	Register of Interest
SBDC	Small Business Development Centre
T&BL	Trade and Business Licensing Act
WORC	Workforce Opportunities and Residency Cayman

Ministry of Commerce, Planning & Infrastructure

Contact Information

Ministry Administration

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Fax: (345) 949-2922
FOI Email: FOI.MPC@gov.ky

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Facilities Management

P.O. Box 107, Gov't Admin Bldg KY1-9000
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Public Works Department

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General Email: publicworks@gov.ky
FOI Email: FOI.PWD@gov.ky

Vehicle & Drivers' Licensing Department

P.O. Box 1165, Grand Cayman KY1-1102
Tel: (345) 945-8344
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Vehicle & Equipment Services Department

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FOI Email: foi.mpc@gov.ky

Computer Services Department

Government Administration Building,
Grand Cayman KY1-9000
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Department of Commerce & Investment

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Email: info@dci.gov.ky

E-Government Unit

Website: www.eservices.gov.ky
Email: eservices@gov.ky

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APPENDIX:

**Ministry of Commerce,
Planning & Infrastructure
Financial Statements for the
Year Ended 31 December 2020**



GOVERNMENT OF THE CAYMAN ISLANDS

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Financial Statements for the year ended 31 December 2020

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Statement of Financial Performance	6
Statement of Changes in Net Assets / Equity	7
Cash Flow Statement	8
Notes to the Financial Statements	9-34

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Commerce, Planning and Infrastructure (the "Ministry") in accordance with the provisions of the *Public Management and Finance Act (2020 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 Act (2020 Revision)*.

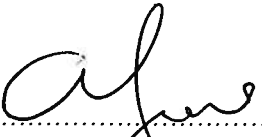
As Chief Officer I am responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Ministry.

As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Ministry's financial statements, representation and judgements made in these statements.

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

- (a) Completely and reliably reflect the financial transactions of the Ministry for the financial year ended 31 December 2020;
- (b) Fairly reflect the financial position as at 31 December 2020 and performance for the financial year ended 31 December 2020;
- (c) Comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where guidance is not available, the financial statements comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

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.


.....
Alan Jones, MRICS, JP
Chief Officer
Date: 22 April 2021
.....
Carrol A. Cooper
Chief Financial Officer
Date: 22 April 2021

AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of the Ministry of Commerce, Planning & Infrastructure

Opinion

I have audited the financial statements of the Ministry of Commerce, Planning & Infrastructure (the "Ministry"), which comprise the statement of financial position as at 31 December 2020 and the statement of financial performance, statement of changes in net assets/ equity and cash flow statement for the year ended 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 to 34.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2020 and its financial performance and its cash flows for the year ended 31 December 2020 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 Ministry 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 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 and fair presentation 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 Ministry'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 Ministry or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Ministry'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 reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDITOR GENERAL'S REPORT (continued)

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 Ministry'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 Ministry'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 Ministry 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 Act (2020 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
Auditor General

22 April 2021
Cayman Islands

Prior Year Actual (\$'000)	MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020	Note	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
	Current Assets					
7,849	Cash and cash equivalents	3	5,383	12,543	12,543	7,160
5,179	Term deposits	3b	5,215	5,109	5,109	(106)
10,739	Trade receivables	4	16,012	8,641	8,641	(7,371)
3,007	Other receivables	4	892	(186)	(186)	(1,078)
1,028	Inventories	5	1,467	890	890	(577)
1,200	Prepayments	5b	1,551	1,813	1,813	262
29,002	Total Current Assets		30,520	28,809	28,809	(1,711)
	Non-Current Assets					
1,354	Intangible assets	7	1,279	5,033	5,033	3,754
16,656	Property, plant and equipment	6	14,666	17,143	17,143	2,477
18,010	Total Non-Current Assets		15,945	22,176	22,176	6,231
47,012	Total Assets		46,465	50,985	50,985	4,520
	Current Liabilities					
1,412	Trade payables	8	637	597	597	(40)
3,473	Other payables and accruals	8	2,277	1,728	1,728	(549)
139	Unearned revenue	9	319	(98)	(98)	(417)
344	Employee entitlements	10	599	324	324	(275)
9,499	Repayment of surplus	11	9,636	9,079	9,079	(557)
14,867	Total Current Liabilities		13,468	11,630	11,630	(1,838)
14,867	Total Liabilities		13,468	11,630	11,630	(1,838)
32,145	Net Assets		32,997	39,355	39,355	6,358
	NET ASSETS/EQUITY					
25,938	Contributed capital		26,790	32,637	32,637	5,848
6,207	Revaluation reserve		6,207	6,207	6,207	-
-	Accumulated surpluses/(deficits)		-	510	510	510
32,145	Total Net Assets/Equity		32,997	39,355	39,355	6,358

The accounting policies and notes starting on pages 9-34 form an integral part of these financial statements.

Prior Year Actual (\$'000)	MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2020	Note	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
43,343	<i>Revenue</i>					
128	Sale of goods and services	13	44,945	49,812	49,812	4,867
	Investment revenue	13b	40	-	-	(40)
43,471	Total Revenue		44,985	49,812	49,812	4,827
	<i>Expenses</i>					
26,230	Personnel costs	14	28,500	31,594	31,144	3,094
14,701	Supplies and consumables	15	13,153	15,357	15,807	2,204
2,706	Depreciation & amortisation	6&7	3,165	2,861	2,861	(304)
3	Other gains and losses	16	7	-	-	(7)
43,640	Total Expenses		44,825	49,812	49,812	4,987
(169)	Surplus/(Deficit) for the year		160	-	-	(160)

The accounting policies and notes starting on pages 9-34 form an integral part of these financial statements.

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Contributed Capital (\$'000)	Revaluation Reserve (\$'000)	Accumulated Surplus/ (deficits) (\$'000)	Total (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
Balance at 31 December 2018 brought forward	21,650	6,207	-	27,857	27,520	27,520	(337)
Prior Year Adjustments							
Prior Year Adjustments	(294)	-	(112)	(406)	337	337	744
Restated balance 31 December 2018	21,356	6,207	(112)	27,451	27,857	27,857	407
Changes in net worth for 2018							
Equity Investment from Cabinet	4,582	-	-	4,582	1,935	1,935	(2,647)
Surplus payable to Cabinet	-	-	281	281	545	545	264
Net revenue / expenses recognised directly in net worth	4,582	-	281	4,863	2,480	2,480	(2,383)
Surplus/(deficit) for the year ended December 2019	-	-	(169)	(169)	(372)	(372)	(203)
Total recognised revenues and expenses for the year	4,582	-	112	4,694	2,108	2,108	(2,586)
Balance at 31 December 2019 carried forward	25,938	6,207	-	32,145	29,965	29,965	(2,180)
	Contributed Capital (\$'000)	Revaluation Reserve (\$'000)	Accumulated Surplus/ (deficits) (\$'000)	Total (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
Balance at 31 December 2019 brought forward	25,938	6,207	-	32,145	29,965	29,965	(2,180)
Prior Year Adjustments							
Prior Year Adjustments	-	-	(23)	(23)	-	-	23
Restated balance 31 December 2019	25,938	6,207	(23)	32,122	29,965	29,965	(2,157)
Changes in net worth for year ending December 2020							
Transfer of assets	(207)	-	-	(207)	-	-	207
Equity Investment from Cabinet	1,059	-	-	1,059	9,390	9,390	8,331
Surplus payable to Cabinet	-	-	(137)	(137)	-	-	137
Net revenue / expenses recognised directly in net worth	852	-	(137)	715	9,390	9,390	8,675
Surplus/(deficit) for the year ended December 2020	-	-	160	160	-	-	(160)
Total recognised revenues and expenses for the year	852	-	23	875	9,390	9,390	8,515
Balance at 31 December 2020 carried forward	26,790	6,207	-	32,997	39,355	39,355	6,358

The accounting policies and notes starting on pages 9-34 form an integral part of these financial statements.

Prior Year Actual (\$'000)	MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE CASH FLOW STATEMENT		Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
	FOR THE YEAR ENDED 31 DECEMBER 2020					
	CASH FLOWS FROM OPERATING ACTIVITIES					
	<i>Receipts</i>					
30,203	Outputs to Cabinet		34,816	43,736	43,736	8,920
3,435	Outputs to other government agencies		3,709	2,198	2,198	(1,511)
5,429	Sale of goods and services - third party		4,430	3,878	3,878	(552)
-	Interest received		1	-	-	(1)
2	Other receipts		-	-	-	-
	<i>Payments</i>					
(25,836)	Personnel costs		(29,210)	(31,594)	(31,594)	(2,384)
(16,532)	Supplies and consumables		(17,476)	(15,357)	(15,357)	2,119
-	Other payments		(13)	-	-	13
(3,299)	Net cash flows from operating activities		(3,743)	2,861	2,861	6,604
	CASH FLOWS FROM INVESTING ACTIVITIES					
(4,388)	Purchase of property, plant and equipment		(1,611)	(9,390)	(9,390)	(7,779)
(4,388)	Net cash flows from investing activities		(1,611)	(9,390)	(9,390)	(7,779)
	CASH FLOWS FROM FINANCING ACTIVITIES					
8,076	Equity Investment from Org 40		2,924	9,390	9,390	6,466
8,076	Net cash flows from financing activities		2,924	9,390	9,390	6,466
389	Net increase/(decrease) in cash and cash equivalents		(2,430)	2,861	2,861	5,291
12,639	Cash and cash equivalents at beginning of year		13,028	14,791	14,791	1,763
13,028	Cash and cash equivalents at end of year	3 & 3b	10,598	17,652	17,652	7,054

The accounting policies and notes starting on pages 9-34 form an integral part of these financial statements.

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 1: Description and Principal Activities

The Ministry of Commerce, Planning & Infrastructure (the “Ministry”) is a Government owned entity as defined by the *Public Management and Finance Act (2020 Revision)* and it is domiciled in the Cayman Islands.

The Ministry funds, develops and monitors the implementation of policy, legislation and services in the areas of planning, infrastructure and management of crown estates and public buildings.

Note 2: Significant Accounting Policies

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 2: Significant Accounting Policies (continued)

(a) Basis of Preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement basis applied to these financial statements is the historical cost basis (Buildings are stated at fair value). All numbers in these financial statements are rounded to the nearest thousand.

Reporting Period

The reporting period is the year ended 31 December 2020.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2020 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2020 reporting period and have not been early adopted by the Ministry. The ministry's assessments 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 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Ministry's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. 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 Ministry's financial statements, but this will be assessed more fully closer to the effective date of adoption.

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 2: Significant Accounting Policies (continued)

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 financial statements show comparison of actual amounts with amounts in the original and final budget. Explanations of material differences between original budget and actual amounts are provided as required by IPSAS 24.

(b) Budget Amounts

The original budget amounts for the financial year ended 31 December 2020 are as presented in the 2020 Budget Statement and were approved by Parliament. The budget was prepared based on the accrual accounting concept and the going concern basis.

(c) 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, revenues 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.

Changes in Accounting Estimates

IPSAS 3 requires disclosure of any changes in accounting estimates and the nature, amount and the financial effect on present, past and/or future period. There were no changes in accounting estimates.

(d) Revenue

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

Cabinet revenue is recognized at the monthly cost to produce the outputs agreed in the Annual Budget Statement for 2020. Other revenues are recognized at the fair value of services provided.

(e) Expenses

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

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 2: Significant Accounting Policies (continued)

(f) Operating Leases

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property. Lease payments under operating lease, net of lease incentives received, are recognized as expenses on a straight-line basis over the lease term. Lease incentives received are recognized evenly over the term of the lease as a reduction in rental expense.

(g) 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 from the date of acquisition.

(h) Prepayments

The portion of recognized expenditure paid in advance of receiving services has been recognized as a prepayment.

(i) Inventories

Inventories held for distribution, or consumption in the provision of services, that are not issued on a commercial basis are measured at the lower of cost and net realizable value. Where inventories are acquired at no cost, or for nominal consideration, the amount reported is the current replacement cost at the date of acquisition.

The amount reported for inventory held for distribution reflects management's estimates for obsolescence or other impairments.

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost and net realizable value. Costs are assigned to inventories using first-in first-out (FIFO) as appropriate.

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 2: Significant Accounting Policies (continued)

(j) Property, Plant and Equipment

Property, plant and equipment, are stated at historical cost less accumulated depreciation except for buildings which are stated at revalued amounts less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

In accordance with IPSAS 17, when buildings are revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Depreciation is expensed on a straight-line basis at rates calculated 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.

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Buildings	40 – 60 years
• Motor vehicles	4 – 12 years
• Furniture and fittings	3 – 20 years
• Computer equipment and software	3 – 10 years
• Office equipment	3 – 20 years
• Other plant and equipment	5 – 25 years
• Other assets	3 – 25 years

Impairment

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

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 2: Significant Accounting Policies (continued)

Assets under construction or development

Work in progress items are valued at cost. No depreciation is applied to work in progress items until such time as they are commissioned.

Disposals

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

(k) Employee Entitlements

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognized in the Statement of Financial Performance when they are earned by 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 Ministry are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the "Board"). Contributions of 12% - employer 6% and employee 6% are made to the Fund by the Ministry.

Prior to the 1 January 2000, the Board operated a defined benefit scheme. With effect from the 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 recognized in the Statement of Financial Performance as they are earned by employees. Obligations for defined benefit retirement plans are reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

(l) Financial Instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, trade and accounts receivables and trade and accounts payable, all of which are recognized in the Statement of Financial Position.

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

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, term deposits and trade receivable.

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 unfavorable. Financial liabilities comprise of accounts payable, accrued expenses and repayment of surplus.

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 2: Significant Accounting Policies (continued)

Financial Instruments (continued)

Recognition

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

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are 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 amortized cost, being the amount at which the liability was initially recognized less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

De-recognition

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

(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 realized.

(n) Foreign Currency

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

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

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

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 2: Significant Accounting Policies (continued)

(o) Revenue from Non-Exchange Transactions

The Ministry receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to accommodation in the central government building and human resources management by the Portfolio of the Civil Service. The Ministry has designated these non-exchange transactions as services in-kind as defined under **IPSAS 23- Revenue from non-exchange Transactions**. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of an item of property, plant and equipment, such service in-kind is recognized in the cost of property, plant and equipment.

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 3: Cash and Cash Equivalents

The Ministry's cash and cash equivalents as at the end of the twelve months was 57% (or \$7.1M) below budget. This was mainly due to outstanding Cabinet revenues for September to December 2020, which were received in 2021. In addition, the Ministry ended the year with \$5.2 million on Internal Treasury Deposit (see **Note 3b** below).

Prior Year Actual (\$'000)	Description	Foreign Currency	Exchange Rate	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
9	Cash on hand (IRIS Confirmation Account/Petty Cash)			9	6	6	(3)
27	Cash in transit (IRIS Remittance Account)			51	253	253	202
6,838	CIS Operational Current Account held at Royal Bank of Canada			4,792	10,235	10,235	5,443
652	US\$ Operational Current Account held at Royal Bank of Canada	397	0.8375	333	255	255	(78)
323	Payroll Current Account held at Royal Bank of Canada			198	1,795	1,795	1,597
7,849	TOTAL			5,383	12,543	12,543	7,160

Note 3b: Term deposits

Prior Year Actual (\$'000)	Internal Treasury Deposits	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
5,048	Initial deposit	5,179	5,109	5,109	(70)
-	Prior year adjustments	(13)	-	-	13
131	Interest income	49	-	-	(49)
5,179	Closing balance	5,215	5,109	5,109	(106)

The deposit represents excess working capital deposited with the Treasury Department with no penalty for early withdrawal. It matures at the end of each six-month period; \$47 thousand was credited in May 2020 (interest rate of 1.82%); \$143 in November 2020 (interest: 0.0055%) and \$1,464 accrued up to December 31, 2020 (interest: 0.25%).

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 4: Trade and Other Receivables

Prior Year Actual (\$'000)	Trade Receivables	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
2,525	Sale of goods and services	2,823	6,200	6,200	3,377
9,618	Outputs to Cabinet	14,906	3,648	3,648	(11,258)
(1,404)	Less: provision for doubtful debts	(1,717)	(1,207)	(1,207)	510
10,739	Total trade receivables	16,012	8,641	8,641	(7,371)

Prior Year Actual (\$'000)		Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
	Current				
9,992	Past due 1-30 days	15,395	8,252	8,252	(7,143)
268	Past due 31-60 days	59	-	-	(59)
167	Past due 61-90 days	23	216	216	193
312	Past due 90 and above	535	173	173	(362)
10,739	Total	16,012	8,641	8,641	(7,371)

Trade receivables

Trade receivables as at the end of the year were \$7.3 million or 85% more than the budget. This was mainly due to outstanding Cabinet revenue for September to December 2020 which amounted to \$13.5 million and outstanding reimbursements of \$1.4 million from the Ministry of Finance for quarantine isolation charges. However, these funds have been received in 2021. The provision for doubtful debts for trade receivables increased by 22% and is mainly attributable outstanding invoices for the Ministry of Finance and Economic Development (\$605 thousand), which are currently a matter of dispute. In addition, further provisions have been made in respect to long outstanding receivables from departments transferred to other ministries (Agriculture, Lands & Survey and Postal). The provision is being assessed annually based on the rate of collection.

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 4: Trade and Other Receivables (continued)

Other receivables

Prior Year Actual (\$'000)	Other Receivables	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
12	Advances (salary, Official Travel, etc.)	12	24	24	12
82	Dishonoured cheques	18	20	20	2
(3)	Interest receivable	(12)	(13)	(13)	(1)
14	Inter-entity Due from	4	10	10	6
3,040	Other	1,039	(227)	(227)	(1,266)
(138)	Less: provision for doubtful debts	(169)	-	-	169
3,007	Total other receivables	892	(186)	(186)	(1,078)

\$450 thousand of other receivables represents outstanding amount outstanding from Cabinet for Equity Injection (EI) for the acquisition of fixed assets; received in 2021. In addition, \$304 thousand represents various fees for the Department of Commerce and Investment, which are reimbursable by Cabinet.

Prior Year Actual (\$'000)		Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
	Current				
2,899	Past due 1-30 days	733	(186)	(186)	(919)
102	Past due 31-60 days	-	-	-	-
3	Past due 61-90 days	114	-	-	(114)
3	Past due 90 and above	45	-	-	(45)
3,007	Total	892	(186)	(186)	(1,078)

Changes in the provision of doubtful debts:

Prior Year Actual (\$'000)	Description	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
(1,280)	Balance at 1 January	(1,544)	(1,207)	(1,207)	337
(264)	Increase in provisions made during the year	(343)	-	-	343
(1,544)	Balance at 31 December	(1,886)	(1,207)	(1,207)	679

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE**Notes to the Financial Statements****For the year ended 31 December 2020****Note 5: Inventories**

Prior Year Actual (\$'000)	Description	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
1,028	Inventory held for use in the provision of goods and services	1,467	890	890	(577)
1,028	Total	1,467	890	890	(577)

Inventories have increased over the previous financial year by 43%. This is partly due to the slow moving parts held by Facilities Management in respect to the maintenance and upkeep of the Government Administration Building. The balance at the end of the year included \$517 thousand for licence plates acquired in the final quarter of 2020. These plates will be printed and issued during the course of 2021. Further, the Department of Vehicle and Equipment Services held spare parts of \$487 thousand and fuel of \$61 thousand.

Note 5b: Prepayments

Prior Year Actual (\$'000)	Description	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
1,200	Accrued Prepayments	1,551	1,813	1,813	262
1,200	Total	1,551	1,813	1,813	262

Prepayments have increased over the previous year by 29% but were still below the budget by just under \$262 thousand. The prepayments largely represent upfront payments for software licences for the Computer Services and E-Government departments.

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 6: Property, Plant & Equipment

Cost	Plant and equipment (\$'000)	Buildings and Leasehold (\$'000)	Furniture and Fittings (\$'000)	Computer Hardware (\$'000)	Office Equipment (\$'000)	Infrastructure (\$'000)	Motor Vehicles (\$'000)	Assets under construction or development (\$'000)	Total (\$'000)	Original Budget 2019 (\$'000)	Variance (Orig. vs Actual) (\$'000)
Balance as at 1 January 2019	619	8,905	226	5,980	348	1,706	3,689	2,552	24,025	21,780	(2,245)
Additions	514	3,248	13	816	143	313	-	1,388	6,435	3,547	(2,888)
Disposals and Derecognition	-	-	-	-	(22)	-	(231)	-	(253)	-	253
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	(2,225)	(2,225)	-	2,225
Balance as at 31 December 2019	1,133	12,153	239	6,796	469	2,019	3,458	1,715	27,982	25,327	(2,655)

Cost	Plant and equipment (\$'000)	Buildings and Leasehold (\$'000)	Furniture and Fittings (\$'000)	Computer Hardware (\$'000)	Office Equipment (\$'000)	Infrastructure (\$'000)	Motor Vehicles (\$'000)	Assets under construction or development (\$'000)	Total (\$'000)	Original Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
Balance as at 1 January 2020	1,133	12,153	239	6,796	469	2,019	3,458	1,715	27,982	25,327	(2,655)
Additions	70	76	62	402	44	7	22	439	1,122	5,911	4,789
Disposals and Derecognition	-	-	-	-	-	-	(188)	-	(188)	-	188
Transfers	-	738	33	-	-	-	188	(1,535)	(576)	-	576
Balance as at 31 December 2020	1,203	12,967	334	7,198	513	2,026	3,480	619	28,340	31,238	2,898

Accumulated Depreciation and impairment losses	Plant and equipment (\$'000)	Buildings and Leasehold (\$'000)	Furniture and Fittings (\$'000)	Computer Hardware (\$'000)	Office Equipment (\$'000)	Infrastructure (\$'000)	Motor Vehicles (\$'000)	Assets under construction or development (\$'000)	Total (\$'000)	Original Budget 2019 (\$'000)	Variance (Orig. vs Actual) (\$'000)
Balance as at 1 January 2019	386	1,580	176	3,708	255	902	2,373	-	9,380	9,379	(1)
Transfers	-	-	-	-	-	-	-	-	-	-	-
Impairment change	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	57	636	9	940	40	27	490	-	2,199	2,194	(5)
Eliminate on Disposal or Derecognition	-	-	-	-	(22)	-	(231)	-	(253)	-	253
Balance as at 31 December 2019	443	2,216	185	4,648	273	929	2,632	-	11,326	11,573	247

Accumulated Depreciation and impairment losses	Plant and equipment (\$'000)	Buildings and Leasehold (\$'000)	Furniture and Fittings (\$'000)	Computer Hardware (\$'000)	Office Equipment (\$'000)	Infrastructure (\$'000)	Motor Vehicles (\$'000)	Assets under construction or development (\$'000)	Total (\$'000)	Original Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
Balance as at 1 January 2020	443	2,216	185	4,648	273	929	2,632	-	11,326	11,573	247
Depreciation Expense	85	754	13	1,171	61	62	390	-	2,536	2,522	(14)
Eliminate on Disposal or Derecognition	-	-	-	-	-	-	(188)	-	(188)	-	188
Balance as at 31 December 2020	528	2,970	198	5,819	334	991	2,834	-	13,674	14,095	421

Net Book value 31 December 2019	690	9,937	54	2,148	196	1,090	826	1,715	16,656	13,754	(2,901)
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Net Book value 31 December 2020	675	9,997	136	1,379	179	1,035	646	619	14,666	17,143	2,477
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MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 6: Property, Plant & Equipment (continued)

Asset Revaluation

Properties (buildings and structures) were revalued as at 30 June 2016 by in-house professionals with the exception of specialized buildings which were contracted to independent evaluators and are stated at revalued amounts less accumulated depreciation. The previous revaluation was conducted 1 July 2012.

Valuation methods

The valuations of the Ministry's buildings have been prepared in accordance with IPSAS, Royal Institute of Chartered Surveyors (RICS) Red Book, 2016 Valuation Standards references with the International Valuation Standards, and the guidance notes provided by the 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."

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 6: Property, Plant & 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 \$0.5 million 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 / 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.
- Caymanlandinfo 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:

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

Buildings were revalued as an entire class of asset.

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 7: Intangible Assets

	<i>Computer Software (\$,000)</i>	<i>Total (\$'000)</i>	<i>Original Budget 2020 (\$'000)</i>	<i>Final Budget 2020 (\$'000)</i>	<i>Variance (Orig. vs Actual) (\$'000)</i>
Balance as at 1 January 2019	6,028	6,028	6,028	6,028	-
Additions	464	464	828	828	364
Balance as at 31 December 2019	6,492	6,492	6,856	6,856	364
	<i>Computer Software (\$,000)</i>	<i>Total (\$'000)</i>	<i>Original Budget 2020 (\$'000)</i>	<i>Final Budget 2020 (\$'000)</i>	<i>Variance (Orig. vs Actual) (\$'000)</i>
Balance as at 1 January 2020	6,492	6,492	6,856	6,856	364
Additions	60	60	3,478	3,478	3,418
Transfers	493	493	-	-	(493)
Balance as at 31 December 2020	7,045	7,045	10,334	10,334	3,289
Accumulated Depreciation and impairment losses					
	<i>Computer Software (\$,000)</i>	<i>Total (\$'000)</i>	<i>Original Budget 2020 (\$'000)</i>	<i>Final Budget 2020 (\$'000)</i>	<i>Variance (Orig. vs Actual) (\$'000)</i>
Balance as at 1 January 2019	4,633	4,633	4,633	4,633	-
Amortisation Expense	505	505	329	329	(176)
Balance as at 31 December 2019	5,138	5,138	4,962	4,962	(176)
	<i>Computer Software (\$,000)</i>	<i>Total (\$'000)</i>	<i>Original Budget 2020 (\$'000)</i>	<i>Final Budget 2020 (\$'000)</i>	<i>Variance (Orig. vs Actual) (\$'000)</i>
Balance as at 1 January 2020	5,138	5,138	4,962	4,962	(176)
Amortisation Expense	628	628	339	339	(289)
Balance as at 31 December 2020	5,766	5,766	5,301	5,301	(465)
Net Book value 31 December 2019	1,354	1,354	1,894	1,894	540
Net Book value 31 December 2020	1,279	1,279	5,033	5,033	3,754

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 8: Trade Payables, Other Payables & Accruals

Prior Year Actual (\$'000)		Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
1,403	Creditors	516	597	597	81
9	Creditors Ministries/Portfolios	121	-	-	(121)
8	Payroll Deductions	15	(31)	(31)	(46)
3,017	Accrued Expenses	1,796	1,331	1,331	(465)
28	Inter-entity due to	18	-	-	(18)
420	Other payables	448	429	429	(19)
4,885	Total trade payables other payables and accruals	2,914	2,325	2,325	(589)

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

Both trade creditors and accrued expenses as at 31 December 2020 exceeded the budgeted amounts due to activities late in the financial year.

Note 9: Unearned Revenues

Prior Year Actual (\$'000)	Details	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
139	Other unearned revenue	319	(98)	(98)	(417)
139	Total unearned revenue	319	(98)	(98)	(417)

Unearned revenue at the end of the year totaled \$319 thousand. This is largely comprised deposits being held by the Public Works Department for works being done for other government agencies and the Department of Planning in respect to planning fees.

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 10: Employee Entitlements

Prior Year Actual (\$'000)		Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
3	Comp time	3	3	3	-
319	Annual leave accrual	564	323	323	(241)
22	Pension payable	32	(2)	(2)	(34)
344	Total current portion	599	324	324	(275)
344	Total employee entitlements	599	324	324	(275)

Annual leave entitlements are calculated on current salary, pay scale, and years of service in accordance with the *Public Service Management Act (2020 Revision)* and the accompanying Regulations.

Note 11: Surplus Payable

Surplus payable represents accumulated surplus of \$9.6 million as at 31 December 2020 (2019: \$9.5 million). Under the *Public Management & Finance Act (2020 Revision)* section 39 (3) (f), the Ministry may “retain such part of its net operating surplus as is determined by the Financial Secretary”. The Financial Secretary has not confirmed whether the Ministry can retain the surplus achieved during the year.

Note 12: Revenue from Non-Exchange Transactions

During the twelve months ended 31 December 2020, the Ministry received services in-kind in the form of accommodation in the central government building and human resources management by the Portfolio of the Civil Service. The fair value of these services cannot be determined and therefore no expense has been recognised in these financial statements for the twelve months ended 31 December 2020 (2019: \$nil).

MINISTRY OF COMMERCE, PLANNING & INFRASTRUCTURE

Notes to the Financial Statements

For the year ended 31 December 2020

Note 13: Sales of Goods & Services

Prior Year Actual (\$'000)	Revenue type	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
35,694	Outputs to Cabinet	38,689	43,736	43,736	5,047
2,711	Outputs to other government agencies	2,186	2,198	2,198	12
4,557	Fees and charges	3,896	3,647	3,647	(249)
53	General sales	38	56	56	18
70	Rentals	29	40	40	11
258	Other	107	136	136	29
43,343	Total sales of goods and services	44,945	49,812	49,812	4,867

Outputs to Cabinet comprise goods delivered to and services performed on behalf of the Cayman Islands' Government. Cabinet revenues are drawn down based on the entity costs incurred.

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

Fees and charges, general sales, rentals and others include 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.

The Ministry, on a monthly basis, bills Cabinet for the cost to produce and deliver the agreed outputs. For the 2020 financial year, Cabinet revenue was just over \$5 million less than the budget. The main reason is that the Ministry spent over \$3 million less for personnel cost (see **Note 14**), and similarly, spent over \$2.2 million less than budgeted for supplies and consumables (see **Note 15**). Due to the COVID-19 pandemic, a number of budgeted vacant posts were not filled. The shutdown also affected some Ministry activities thus giving rise to the budget surplus in respect to supplies and consumables. As a consequence, the amount to be drawn-down from the Cabinet was less than the budget.

For the twelve months ended 31 December 2020, Cabinet provided 86% of the Ministry's funding, while 9% was generated from trading with the public and the remaining 5% from inter-government trading.

Note 13b: Investment revenue

Prior Year Actual (\$'000)	Revenue type	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
128	Interest on deposits held with cabinet	40	-	-	(40)
128	Total Investment revenue	40	-	-	(40)

See Note 3b.

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For the year ended 31 December 2020

Note 14: Personnel costs

Prior Year Actual (\$'000)	Description	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
20,535	Salaries, wages and allowances	22,210	24,372	23,922	2,162
4,375	Health care	4,759	5,736	5,736	977
1,077	Pension	1,181	1,332	1,332	151
77	Leave	246	16	16	(230)
166	Other personnel related costs	104	138	138	34
26,230	Total Personnel Costs	28,500	31,594	31,144	3,094

For the year ending 31 December 2020, personnel costs was less than budgeted by \$3.1 million (or 10%). The Ministry was unable to fill a number of budgeted vacant posts due to the COVID-19 pandemic. Some of these skills such as those relating to information technology, are sometimes difficult to identify locally.

Note 15: Supplies and consumables

Prior Year Actual (\$'000)	Description	Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
4,956	Supplies and Materials	3,505	4,198	4,198	693
6,623	Purchase of services	6,928	8,093	8,543	1,165
175	Lease of Property and Equipment	157	208	208	51
2,043	Utilities	1,902	2,156	2,156	254
98	Interdepartmental expenses	98	104	104	6
48	Travel and Subsistence	35	121	121	86
476	Recruitment and Training	146	461	461	315
282	Other	382	16	16	(366)
14,701	Total Supplies & consumables	13,153	15,357	15,807	2,204

For the year ended 31 December 2020, the Ministry spent \$2.2 million or 14% less than the budget in respect to supplies and consumables. A number of projects, particularly software development projects, were delayed due to the COVID-19 pandemic. These projects will be pursued in 2021.

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Note 16: (Gains) /losses

Prior Year Actual (\$'000)		Current Year Actual (\$'000)	Original Budget 2020 (\$'000)	Final Budget 2020 (\$'000)	Variance (Orig. vs Actual) (\$'000)
-	Net (gain) / loss on disposal of property, plant and equipment	(2)	-	-	2
3	Net (gain) / loss on foreign exchange Transactions	9	-	-	(9)
3	Total gains/ (losses)	7	-	-	(7)

Note 17: Related party and key management personnel disclosures

The Ministry is a wholly owned entity of the government from which it derives its major source of its revenue. The Ministry and its key management personnel transact with other government entities on a regular basis.

While the ministries and portfolios do not settle the cost of the services directly with the Ministry, the Cabinet compensates the Ministry for the provision of these services to government departments under the agreed purchase agreements. These transactions are consistent with normal operating relationships between entities under common control and are being disclosed in compliance with the requirements of IPSAS.

Key management personnel, for the purposes of this disclosure, is defined as chief officer and deputies, chief HR officer, chief financial officer, heads of department, deputies and finance managers. The summary of the remuneration paid to the key management personnel is as outlined below.

The Ministry maintains a register of interest for all employees which is updated annually.

Prior Year Actual (\$'000)	Description	Current Year Actual (\$'000)
4,161	Salaries & other short-term employee benefits	5,874
-	Past employee benefits	-
-	Other long-term benefits	-
-	Termination benefits	-
-	Loans	-
4,161	Total	5,874

Number of key management personnel as at 31 December 2020: 47 (2019: 39).

There were no loans granted to key management personnel or their close relatives during the year (2019: \$nil).

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Notes to the Financial Statements

For the year ended 31 December 2020

Note 18: Segment Reporting

	Commerce & Investment		Planning & Infrastructure		Information Technology & e-Services		Vehicle & Drivers' Licensing		Vehicle & Equipment Services		Other Services		CONSOLIDATED	
	Jan-Dec2020	Jan-Dec2019	Jan-Dec2020	Jan-Dec2019	Jan-Dec2020	Jan-Dec2019	Jan-Dec2020	Jan-Dec2019	Jan-Dec2020	Jan-Dec2019	Jan-Dec2020	Jan-Dec2019	Jan-Dec2020	Jan-Dec2019
	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
Revenue														
Outputs from Cabinet	914	740	18,355	18,863	10,431	9,359	651	79	3,632	3,570	4,706	3,083	38,689	35,694
Outputs - Other gov't agencies	-	-	510	881	184	166	-	-	1,492	1,761	-	127	2,186	2,935
Other revenue	1,115	1,213	433	478	30	36	2,517	3,076	(3)	-	18	39	4,110	4,842
Total Revenue	2,029	1,953	19,298	20,222	10,645	9,561	3,168	3,155	5,121	5,331	4,724	3,249	44,985	43,471
Expenses														
Personnel	1,801	1,671	12,573	12,282	6,297	5,611	2,261	2,178	2,314	2,198	3,254	2,290	28,500	26,230
Supplies & Consumables	170	259	5,857	7,145	2,389	2,614	672	767	2,450	2,977	1,621	939	13,159	14,701
Depreciation	58	24	837	842	1,539	1,270	252	239	285	194	175	137	3,166	2,706
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	3
Total Expenses	2,029	1,954	19,267	20,269	10,245	9,495	3,185	3,184	5,049	5,369	5,050	3,369	44,825	43,640
Surplus/(Deficit) from Operating Activities	-	(1)	31	(47)	400	66	(17)	(29)	72	(38)	(326)	(120)	160	(169)
Assets														
Current Assets	522	712	7,881	6,028	6,107	4,080	495	229	1,844	1,921	13,671	16,032	30,520	29,002
Fixed Assets	41	66	4,848	5,470	2,511	3,668	1,453	1,557	4,474	4,604	1,339	1,291	14,666	16,656
Intangible Assets	218	12	9	2	776	927	276	413	-	-	-	-	1,279	1,354
Total Assets	781	790	12,738	11,500	9,394	8,675	2,224	2,199	6,318	6,525	15,010	17,323	46,465	47,012
Liabilities														
Current Liabilities	20	(107)	(1,788)	(2,426)	(693)	(1,092)	(312)	(259)	(571)	(740)	(10,124)	(10,243)	(13,468)	(14,867)
Total Liabilities	20	(107)	(1,788)	(2,426)	(693)	(1,092)	(312)	(259)	(571)	(740)	(10,124)	(10,243)	(13,468)	(14,867)

The Ministry's segments for the financial year ended 31 December 2020 are based on the following services: commerce and investment, planning and infrastructure, information technology and e-services, vehicle and drivers' licensing, vehicle and equipment services and administrative services. Commerce and investment is provided by the Department of Commerce and Investment; Planning and Infrastructure services are delivered by the departments of Planning, Public Works and Facilities Management; Information Technology and e-services by Computer Services and E-Government Unit, Vehicle and Drivers' Licensing is provided by the Department of Vehicle & Drivers' Licensing; Vehicle & Equipment Services is provided by the Department of Vehicle and Equipment Services, and Other Services are provided by the Ministry Administration.

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Notes to the Financial Statements

For the year ended 31 December 2020

Note 19: Subsequent Events

Management is not aware of any other events after the reporting date which will have an impact on the financial statements at 31 December 2020.

Note 19b: COVID -19 Pandemic

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. Uncertainties include events such as anticipated soft re-opening of the local economy, any potential outward migration of a significant volume of work permit holders, local business closures, a potential second wave or resurgence of the Corona Virus, etc.

Therefore, while the Ministry expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time. At 31 December 2020, \$384 thousand in accounts receivable was outstanding from entities not related to the Cayman Islands Government.

Further impact of this crisis is likely to continue and the Ministry will continue to diligently monitor and respond to any arising consequences.

The Ministry incurred the following COVID-19 expenses which were funded from its 2020 budget:

Operating - \$167 thousand (software maintenance, janitorial, health & safety and maintenance)

Capex - \$94 thousand (software)

Personnel costs - \$62 thousand (honorariums)

Note 20: Financial Instruments Risks

Credit risk

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

At 31 December 2020, the Ministry held various sums in financial instruments represented by cash and cash equivalents at two financial institutions in the Cayman Islands. As such, the Ministry is exposed to credit related losses in the event of non-performance by the financial institution. However, given the high credit rating of this financial institution, management does not anticipate any material losses as a result of this concentration.

Currency and interest rate risk

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

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For the year ended 31 December 2020

Note 20: Financial Instruments Risks (continued)

Liquidity risk

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

All of the Ministry financial liabilities (creditors and payables) will be settled in less than twelve months from the date of these financial statements.

Note 21: Contingent Liabilities and Assets

The Ministry had no contingent assets and liabilities as at 31 December 2020 (2019: \$nil).

Note 22: Prior-year Adjustments and Asset Transfers

Description	Current Year Actual (\$'000)
Accounts receivable	(224)
Expenses (misc.)	241
Revenues	(12)
Cancellation of Purchase Orders	(133)
Work in progress	151
Closing balance	23

The prior-year adjustments relating to accounts receivable relate to reversal of reimbursable expense made on behalf of the Ministry of Finance (\$154k) and \$70k being adjustments to old trade receivables invoices. The adjustments pertaining to expenses (\$241 thousand), comprised motor vehicle repairs, building maintenance, software licences and leases. These charges were incurred in the previous financial year but were not booked. Open Purchase Orders amounting to \$133 thousand were cancelled as those services/goods were never received. The work in progress of \$151 thousand relates to old open work orders for the Public Works Department. These work projects were carried out at various times, however, due to certain technicalities with the system, some of these work orders were not properly closed out in the system.

Asset transfers relate to software transferred at no cost to the Portfolio of the Civil Service in 2020.

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For the year ended 31 December 2020

Note 23: Going Concern

As explained in *Note 19b* (Covid-19 Pandemic), 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 Ministry would not be able to meet its obligation as they become due is low and that the Ministry will continue as going concern for the foreseeable future.

Note 24: Budget Variances

The majority of the changes between the original budget and the final budget are a result of supplementary approvals under section 11 (5) of the Public Management and Finance Act (2020 Revision) as outlined below:

Description	(\$'000)	Purpose
Security (FM)	450	Additional security services at the Government Administration Building.
Motor vehicle licence plates (DVDL)	(225)	
Personnel cost (DCI)	(225)	
Personnel cost (Min Admin)	323	Create a Centralized Management Support Services (CMSS) Unit to provide finance and accounting functions to the Department of Commerce and Investment, Computer Services Department, E-Government Unit and Facilities Management Department.
Personnel cost (CSD)	(195)	
Personnel cost (FM)	(128)	
Net impact	-	

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Notes to the Financial Statements

For the year ended 31 December 2020

Note 24: Budget Variances (continued)

Explanations for major variances – actual performance vs. original budget are as follows:

	Actual (\$'000)	Budget (\$'000)	Variances (\$'000)	Var. (%)	Explanation
Statement of Financial Performance					
Sale of goods and services	44,945	49,812	4,867	10%	Cabinet revenue was less than budgeted as corresponding expenditure, mainly personnel cost and supplies & consumables were also less than budgeted (see below).
Personnel costs	28,500	31,594	3,094	10%	Relates to vacant budgeted posts some of which were deferred due to the COVID-19 pandemic.
Supplies and consumables	13,153	15,357	2,204	14%	Due to delay in activities as a result of the pandemic. This includes, the NICE project, multiple software solutions (including cybersecurity), purchase of licence plates and maintenance of government buildings.
Depreciation & Amortisation	3,165	2,861	(304)	-11%	Budgeted depreciated was understated in respect to the Department of Vehicle and Equipment Services' new building.
Statement of Financial Position					
Cash and cash equivalents	5,383	12,543	7,160	57%	Due to outstanding Cabinet revenue for September to December 2020. Amounts were received in 2021.
Trade receivables	16,012	8,641	(7,371)	-85%	Attributed to outstanding Cabinet revenue (September - December 2020); September, October & November were received in Jan 2021; December received in March 2021.
Other receivables	892	(186)	(1,078)	580%	\$450k relates to reimbursement of equity injection (EI 71) in respect to acquisition of entity assets. \$304K for various fees in respect to services provided by the Department of Commerce & Investment which are reimbursable by Cabinet.
Inventories	1,467	890	(577)	-65%	Attributable to slow moving spare parts held by Facilities Management vis-à-vis GAB. In addition, the inventory balance included \$517k for licence plates acquired in the final quarter of 2020. The license plates are included in the final balance. These plates will be printed and issued during the course of 2021.
Prepayments	1,551	1,813	262	14%	There was a delay in the purchase of multiple software solutions for the Computer Services Department (CSD) as a result of disruption from the pandemic.
Intangible Assets	1,279	5,033	3,754	75%	This budget was largely held by CSD, EGov and Cybersecurity. A number of planned projects have been deferred to 2021 as a result of the COVID-19 pandemic.
Property, plant and equipment	14,666	17,143	2,477	14%	Items not procured at the end of the year due to delays arising from the pandemic. These projects have been deferred to 2021.
Other payables and accruals	2,277	1,728	(549)	-32%	Due to late invoices for fuel (\$309k), Nice Project (\$530k), utilities (\$150K) and acquisition of licence plates (\$202k).
Unearned revenue	319	(98)	(417)	426%	Amounts held by Public Works Department (PWD) for other government agencies as well as by the Department of Planning in respect to planning fees. The amount budgeted was inaccurately stated.
Employee entitlements	599	324	324	(275)	Due to the COVID-19 lockdown restrictions, there was a decrease in the number of annual leave days taken by employees hence the budget variance.
Surplus Payable	9,636	9,079	(557)	-6%	See comments for statement of financial performance.
Cash Flow Statement					
Cash from Operating Activities	(3,743)	2,861	6,604	231%	Outstanding Cabinet revenue receivable September to December 2020.
Cash from Investing Activities	(1,611)	(9,390)	(7,779)	83%	Delayed purchase of assets.
Cash from Financing Activities	2,924	9,390	6,466	69%	Delayed purchase of assets affected amount of Equity Injection request

NB: The 2020 financial year represents year one of the two-year budget cycle and as such, budget surpluses incurred in 2020 can be effectively carried-over in 2021. This will ensure the available of funding to complete those outstanding projects in 2021.



**MINISTRY OF
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