



Annual Report

of

Ministry of Health Services,
Agriculture, Aviation and Works

For the Year Ended 30 June 2005

Contents

	Page
1. Overview of Performance for the Year	3
2. Auditor General's Opinion	4 - 16
Part A: Outputs Delivered During the Year	17
3. Statement of Outputs Delivered	18 - 48
Part B: Ownership Performance Achieved During the Year	49
4. Nature and Scope of Activities	50 - 53
5. Strategic Ownership Goals	54 - 55
6. Ownership Performance Targets	56 - 59
7. Equity Investments and Withdrawals	60
Appendix: Financial Statements for the Year	61 - 74

1. Overview of Performance for the Year

Introduction

This annual report details the performance of the Ministry of Health Services, Agriculture, Aviation and Works (the "Ministry") for the fiscal year ending 30 June 2005.

It includes information about outputs actually delivered during the year as compared to the planned performance documented in the Annual Budget Statement for the Ministry of Health Services, Agriculture, Aviation and Works for 2004/5, as amended through the supplementary appropriation process.

It also reports those aspects of ownership performance that were contained in the Annual Budget Statement for 2004/5 as amended through the supplementary appropriation process.

Summary of Performance

Output Performance

Many of the outputs for the Ministry of Health Services, Agriculture, Aviation and Works were delivered in line with, or in advance of the budget for 2004-05: however, the impact of Hurricane Ivan required some resources having to be reallocated across different outputs as the needs of the community became clearer.

In the reports that follow, favourable variances are noted as positive and unfavourable ones in negative (in brackets).

Ownership Performance

The Ministry operated at a deficit after extraordinary items of some CI\$1.5M, the major variance being caused by lower revenue from delivering Cabinet outputs. This is a reflection of the disruption caused by Hurricane Ivan. Although the closing cash position was reasonable healthy, the cash flow and balance sheet both show that significant accounts payable and receivable items existed at the year end. This is a reflection of billing and credit control issues arising mainly in the Public Works Department.



Cayman Islands

MINISTRY OF HEALTH SERVICES, AGRICULTURE, AVIATION AND WORKS

CERTIFICATE OF THE AUDITOR GENERAL

To the Chief Officer of the Ministry of Health Services, Agriculture,
Aviation and Works
And to the Members of the Legislative Assembly of the Cayman
Islands

Report on the Statement of Outputs Delivered

I have audited the accompanying Statement of Outputs Delivered of the Ministry of Health Services, Agriculture, Aviation and Works (the "Ministry") for the year ended 30 June 2005 as set out on pages 18 to 48 in accordance with Section 44(3) of the *Public Management and Finance Law (2005 Revision)*. The Statements consist of the following outputs:

- ❖ MHS 1 - Administrative Services for the Minister and Cabinet
- ❖ MHS 2 - Drafting Instructions for the Development Legislation
- ❖ MHS 3 - Policy Advice to Minister and Members of Cabinet
- ❖ MHS 5 - Registration of Health Professionals
- ❖ MHS 7 - Monitoring the Performance of Statutory Authorities and Government Owned Companies
- ❖ MHS 10 - Oversight of the NSPH and Health Promotion Programmes
- ❖ AGR 1 - Policy Advice on Matters Relating to the Agricultural Sector
- ❖ AGR 2 - Agricultural Regulatory and Inspection Services
- ❖ AGR 3 - Agricultural Sales Service
- ❖ AGR 4 - Advice on and Monitoring of Financial Assistance to Farmers
- ❖ AGR 5 - Animal Health Care and Breeding Services
- ❖ AGR 6 - Veterinary Public Services
- ❖ AGR 8 - Development of the Agricultural Sector
- ❖ AGR 9 - Support to Registered Farmers and Backyard Gardeners
- ❖ AGR 10 - Garden Maintenance & Decorative Services
- ❖ AGR 11 - Development of Aquaculture and Hydroponics
- ❖ AGR 12 - Agriculture Sector Assistance Programme-Post Ivan
- ❖ RCY 1 - Delivery of Public Information, Newscasts and Sports
- ❖ RCY 2 - Provision of Various On Air Programmes
- ❖ RCY 3 - Provision of Sales, Production, Rental Services and Remote Broadcasts
- ❖ RCY 4 - Provision of Legislative Assembly Broadcasts
- ❖ RCY 5 - Provision of Broadcast Services to Cayman Brac & Little Cayman
- ❖ RCY 6 - Public Service Announcements and Commercials
- ❖ PWD 1 - Policy Advice
- ❖ PWD 10 - Preparation and Implementation of National Hurricane Committee Plan

- ❖ HIC 1 - Policy Advice to the Honourable Minister
- ❖ HIC 2 – Investigate and Resolve Complaints
- ❖ HIC 3 - Manage the Segregated Insurance Fund

Management's Responsibility for the Statement of Outputs Delivered

Management is responsible for the preparation and fair presentation of the Statement of Outputs Delivered in accordance with section 44(2) of the *Public Management and Finance Law (2005 Revision)*. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Statement of Outputs Delivered that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria and measures to the outputs delivered. Management is required to present the following performance indicators for the Ministry:

1. Description of outputs delivered for the year ended 30 June 2005.
2. Quantitative measures of the outputs delivered during the year ended 30 June 2005.
3. Qualitative measures of the outputs delivered during the year ended 30 June 2005.
4. Timeliness measure of the outputs delivered during the year ended 30 June 2005.
5. Location of delivery of outputs during the year ended 30 June 2005.
6. Financial measures of the actual costs incurred in respect of each output for the year ended 30 June 2005 compared to Budgeted Costs for each output as duly approved in the "Budget 2004/5".

Auditor's Responsibility for the Statement of Outputs Delivered

We conducted our audit in accordance with International Standards on Assurance Engagements 3000 "*Assurance Engagements Other Than Audits of Historical Financial Information*". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the Statement of Outputs Delivered is free from material misstatement.

Our audit of the Statement of Outputs Delivered was planned and performed to obtain all information and explanations we considered necessary. Our audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures included in the Statements and making enquiries of key members of management and the staff of the Ministry.

Overall Scope Limitations

The parameters included for each of the output measures included in these statements have been provided to me by the Ministry's management and are solely their responsibility. I do not accept responsibility for the determination of these parameters as the basis of measure for each of the outputs, or for their appropriateness or relevance.

Nor do I accept responsibility for the accuracy of the information contained in the "Description" field of each statement or the "Explanation of Variances" commentary following each Statement. The information as documented included there in has been determined by the Ministry's management in their best judgment and as such its accuracy and relevance are solely their responsibility.

Our selection of outputs for testing (as outlined in the Appendix A) was based on materiality and was limited to 14 out of the 28 which represented \$7.6 million (or 85%) of the total output costs of \$8.9 million. Those outputs excluded will be audited in future years on a rotational basis.

Basis for Disclaimer of Opinion on the Statement of Outputs Delivered:

Quantity, Quality, Timeliness

MHS 1 - Administrative Services for the Minister and Cabinet

Quantity, Quality & Timeliness - we were unable to test the measures of quantity, quality and timeliness of the output as no information was received from the Ministry to support the actual figures reported in the Statement of Output Delivered.

MHS 3 - Policy Advice to Minister and Members of Cabinet

Quantity, Quality & Timeliness - we were unable to test the measures of quantity, quality and timeliness of the output as no information was received from the Ministry to support the actual figures reported in the Statement of Output Delivered.

AGR 2 - Agricultural Regulatory and Inspection Services

Quantity – we were unable to determine the accuracy and completeness of actual hours incurred due to weaknesses in the recording of actual time in the time recording system of government. In addition, the Ministry shifted its quantity measurement from an output based to input based through a supplemental budget due to the lack of systems to track the original quantity measures.

Quality – we were unable to test the completeness and accuracy of the actual quality figures reported for 7 (58%) out of 12 quality measures due to the absence of supporting evidence to substantiate the effectiveness of the departmental procedures and furthermore 2 (17%) of the quality measures had ineffective departmental procedures.

Timeliness - we were unable to test the completeness and accuracy of the actual timeliness for 7 (64%) out of 11 timeliness measures due to the absence of supporting evidence to substantiate the effectiveness of the departmental procedures and furthermore 2 (18%) timeliness measures had ineffective departmental procedures.

AGR 3 - Agricultural Sales Service

Quantity – The actual number of sales transactions processed is fairly stated. However, for the other quantity measure we were unable to conclude on the accuracy, existence and completeness for the actual number of orders placed due to the absence of sufficient audit evidence.

Quality & Timeliness – we are unable to conclude whether the 2004/5 actual quality and timeliness measures are accurate as the Ministry did not have systems in place to substantiate the actual figures provided and hence these figures were management's best estimates.

AGR 8 - Development of the Agricultural Sector

Quantity – we were unable to determine the accuracy and completeness of actual hours incurred due to weaknesses in the recording of actual time in the time recording system of government. In addition, we noted that the actual hours reported were significantly different from that recorded as actual hours in the Statement of Outputs Delivered.

Quality – we were unable to test the completeness and accuracy of the actual quality figures reported for 4 (67%) out of 6 quality measures due to the absence of supporting evidence to substantiate the actual figures reported. However, the other two quality measures for "All published statistics shall be based on sound data gathering and analytical procedures, accurate within the limits of the model, subject to internal peer review and signed-off by the CAVO" and

"Minimum percentage of participants attending training sessions rating the training as good or better on Course content, relevance, presentation" are considered fairly stated as the Ministry indicated it as "N/A" since no published statistics were issued and no training sessions were held.

Timeliness – in our opinion 3 (60%) out of 5 actual timeliness measures are fairly stated where "0%" was indicated and the other 2 (40%) timeliness measures could not be tested due to the absence of supporting evidence to substantiate the number of actual working days.

AGR 9 - Support to Registered Farmers and Backyard Gardeners

Quantity – we were unable to determine the accuracy and completeness of actual hours incurred due to weaknesses in the recording of actual time in the time recording system of government.

Quality – we were unable to test the completeness and accuracy of the actual quality figures reported 4 (80%) out of 5 quality measures due to the absence of supporting evidence to substantiate the actual figures reported and hence these figures were management's best estimates. For one quality measure "All land clearing is done in accordance with bulldozer policy guidelines, subject to review by Assistant Director and sign off by CAVO" we were provided supporting evidence, but the actual percentage of "100%" we do not consider to be fairly stated.

Timeliness – in our opinion the one (33%) actual timeliness measure of 40% for land clearing services is not fairly stated and the other two (67%) timeliness measures could not be tested due to the absence of supporting evidence to substantiate the actual percentages reported and hence these figures were management's best estimates.

AGR 10 -Garden Maintenance & Decorative Services

Quantity, Quality & Timeliness - we were unable to test the measures of quantity, quality and timeliness of the output as no information was received from the Ministry to support the actual figures reported in the Statement of Output Delivered.

AGR 12 - Agriculture Sector Assistance Programme-Post Ivan

Quantity - we were unable to determine the accuracy and completeness of the number of farmers/gardeners assisted as the information provided for the actual numbers of sales subsidy for fertilizers and feeds was significantly different from that recorded as actual quantities. In addition, there was not sufficient audit evidence to determine the actual numbers of assisted farmers/gardeners relating to other assistance services such as debris removal and tree rehabilitation.

Quality & Timeliness - we were unable to test the measures of quality and timeliness as no information was received from the Ministry to support the actual figures reported in the Statement of Output Delivered.

RCY 1 - Delivery of Public Information, Newscasts and Sports

Quantity, Quality & Timeliness - we were unable to test the measures of quantity, quality and timeliness of the output as no information was received from the Ministry to support the actual figures reported in the Statement of Output Delivered.

RCY 2 - Provision of Various On Air Programmes

Quantity - we were unable to determine the accuracy and completeness of the number of various on air programmes provided as there was no system in place to track the actual quantity of general information programmes, religious programmes, educational programmes and

entertainment programmes. The actual quantity provided in the Statement of Output Delivered is management's best estimate.

Quality & Timeliness - we were unable to test the measures of quality and timeliness of the output as no information was received from the Ministry to support the actual figures quantity reported in the Statement of Output Delivered.

RCY 3 - Provision of Sales, Production, Rental Services and Remote Broadcasts

Quantity, Quality & Timeliness - we were unable to test the measures of quantity, quality and timeliness of the output as no information was received from the Ministry to support the actual figures reported in the Statement of Output Delivered.

PWD 1 - Policy Advice

Quantity, Quality & Timeliness - we were unable to test the measures of quantity, quality and timeliness of the output as no information was received from the Ministry to support the actual figures reported in the Statement of Output Delivered.

PWD 10 - Preparation and Implementation of National Hurricane Committee Plan

Quantity, Quality & Timeliness - we were unable to test the measures of quantity, quality and timeliness of the output as no information was received from the Ministry to support the actual figures reported in the Statement of Output Delivered.

HIC 2 - Investigate and Resolve Complaints

Quantity – in our opinion the actual numbers of investigated and resolved complaints is not fairly stated as the support received to substantiate actual numbers was significantly different from the actual recorded.

Quality & Timeliness - we were unable to test the measures of quality and timeliness as no information was received from the Ministry to support the actual figures reported in the Statement of Output Delivered.

Location

We were unable to test the measure of location for the Statement of Outputs Delivered as no actual information was provided. As such we were unable to opine on the location of delivery of outputs during the year ended 30 June 2005.

Cost

Errors in the Mass Allocation process:

It was observed that 80,880 hours (34% of total costed hours) were not transferred to the General Ledger. This resulted in a material misstatement of the mass allocation process and by extension the allocation of indirect costs to the relevant outputs.

We noticed from the Statement of Outputs for Radio Cayman (RCY 4, RCY 5, and RCY 6) that were purchased by the Cabinet for an amount of \$236 thousand there was no cost incurred by the Ministry in producing these outputs. This has resulted from the failure of Radio Cayman in enrolling these three other outputs in the time recording system thus no work hours were entered for these outputs which ultimately caused an erroneous mass allocation for all the five outputs of Radio Cayman.

It was also observed that six cost drivers (i.e. costed hours, personnel, floor space, computer, transactions and staffing) were used for allocation of indirect expenses to outputs. However, the Ministry was unable to provide information on the basis which the ratios were used in the allocation of costs. As such we were unable to test the accuracy and completeness of the indirect costs transferred to outputs.

Cost of producing outputs:

We received supporting information for only nine outputs of the fourteen tested for the quantities (see Appendix A for details).

Generally the amount invoiced was based on a unit price which was determined by using the total appropriation for the respective output divided by the budgeted quantity to be produced or based on the actual input cost incurred such as salaries and wages.

As we were unable to determine the actual quantities produced for the outputs; therefore we are unable to opine on the accuracy, completeness and existence of the cost of producing the outputs.

Disclaimer of Opinion

Because of the significance of the matters discussed in the preceding paragraphs under the headings Quantity, Quality, Timeliness, Location and Cost, I do not express an opinion on the Statement of Outputs Delivered for the Ministry of Health Services, Agriculture, Aviation and Works for the year ending 30 June 2005.

Readers are cautioned that the figures reported in the accompanying Statement of Outputs Delivered and related commentary may not be reliable.

Report on the Financial Statements:

I have audited the accompanying financial statements of the Ministry of Health Services, Agriculture, Aviation and Works ("the Ministry") comprising of the operating statement, statement of changes in net worth, balance sheet, cash flow statement and statement of commitments and contingent liabilities for the year ended 30 June 2005 and a summary of significant accounting policies and other explanatory notes as set out on pages 62 to 74 in accordance with the provisions of Section 44(3) of the Public Management and Finance Law (2005 Revision).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility for the Financial Statements

My responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Adverse Opinion of the Financial Statements:**Operating Statement****Revenue**

We were unable to obtain complete information to test the Outputs to Other Government Agencies balance of \$9.9 million and \$463 thousand of which represents inter-departmental charges to Radio Cayman and Department of Agriculture for services rendered by Public Works Department ("PWD") should have been offset to the corresponding expenses as they are considered one entity (the Ministry).

Personnel Costs

An unreconciled difference of \$98 thousand existed between the payroll register and general ledger for overtime payments. Information requested to substantiate the overtime payments of \$421 thousand was not provided therefore we were unable to audit the balance.

In addition, we were unable to determine the completeness, accuracy and existence of the \$415 thousand leave entitlements due to the absence of complete supporting schedules and non-receipt of requested supporting documents.

Supplies & Consumables

We were unable to determine the existence, accuracy and completeness of supplies and consumables due to the following:

- a) There is a possible overstatement of expenses in the amount of \$279 thousand as detailed in Accounts Payable paragraph below;
- b) Based on the procedures performed on controls testing, there is a high risk that expenses could be materially misstated due to incorrect cut-off procedure. Purchases are recorded when paid and not when goods or services are received.
- c) The Ministry made an adjustment taking off the 2003/4 expenses that were paid and recorded in 2004/5 financial year which amounts approximately to \$198 thousand. However, the relating working file supporting the adjustments made by the Ministry were not provided for audit testing, thus we are not able to conclude as to the completeness and accuracy of the adjustments made by the Ministry.
- d) No supporting documents were provided for the samples selected to opine on the existence and accuracy of Agricultural Supplies, Freight and Shipping, Maintenance Buildings, Maintenance School Buildings, Maintenance Vehicles and Insurance Health expenses.
- e) \$454 thousand of the \$8.9 million supplies and consumables represents inter-departmental charges between Radio Cayman, Department of Agriculture and PWD which should have been offset to the corresponding payables and revenue as they are considered one entity (the Ministry).

Depreciation Expense

We were unable to determine the existence, accuracy and completeness of property, plant and equipment and therefore we are unable to determine whether the related depreciation expense of \$506 thousand is accurate and complete.

Extraordinary Items

No supporting documents were submitted to support the insurance claims/settlement received from Risk Management including the extra-ordinary expenses as at 30 June 2005; therefore, we were unable to determine that the net balance of \$419 thousand is accurate.

Proper accounting treatment was not made for the complete write-off of an insured asset. All replacement assets must be accounted for at full purchase cost. Any insurance proceeds are to be accounted for through the assets disposal section of the fixed asset register, where the proceeds will form part of the gain/loss on disposal calculation. The Ministry failed to write-off the assets that were destroyed by hurricane Ivan nor was loss/gain on disposal recognized. We were unable to determine the amount that should have been written-off by the Ministry.

Balance Sheet

Cash and Cash Equivalents

We were unable to determine completeness, accuracy and existence of cash and cash equivalents as there were no supporting documents or bank reconciliations provided for the four cash general ledger accounts out of the 7 which represented \$26,920 (or 3%) of the total bank accounts of \$804 thousand.

Accounts Receivable

We were unable to determine completeness, existence, and accuracy of the Accounts Receivable from Cabinet in the amount of \$882 thousand as no supporting schedule was received to indicate what invoices were outstanding from the amounts billed to Cabinet.

Cash accounting was used by Radio Cayman in recording its revenue thus any uncollected broadcasting revenue as at June 30, 2005 which amounts approximately to \$135 thousand was not recorded as receivable and revenue.

Of the \$3.4 million receivable for the outputs billed to other agencies, \$2.9 million or 84% of which we requested confirmation of, no responses were received. \$383 thousand of this \$3.4 million receivable represents inter-departmental charges to Radio Cayman and Department of Agriculture for services rendered by PWD which should have been offset to the corresponding payables, expenses and revenue as they are considered one entity within the Ministry.

We were unable to determine the completeness, existence and accuracy of accounts receivable as a result of the issues noted in the above paragraph.

Inventories

Inventory cost for live stock and unused/unsold agricultural supplies of the Department of Agriculture and the unused consumable stores and supplies of PWD were not provided nor included in the inventory as at 30 June 2005; as a result we were not able to satisfy ourselves to the completeness, existence and accuracy of inventory recorded.

Property, Plant & Equipment

We were unable to determine the completeness, existence, valuation, and accuracy of property, plant and equipment due to the following:

- a) Lack of information provided for the opening balances, additions and disposals and depreciation charge to determine the net book value of the asset and its revaluated amount;
- b) The inability to reconcile between the sub ledger and general ledger; and
- c) Property, plant and equipment that has been destroyed by hurricane Ivan was not written down or written off as at 30 June 2005. Estimated/actual amount of damages were not provided nor disclosed in the financial statements.

Accounts Payable

An unreconciled difference of \$470 thousand existed between the sub ledger and general ledger for trade payables. No information was presented for the \$2.86 million out of the \$5.33 million in trade creditors balances; therefore, we were unable to determine the completeness and existence of accounts payable.

The amount recorded as accrued liability is overstated by \$279 thousand when compared to the subsequent payments made in financial year 2005/6. In addition, the Ministry failed to provide a supporting schedule to substantiate the accrued liability that amounts to \$1.4 million therefore we were unable to audit the balance.

Unearned Revenue

The \$451 thousand unearned revenue represents the projects billed by PWD to other agencies for an advance payment of work. Some of these projects were 70-80 percent completed as at 30 June 2005. The revenue earned for the completed projects was not recognized through percentage of completion, instead revenue is recorded when received and any uncollected billing is recognized as Accounts Receivable at year end.

No schedule was provided by PWD showing all the advance payments received as at 30 June 2005 for projects entered with other agencies as such we were not able to conclude on the completeness of recorded unearned revenue as at 30 June 2005.

Employee Entitlements

The financial statements indicated that there is \$415 thousand owing for employee entitlements. We obtained an accrued annual leave report from three departments out of five, but were not able to verify the accuracy of these reports with supporting documents. No records were provided to substantiate the amounts recorded for accrued annual vacation leave. Due to the lack of audit evidence we were unable to determine the amount to be accrued for leave entitlement.

Net Worth

The Ministry was unable to provide supporting documents and information pertaining to the beginning net worth of \$2.4 million which existed as at 1 July 2004.

Due to the lack of information provided we were unable to satisfy ourselves as to the closing net worth by other audit procedures.

Cash Flow Statement

We are not satisfied with the accuracy of the Cash Flow Statement due to the following:

- a) cash receipts for outputs to other government agencies and outputs to others cannot be determined;
- b) purchase of non-current assets of \$993 thousand had no supporting documents;
- c) opening cash balance does not agree to the closing audited balance as at 30 June 2004.

Statement of Commitments – Scope Limitation

We were unable to determine whether the Statement of Commitments is complete and accurate as no supporting schedules were provided since "N/A" was reported for the balances.

Matter of Emphasis

Without further qualifying the audit opinion we draw attention to that the Ministry did not report the following as required under subsection 44(2)(d) of the Public Management & Finance Law (2005 Revision):

- The actual Human Capital measures as part of the summary of the ownership performance achieved during the financial year
- The actual Major Entity Capital Expenditures for the year
- Major Entity Capital Expenditures continuing from previous years
- Status of risk under Risk Management

Funds were expended without proper approval from the Legislative Assembly. This is in contravention of the Public Management and Finance Law (2005 Revision) section 9(4). The Statement of Un-appropriated Expenditure indicates \$611 thousand was incurred in excess of the Appropriation and Supplementary Laws for 2005 for six output groups, namely MHS 1, MHS 5, AGR 5, RCY 1, HIC 1 and HIC 2.

In addition, the note disclosure under IPSAS 20 for related party note does not identify:

- a) The aggregate remuneration of key management personnel and the number of individuals.
- b) The total amount of all other remuneration and compensation provided to key management personnel, and close members of the family of key management personnel.
- c) In respect of loans which are not widely available to persons who are not key management personnel and loans whose availability is not widely known by members of the public, for each individual member of key management personnel and each close member of the family of key management personnel.
- d) The total amount of financial transactions which have occurred between senior government officials, members of Cabinet and any bodies forming part of the EPS reporting entity.

Opinion

In my opinion, because of the effects of the matters discussed in the proceeding paragraphs, the financial statements do not present fairly, in all material respects, the financial position of the Ministry of Health Services, Agriculture, Aviation and Works as of 30 June 2005, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.



Dan Duguay, MBA, FCGA
Auditor General

Cayman Islands
14 August 2008

Appendix A- Outputs Tested

Code	Description	Quantity	Quality	Timeliness	Location	Cost
MHS 1	Administrative Services for the Minister and Cabinet	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No information was received	Not fairly stated
MHS 2	Policy Advice to Minister and Members of Cabinet	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No information was received	Not fairly stated
AGR 2	Agricultural Regulatory and Inspection Services	No systems were in place to track measures	58% could not be tested as no information was received	64% could not be tested as no information was received	No information was received	Not fairly stated
AGR 3	Agricultural Sales Service	One measure is fairly stated; No information was received for the other measure	No systems were in place to track measures	No systems were in place to track measures	No information was received	Not fairly stated
AGR 8	Development of the Agricultural Sector	Not fairly stated	67% could not be tested as no information was received	40% could not be tested as no information was received	No information was received	Not fairly stated
AGR 9	Support to Registered Farmers and Backyard Gardeners	System in place not working effectively	80% could not be tested as no information was received	67% could not be tested as no information was received	No information was received	Not fairly stated
AGR 10	Garden Maintenance and Decorative Services	No information was received	No information was received	No information was received	No information was received	Not fairly stated
AGR 12	Agricultural Sector Assistance Programme – Post Ivan	Not fairly stated; No information was received	No information was received	No information was received	No information was received	Not fairly stated
RCY 1	Delivery of Public Information, Newscasts and Sports	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No information was received	Not fairly stated

Appendix A- Outputs Tested

Code	Description	Quantity	Quality	Timeliness	Location	Cost
RCY 2	Provision of Various On Air Programmes	No systems were in place to track measures	No systems were in place to track measures	No systems were in place to track measures	No information was received	Not fairly stated
RCY 3	Provision of Sales, Production, Rental Services and Remote Broadcasts	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No information was received	Not fairly stated
PWD 1	Policy Advice	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No information was received	Not fairly stated
PWD 10	Preparation and Implementation of National Hurricane Committee Plan	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No information was received	Not fairly stated
HIC 2	Investigate and Resolve Complaints	Not fairly stated	No systems were in place to track measures; No information was received	No systems were in place to track measures; No information was received	No information was received	Not fairly stated

Part A
Outputs Delivered During the Year

2. Statement of Outputs Delivered

MHS 1	Administrative Services for the Minister and Cabinet		
Description The provision of administrative services for the Minister and Cabinet involving: • Production of speeches, statements and any other information requested by the Minister; • Research and production of answers to Parliamentary Questions; • Production of Cabinet Papers and Notes; • Replies to correspondence, Verbal Complaints/Verbal requests, Written complaints/Written requests; • Production of Press Releases/Press Conferences, Interviews with media/Conducting Public Services Announcements.			
Measures	Annual Actual	Annual Budget	Annual Variance
Quality • Production of speeches, statements and any other information requested by the Minister • Research and production of answers to Parliamentary Questions • Production of Cabinet Papers and Notes • Replies to correspondence • Verbal Complaints/Written requests • Written complaints/Written requests • Press Releases/Press Conferences • Interviews with media/Public Service Announcements	18 1 41 766 396 141 34 0	20 – 30 25 – 30 20 – 25 500 30 – 40 10 -20 10 – 15 5 - 10	(2) (24) 16 266 356 121 19 (5)
Quality • Accuracy, cogency and appropriateness of speeches and statements to Legislative Assembly: • Extent and appropriateness of research in the production of answers to Parliamentary Questions: • Paper has appropriate style and format and meets formal Cabinet requirements: • Pertinence and relevance of replies to correspondence including complaints and requests: • Press Releases to be clearly written and able to be understood by members of the general public and press conferences organized in a timely fashion with sufficient preparation beforehand to enable media personnel to participate fully and receive necessary information: • Interviewer satisfied with level of information given. Public Service Announcements that is clearly executed and able to be understood by all members of general public. All of the above subjected to internal peer review before delivery to Minister and Cabinet.		100% 100% 100% 100% 100%	
Timeliness • Speeches, statements prepared no later than 2 days prior to due date. • Answers to Parliamentary Questions sent to Minister within three weeks of receipt. • Cabinet Papers and Notes submitted to Cabinet Office by Wednesday to be placed on the agenda of the following week. • Replies to correspondence marked "urgent" completed within 3 working days. Other correspondence completed in 10 days. • Press release to be written no later than 5 working days after event request being made to GIS, with approval being completed within 2 days. Press conferences organized within requested time period as stipulated by Honourable Minister • Interviews to be coordinated within time frame agreed between Ministry and Media Institution. Public Service Announcements to be executed within time frame agreed with Honourable Minister.		100% 100% 100% 100% 100% 100%	
Location Cayman Islands		100%	
Cost (of producing the output)	\$762,228	\$373,966	(\$388,262)
Price (paid by Cabinet for the output)	\$795,900	\$373,966	\$421,934

Explanation of Annual Variances:

MHS 2	Drafting Instructions for the Development of Legislation		
Description Prepare drafting instructions for: • Revision to Public Health Law; • Mental Health Law; • Pesticide Regulations Scheme; • Plants Bill; • Revision to Explosives Law & Regulations; and • Establish Legislation from Implications of HIV/AIDS Strategic Plan			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity • Number of drafting instructions prepared:	0.25	6	5.75
Quality • Research and review information prior to submitting drafting instructions: • Drafting instructions subject to peer review and signed of by the Permanent Secretary: • Provide drafting instructions with clarity and accuracy for all of the above Bills: Timeliness • Drafting instructions submitted within appropriate time frame to Legislative Counsel. Location Grand Cayman		100% 100% 100% 100%	
Cost (of producing the output)	\$42,758	\$120,859	\$78,101
Price (paid by Cabinet for the output)	\$5,036	\$120,859	(\$115,823)

Explanation of Annual Variances:

MHS 3	Policy Advice to Minister and Members of Cabinet		
Description Policy Advice to the Honourable Minister and Members of Cabinet involving: • Development of HIV/AIDS Strategic Plan • Development of Health Strategic Plan • Development of Agriculture Strategic Plan • Establishment of a Policy Development Unit for: • Legislative drafting capability • HR Unit • Appointment of an Aquaculture Development Committee • Regulation of Health Insurance Providers • Registration and Regulation of Health Practitioners • Inspection and Licensing of Health Care facilities • Review of Radio Cayman Programming • Review of staffing structure of Department of Agriculture			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity A paper for each plan setting out policy advice for the Honourable Minister. • Strategic plan for HIV/AIDS • Strategic plan for Health • Strategic plan for Agriculture • Policy Development for Legislative Drafting Capability Unit • Policy Development for HR Unit • Health Insurance Providers Regulation • Health Practitioners Registration and Regulation •	.75 .75 .1 0 0 1 .25	1 1 1 1 1 1 1	(.25) (.25) (.9) - (.75)
Quality • Research and review information prior to submitting drafting instructions to ensure clarity and accuracy. • Drafting instructions subject to peer review and signed of by the Permanent Secretary • Plans and reviews subject to peer review		100% 100% 100%	
Timeliness All advice will be given to the Minister within an appropriate time frame and also agreed by him.		100%	
Location Cayman Islands			
Cost (of producing the output)	\$357,258	\$416,330	\$59,072
Price (paid by Cabinet for the output)	\$200,358	\$416,330	(\$215,972)

Explanation of Annual Variances:

MHS 5	Registration of Health Professionals		
Description			
Registration of Health Professionals and Certification and Inspection of Healthcare Facilities			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
Number of certificates issued to medical practitioners by:			
• Medical and Dental Council	183	160	23
• Nursing and Midwifery Council	334	190	144
• Pharmacy Council	43	40	3
• Council for Professions Allied with Medicine	130	150	(20)
• Number of health care facilities inspected	0	2	(2)
Quality			
• Councils are to review applications and submitted to Registrar for signature.		100%	
• Certificates are issued in accordance with the Health Practice Law, 2002 and Regulations 2004.		100%	
• Inspections are conducted in accordance with the Health Practice Law, 2002 and Regulations 2004; and adhere to policies and procedures outlined in inspection guide.		100%	
Timeliness			
• Councils will review applications no later than 30 days after the date of receipt.			
• Certificates are signed and mailed to medical practitioners within 5 working days after the Councils have submitted their recommendation.			
• Report given to manager of healthcare facility no later than 30 days after inspection unless otherwise advised by the Health Commission.			
Location			
Cayman Islands			
Cost (of producing the output)	\$203,063	\$132,459	(\$70,604)
Price (paid by Cabinet for the output)	\$138,000	\$132,459	\$5,541

MHS 7	Monitoring the Performance of Statutory Authorities and Government Owned Companies			
Description				
Monitoring the output delivery performance of statutory authorities involving:				
• Agreeing a purchase agreement with the Health Services Authority, Civil Aviation Authority, CINICO, National Roads Authority, Radio Cayman Authority and Airports Authority • Monitoring and reviewing the delivery of outputs to Health Services Authority, Civil Aviation Authority (Met Office), CINICO, National Roads Authority, Radio Cayman Authority and Airports Authority • Managing payments to the Health Services Authority, Met office, CINICO, National Roads Authority, Radio Cayman Authority and Airports Authority				
Measures	Annual Actual	Annual Budget	Annual Variance	
Quantity				
• Number of purchase agreements negotiated	2	6	(4)	
• Number of Ownership agreements negotiated	2	6	(4)	
• Production of Semi-annual Reports on performance Heath Services Authority, Civil Aviation, CINICO, National Roads Authority, Radio Cayman Authority and Airports Authority 4 reports each year.	0			
• Number of transactions	0	24	(24)	
Quality				
• Purchase agreement will contain quantity, quality, cost and timeliness measures and will meet standards specified in Public Management and Finance Law		100%		
• Satisfaction of the Minister that the material incorporates and accurately reflects the agreed outputs		100%		
• Payments only made when they are supported by evidence of output delivery and quarterly reports are accurate and relevant.		100%		
Timeliness				
• Produced by April 2005:		100%		
• Quarterly reports completed by due date:		100%		
Location				
Cayman Islands				
Cost (of producing the output)	\$9,095	\$220,167	(\$211,072)	
Price (paid by Cabinet for the output)	\$88,950	\$220,167	(\$131,217)	

MHS 10	Oversight of the NSPH and Health Promotion Programmes		
Description			
Review NSPH and implement action plans approved by Planning Team Co-ordinate community health education programmes and oversee funding to NGOs			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Conduct annual NSPH update and prepare implementation schedule	0	1	(1)
• Approve content of youth education programme	0	1	(1)
• Approve issuing of vouchers for mammograms	0	250	(250)
• Prepare document on Health Promotion Programmes throughout the Islands	.75	1	(.25)
• Develop a Mental Health Outreach Programme	.45	1	(.55)
Quality			
• Update of NSPH conducted according to requirements of Cambridge model for strategic planning.		90%	
• Youth education programme on the means of transmitting and preventing the spread of HIV/AIDS, delivered by trained educators that meet the standards of the International Federation of Red Cross and Red Crescent Society, UNAIDS and the World Health Organisation.		100%	
• Qualified staff at the Health Services Authority, Cayman Medical Centre and Chrissie Tomlinson Memorial Hospital will conduct mammograms.		100%	
• Document to include a list of all health promotion programmes and recommendations on how best to assist and co-ordinate resources for implementation.		90 – 100%	
Timeliness			
Annual update conduct in 2004		100%	
HIV/AIDS training courses ongoing throughout budget period		100%	
Vouchers for mammograms issued in February and tested administer by June 2005.		100%	
Document presented to Permanent Secretary by June 2005		100%	
Location			
Cayman Islands			
Cost (of producing the output)	\$121,213	\$514,988	\$393,775
Price (paid by Cabinet for the output)	\$514,988	\$514,988	\$0

AGR 1	Policy Advice on Matters Relating to the Agricultural Sector			
Description Policy advice and administrative support to the Ministry on scientific, technical and strategic matters relating to the Agricultural Sector involving: Preparation of draft policies and laws Planning and direction for the development of the Agricultural Sector Answers to Parliamentary questions Replies to issues raised by special interest groups.				
Measures		Annual Actual	Annual Budget	Annual Variance
Quantity Number of person hours spent in the preparation and delivery of advice		475.75	900-1200 hrs	(425)
Quality Appropriately qualified personnel prepare all advice with professional care. Information provided is well researched, accurate, current and relevant. All advice is subject to internal peer review and must be signed off by the CAVO.		100%	100%	
Timeliness Advice provided in accordance with agreed deadlines with the Ministry Urgent advice provided within one working day		100%	100%	
Location Grand Cayman				
Cost (of producing the output)		\$98,633	\$317,501	\$218,868
Price (paid by Cabinet for the output)		\$155,847	\$317,501	(\$161,654)

Explanation of Annual Variances:

This output was under reported in the first quarter and the reporting was further compounded due to the effects hurricane Ivan; the system was mostly down during the second quarter.

Timeliness			
Issuance of Permits			
Maximum period between receipt of application and rendering a decision	3 working days	3 working days	
Programme to detect and manage new pests and diseases			
All consignment of plants inspected within 24 hours of arrival	100%	100%	
All consignments of aggregate inspected within 24 hours of arrival	100%	100%	
Maximum period of time between delivery of animals to agricultural office and completion of inspection	48hrs	2 hrs	(46 Hrs)
Sentinel sites monitored monthly	n/d	100%	
Maximum period between collection and processing of laboratory samples	n/d	48 hrs	
Programme to regulate the use of pesticide products			
Publication of updated CI Pesticide List once per year		1 st Quarter	
Maximum time between initial receipt of new product application and submission to TAC	5 working days	2 weeks	5 Working Days
Maximum time between receipt of application license and issuance of a response	3 working days	5 working days	2 Working Days
Maximum time for response to customers' queries		3 working days	
Inspections throughout the year; Public awareness events	Quarterly	Quarterly	
Location			
Cayman Islands			
Cost (of producing the output)			
	\$748,998	\$752,880	\$3,882
Price (paid by Cabinet for the output)			
	\$593,900	\$752,880	(\$158,980)

Explanation of Annual Variances:

A Programme to Detect and Manage New Pests

The monthly monitoring programme was halted during the second quarter of the year 2004/2005 because staff members were diverted to concentrate on urgent rehabilitation matters following hurricane Ivan in September 2004. The programme resumed promptly in January 2005.

A Programme to Regulate the Use of Pesticides

Several activities related to the regulation of pesticide use were not done during the year 2004/05 as the Pesticide Law is still not passed. The Department however continued to take the lead role in pesticide matters by responding to queries from local and international agencies, providing authorization for the entry of agricultural pesticides whenever requests were made and participating in public awareness initiatives to promote the safe use and handling of pesticides in the Cayman Islands.

AGR 3	Agricultural Sales Service		
Description Provide agricultural supplies to farmers, backyard gardeners and the general public at a subsidised cost in order to promote agricultural production Livestock feed Fertiliser Pesticides, (i.e. insecticides, fungicides, herbicides, nematocides and acaricides) Miscellaneous items, (e.g. backpack sprayers and spare parts, plant pots and bags, irrigation hose & drippers and calf-nursing bottles			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity - Number of transactions processed - Number of orders placed	12,024 137	9,000-12,000 70-100	24 37
Quality - Transactions are carried according to internal guidelines - Orders are placed in accordance with internal guidelines and are subject to approval	80-90% 75%	100% 95%	(10-20%) (20%)
Timeliness Transactions done within the stipulated daily hours as follows: Grand Cayman - Service available to customer 8.5 hours per day Monday-Friday. Cayman Brac - Service available to customer 7.5 hours per day Monday-Friday.	75% 100%	100% 100%	(25%)
Location Grand Cayman and Cayman Brac			
Cost (of producing the output)	\$884,705	\$377,875	(\$506,830)
Price (paid by Cabinet for the output)	\$363,063	\$377,875	\$14,812

Explanation of Annual Variance

Variance recorded under Cost (of producing the output) was offset by Revenue generated through the sale of Agricultural Supplies. 2004-05 revenue under Agricultural Sales was \$467,400.

Post Ivan, there were several areas where internal controls were compromised and labelled as 'understandable because of the circumstances' Unfortunate examples were as follows: goods were sold and receipted later and orders placed without prior approval.

Also, due to adjusted hours of operation, sales transactions could not be accommodated as stated.

AGR 4		Advice on and Monitoring of Financial Assistance to Farmers		
Description Provide agri-business advice to farmers and entrepreneurs in the sector regarding the obtaining of financial assistance (up to \$ 10,000.00) to qualified applicants for agricultural development projects including: • The acquisition of new technologies in Agriculture (e.g. aquaculture & hydroponics) • Expansion of existing facilities • Purchase of farm equipment and accessories • Pasture development • Purchase of good quality breeding animals • Improving operational efficiencies				
Measures		Annual Actual	Annual Budget	Annual Variance
Quantity • Number of man-hours spent in preparation and delivery of agri-business advice and the monitoring of approved projects. • Number of requests for agri-business advice received and responded to by the Department of Agriculture • Number of applications for financial assistance received and reviewed by the Department of Agriculture • Number of new approved financial assistance projects monitored by the DoA		26.75	200-300 hrs	(173.25)
			4	(4)
			2-4	(2-4)
			2	(2)
Quality • All applications for financial assistance screened and recommendations made in accordance with established guidelines • All agri-business advice and assistance delivered shall be based on sound professional judgment, well researched, current and relevant to the needs of the client / sector and shall be subject to internal peer review and approval by the CAVO • Projects inspected and reported on, quarterly		100%	100%	
		100% compliance	100% compliance	
		0%	100%	(100%)
Timeliness • Period between receipt of request and initial meeting with client, by appropriate officer • Maximum period between meeting with client and submission of completed application to the Loan Approval Committee • Period between inspection and submission of Quarterly reports		N/A	3-5 working days	
		N/A	20 working days	
		N/A	10 working days	
Location Cayman Islands				
Cost (of producing the output)		\$18,059	\$19,811	\$1,752
Price (paid by Cabinet for the output)		\$9,650	\$19,811	(\$10,161)

Explanation of Annual Variances:

In the 1st Quarter, the officer responsible for this program was on full-time assignment to the Farmers' Co-op and no loan applications were received from farmers. 2nd quarter corresponds to the period immediately following hurricane Ivan during which all energies were focused on immediate clean up, tree crop rehabilitation and emergency care of surviving livestock. No capital assistance was considered at the time. In February the Agricultural Sector Assistance Programme (ASAP) was launched which contained a component for capital assistance for recovery and reconstruction in the form of grants and loans. Applications were received and processed primarily in the 4th quarter. As this programme was operated under a separate output, Output 12 virtually all of the time spent in dealing with these loans was logged under that output. Only a few hours were recorded under this output.

As no applications were received or processed in the 1st and 2nd quarters, quality and timeliness measures are not applicable. Applications received and processed in the 3rd and 4th quarters were handled under the ASAP, and accordingly dealt with based on a different set of guidelines and time parameters. All applications were screened, analyzed and went through peer review as normal, however no reporting was done during this period and as applications were received and dealt with in batches, normal time periods were not maintained.

AGR 5	Animal Health Care and Breeding Services		
Description Provision of animal health care involving: - Ambulatory medical and surgical service to farm animals including after hours emergencies Provision of Breeding Services involving: - Natural and artificial breeding programmes for cattle and goats			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity Ambulatory medical/surgical - Number of animals attended - Number of requests for services Natural and artificial breeding - Number of services performed Quality Ambulatory medical/surgical - Services carried out by qualified personnel Natural and artificial breeding - Services provided by selected bulls - Services performed by trained personnel Timeliness Ambulatory medical/surgical - Emergency calls: percentage calls responded to within two (2) hours - Non-emergency calls: % calls attended to or client contacted and appointment made within twelve (12) hours Natural and artificial breeding - Maximum interval between request and delivery of service Location Grand Cayman and Cayman Brac	1,893 		

Explanation of Annual Variances:

This quantity measure was exceeded, as previously, the system used did not accurately record the actual numbers of visits completed and the number of animals attended to, at each visit. A new system was established, post hurricane, to accurately reflect these figures. Overall, during 2005, the overall utilisation of the Veterinary Services has increased.

The Department's bulls were removed from service due to age and as a result of the hurricane no replacements were procured during 2004-2005. Similarly after hurricane Ivan the Artificial Insemination programme was temporarily suspended.

AGR 6	Veterinary Public Health Services		
Description • Ante-mortem examinations of farm animals to establish their state of health prior to slaughter for human consumption • Provision of an animal welfare control service to reduce the number of stray and neglected animals including public awareness events to educate residents			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
Ante mortem examinations • Number of animals examined	6	100-200	(94)
Animal Control & Welfare • Number of animals impounded • Number of animal's euthanized • Number of public education/awareness events • Number of Investigations	659 616 1 0	700-900 400-700 1-4 100-200	(41) - - (100)
Quality			
Ante-mortem examinations • Percentage of post mortem condemnations that should have been detected during ante-mortem inspection but were not	<5%	<5%	
Animal Control & Welfare • Maintenance and care of the animals in the pound is in accordance with established standard operating procedures • Animal euthanized in accordance with humane standards • Public awareness events organised by qualified personnel and are appropriate to target audience • Complaints investigated according to established standard operating procedures	95% 100% 100% 100%	95% 100% 100% 100%	
Timeliness			
Ante-mortem examinations • Percentage of cases where animals are examined within 24 hours of slaughter	100%	95%	
Animal Control & Welfare • Percentage request responded to with 12 hours of receipt • Public awareness program • Complaints responded to within 12 hours of receipt	85% 85%	85% Year Round 85%	
Location Grand Cayman and Cayman Brac		100%	
Cost (of producing the output)	\$278,609	\$318,818	\$40,209
Price (paid by Cabinet for the output)	\$207,790	\$318,818	(\$111,028)

Explanation of Annual Variances:

Ante-Mortem: The closure of the farmer's Market post hurricane and the fact that the new abattoir has not yet opened has meant that no inspections were done after the first quarter.

Impounded animals: Very little impounding of animals was carried out immediately post hurricane as staff was otherwise engaged.

Number of Investigations: Investigations were reduced as the Animal Welfare Officer had not been appointed and investigations were being carried out by existing staff within veterinary Services

AGR 8	Development of the Agricultural Sector		
Description Provision of technical, administrative and logistical assistance towards the continued development of the agricultural sector Co-ordination of technical and strategic support for infrastructure and other development within the sector (capacity building) Co-ordination of marketing activities within the sector Provision of technical advice and information to customers on matters relating to the proper care and maintenance of plants and animals Provision of extension information and training for farmers, student interns, landscapers, and lawn and garden maintenance workers in agricultural related disciplines			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity Number of man-hours spent in preparation and delivery of marketing, extension, technical, administrative and logistical support for the entire sector.	6,213.75	4000-5000 hrs	1,213.75 ¹
Quality			
Marketing - All programmes, advice and training delivered shall be based on sound professional judgement, well researched, current and relevant to the needs of the client / sector and shall be subject to internal review and approval by the CAVO - All published statistics shall be based on sound data gathering and analytical procedures, accurate within the limits of the model, subject to internal peer review and signed-off by the CAVO	100% N/A	100% 100%	0% -N/A ²
Agricultural Sector Support Advice prepared by appropriately qualified persons. Subject to peer review and approval from CAVO	100%	100%	0%
Technical Advice and Training - All information/material presented will be technically correct, subject to internal peer review and sign-off by the CAVO where appropriate - Minimum %age of participants attending training sessions rating the training as good or better on Course content, relevance, presentation - Minimum %age of customers that will receive advice and information that is technically accurate and either clearly written or spoken. Subject to internal peer review	100% NA 100%	100% 90% 100%	0% -NA ³ 0%
Timeliness - All projects and programmes shall be developed and delivered in a time frame as is agreed appropriate to the project - Annual production statistics to be published within two months of the end of the period under review - Maximum period between request for advice or information and response for a non-urgent query - Maximum period between request for advice or information and response to an urgent query - Training courses, publications and public awareness events produced throughout the period	0% 0% 5 working days 1 working day 0%	100% 100% 5 work days 1 work day 100%	-100% ⁴ -100% ⁵ 0% 0% -100% ⁶
Location Grand Cayman and Cayman Brac			
Cost (of producing the output)	\$431,852	\$492,383	\$60,531

Price (paid by Cabinet for the output)	\$407,048	\$492,383	(\$85,335)
--	-----------	-----------	------------

Explanation of Annual Variances:

- ¹ Target exceeded because the passage of the hurricane resulted in more resources being shifted to assist farmers in various ways.
- ² In the Second quarter a rapid survey of leading farmers was carried out in order to establish the primary needs of the sector in order to plan for recovery and reconstruction. This was the only data collected in the post Ivan period.
- ³ No training courses were held due to resources being re-distributed as a result of the destruction caused by the storm.
- ⁴ No projects were undertaken due to other priorities.
- ⁵ No production statistics were published due to the devastation of the sector and loss of the Farmers' Market, the main source of this information.
- ⁶ No training courses were held nor were publications produced due to human and physical resource constraints.

AGR 9	Support to Registered Farmers and Backyard Gardeners.		
Description Support registered farmers and backyard gardeners involving: • Agricultural land clearing for registered farmers • Plant propagation services to farmers and backyard gardeners • Crop Husbandry Services, which involves pruning and chemical spraying for the management of pests and/or diseases, for registered farmers			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity • Agricultural land clearing • Plant propagation • Crop Husbandry Services • Number of officer hours utilized in the delivery of the abovementioned services	9,730	8,500-10,000 hrs	
Quality Agricultural land clearing • All land clearing is done in accordance with bulldozer policy guidelines, subject to review by Assistant Director and sign off by CAVO	100%	100%	
Plant propagation • Percentage of successful buds/grafts	N/A	80%	
• Percentage of plants that reach nursery hardened stage and can be sold	79%	75%	
Crop Husbandry • Services carried out by trained and qualified personnel	100%	100%	
• All handling and spraying of pesticides and care and maintenance of equipment is done in compliance with procedures in the Safe Use and Handling of Pesticide Products Manual	89%	90%	
Timeliness Agricultural land clearing • Land clearing service provided to farmers in each district once a year	40%	80%	(40%)
Plant propagation • Maximum period between receipt of application and first contact to applicant	3 working days	3 working days	
Crop Husbandry • Minimum percentage of jobs completed within 5 working days of set schedule	85%	75%	10%
Location Cayman Islands		100%	
Cost (of producing the output)	\$430,765	\$609,771	\$179,006
Price (paid by Cabinet for the output)	\$413,923	\$609,771	(\$195,848)

Explanation of Annual Variances:

The first quarter is usually a slow period for seedling sales and request thus high success in hardened plants as far less plants are grown. After the hurricane however, the percentage of plants from the nursery that were hardened and sold increased substantially, as a result of the higher volumes and increased disease incidence the percentage of seedlings reaching the hardening off stage decreased.

Bulldozer: The bulldozer was not available for land clearing during the first quarter, as the new bulldozer policy was being finalized. After the hurricane, however, it was sent to the dump to assist with hurricane clean-up activities. Because of the volume of the work required the bulldozer had to remain for extended period in the district worked, thus some districts were not reached.

Grafting: The grafting programme has been on a hold since hurricane Ivan as no bud wood was available. Most mature trees were destroyed during the hurricane.

Tree Crop Husbandry Programme: The Tree Crop Husbandry Programme was suspended after the hurricane as all the employees who worked on this programme were transferred to output 12 programmes; consisting of Tree Crop Rehabilitation Programme and Fence Restoration Programme.

AGR 10	Garden maintenances and Decorative services		
Description • Preparation, advertising, awarding, monitoring and review of garden maintenance contracts for Government Buildings • Provision and supervision of labour engaged in garden maintenance at the residences of the Governor and Chief Secretary • Advice on renovation and/or landscape design on all properties as required • Provision of a plant decorative service for government entities and NGO's			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
Garden maintenance • Number of areas maintained. • Number of contracts.		2 -	
Decorative service • Number of functions decorated.	36	25-50	
Quality			
Garden maintenance • Percentage of properties maintained in accordance with the awarded contract • Percentage of properties maintained to the satisfaction of the client agency		100% 90-100%	
Decorative service • Minimum percentage of times that service provided is in total accordance with customer's requirement.	89%	95%	(6%)
Timeliness			
Garden maintenance • Frequency of service is in accordance with awarded contract or as agreed with client		100%	
Decorative service • Service provided meets all timeframes agreed with customer	90%	90%	
Location		100%	
Cayman Islands			
Cost (of producing the output)	\$306,803	\$50,100	(\$256,703)
Price (paid by Cabinet for the output)	\$50,100	\$50,100	

Explanation of Annual Variances:

Decoration Service : No decoration was done immediately following hurricane Ivan, a negative variance emerged from the quality aspects of the service after resumption as the plants were not fully recovered and some varieties of the plants that were used pre-hurricane Ivan were not yet available.

AGR 11	Development of Aquaculture and Hydroponics		
Description Promote the development of Aquaculture and Hydroponics as commercially viable industries within the agricultural sector - Identify and evaluate aquaculture species suitable to local conditions - Conduct adaptive research to evaluate and develop production systems appropriate to the Cayman Islands - Educate local entrepreneurs of the potential for aquaculture and hydroponics production so as to encourage them to enter the industry - Encourage future generations of producers through education and establishment of pilot projects at schools - Assist with the review of potential aquaculture projects submitted and make appropriate recommendations - Provide technical support and training to existing producers and new aquaculture businesses and hydroponic units			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity Number of man-hours spent in the research and development of aquaculture and hydroponics for the entire sector.	805	1,500-1,600 hrs	(695)
Quality - All research trials conducted based on sound scientific principals and subject to peer review - All published research results based on sound data gathering methods and analytical procedures, accurate within the limits of the study and subject to peer review - All information provided at seminars and educational projects shall be technically accurate, current and relevant to the target audience, subject to peer review - All projects reviewed and advice provided based on sound technical judgment and relevant to the needs of the client and the sector and subject to peer review	0% 0% 100%	100% 100% 100%	(100%) (100%) (100%) 0%
Timeliness All aquaculture and hydroponics development services and programmes to be developed and delivered within designated time schedules as agreed appropriate to that project	0%	100%	(100%)
Location Cayman Islands		100%	
Cost (of producing the output)	\$63,316	\$117,164	\$53,848
Price (paid by Cabinet for the output)	\$55,462	\$117,164	(\$61,702)

Explanation of Annual Variances:

No trials were undertaken for the balance of 2004-2005 as resources were reallocated subsequent to the storm in September. Time was spent in the first quarter wrapping up a trial started in the previous financial year, and subsequently in maintaining a small population of fish. Advice continued to be provided to two (2) projects throughout the year.

AGR 12		Agricultural Sector Assistance Programme-Post Ivan		
Description Provide assistance to the agricultural sector related to damages resulting from Hurricane Ivan including: • Debris removal and tree rehabilitation • Fence Restoration • Planting Material • Fertilizer • Rehabilitation of salt affected soils • Livestock feed • Land cultivation				
Measures		Annual Actual	Annual Budget	Annual Variance
Quantity Number of farmers/backyard gardeners to be assisted		450	100	+ 350
Quality Selections of farmers/backyard gardeners made in accordance with established guidelines and subject to peer review and sign off by CAVO		100%	100%	
Timeliness Percentage of farmers/ backyard gardeners processed for assistance by April 30 th 2005.			100%	
Percentage of farmers/backyard gardeners receiving some assistance by June 30 th 2005		100%	100%	
Location Cayman Islands				
Cost (of producing the output)		\$928,722	\$1,148,000	\$219,278
Price (paid by Cabinet for the output)		\$992,407	\$1,148,000	(\$155,593)

Explanation of Annual Variances:

From its introduction in February 2005, a total of 450, clients/farmers benefited under the Agriculture Sector Assistance Programme, through the purchase of specially subsidized feed. Some 191 purchased specially subsidized fertilizer and 60 received help with debris removal and tree crop rehabilitation. A large number of farmers received replacement planting material and tree crop seedlings free of cost, while backyard gardeners were able to purchase this material at heavily subsidized rates. As fencing, land clearing and capital assistance components of the programme started towards the end of the fourth quarter only a small number of farmers received assistance in these areas during the period under review.

In regard to the timeliness measures, 100% of farmers who requested it, had received some level of assistance by June 30th 2005.

RCY 1	Delivery of Public Information, Newscasts and Sports on local and international events			
Description				
Delivery of Public Information, Newscasts and Sports on local and international events				
Measures	Annual Actual	Annual Budget	Annual Variance	
Quantity				
- Public information items - Newscasts - News items - Hours of news delivery - Sportscasts delivered - Sports items - Hours available for sports broadcasts live events	8,212 2,500 9,430 500 150 3,001 100	7,500-9,868 2,500-3,456 11,500-13,000 500 – 672 150 – 240 2,500 – 3,200 100 - 212	(2070)	
Quality				
- Percentage of compliance of newscasts and sportscasts with ICTA/NAB minimum broadcast quality: - Newscasts monitored by Director, Deputy Director, and Senior News Editor	90- 95% 90-95%	90 - 95% 90 - 95%		
Timeliness				
- Emergency/urgent public information delivered within 10 minutes: - Other public information - Newscasts broadcast on time	90% - 100 90% - 100% 90% - 100%	99% 99% 99%		
Location				
Grand Cayman, Cayman Brac and Little Cayman	100%	100%		
Cost (of producing the output)				
	\$335,091	\$242,582	(\$92,509)	
Price (paid by Cabinet for the output)				
	\$249,040	\$242,582	\$6,458	

Explanation of Annual Variances:

Variances are caused because the generation of news items are dependent on events. Not every day there are significant amounts of news worthy events occurring. Also the accuracy of recording the stats have improved.

RCY 2	Provision of Various On Air Programmes		
Description			
Delivery of various on air programmes			
Measures	Annual Actual	Annual Budget	Annual Variance
- General Information Programmes - Hours provided for general information programmes - Hours of Religious Programmes - Educational Programmes - Hours of Education Programmes - Entertainment Programmes - Hours of Entertainment Programmes	500 1,500 1,300 500 1,400 2,500 1,000	500 – 672 1,500- 2,556 1,300-1,512 500 – 692 1,400-1,512 2,500-3,000 1,000-1,512	-
Quality			
- Percentage of compliance of general information programs with ICTA/ NAB standards: - Percentage of educational programmes monitored by Director and Deputy Director: - ICTA/NAB minimum standards for entertainment programmes	90% - 100% 90% - 100% 90% - 100%	90% - 100% 90% - 100% 90% - 100%	
Timeliness			
- Delivery of general information, educational and entertainment programmes in a timely manner to coincide with actual events and as directed by Radio Cayman. - Religious programs to be delivered on time as client and Radio Cayman directs	95% - 100% 95% - 100%	95% - 100% 95% - 100%	
Location			
Grand Cayman, Cayman Brac and Little Cayman		100%	
Cost (of producing the output)	\$857,058	\$337,725	(\$519,333)
Price (paid by Cabinet for the output)	\$335,800	\$337,725	(\$1,925)

RCY 3	Provision of Sales, Production, Rental Services and Remote Broadcasts		
Description			
Delivery of various on air programmes Provision of Sales, Production, Rental Services and Remote Broadcasts			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Commercials sold	43,358	18,000 -20,000	23,358
• Special package	702	500-620	82
• New accounts gained	151	150 – 250	
• Commercials produced	1,082	500 – 600	482
• Programmes produced	1,000	1,000-2,108	
• Special recordings produced	96	95 – 168	
• Rental hours available	200	200 – 312	
• Remote broadcasts delivered	84	30 – 45	39
• Hours available for remote broadcast	100	100 - 200	
Quality			
• Percentages of Marketing and sales packages with pre and post monitoring by Director, Deputy Director and Sales Manager:	90%	88% - 95%	
• Finished product reviewed for standard by Director, Deputy director, Recording Engineer and Client:	90%	95% - 100%	
• Percentage of compliance with ICTA/NAB minimum standards for sales of production services:	90%	89% - 100%	
Timeliness			
• Advertising production is completed within 36 hours for clients wanting a 36 hour turnaround time after the order is placed: Ads which are read live are delivered within 30 minutes of receiving the order, or as required by the client:	95%	96 – 100%	95– 100%
• Commercials to be produced within a 24 hour period:	95%	98 - 100%	95– 100%
• Rental of studio time and facilities available within 12 hours notice of requirement:	95%	96 - 100%	95– 100%
Location			
The Cayman Islands		100%	
Cost (of producing the output)	\$244,304	\$214,642	(\$29,662)
Price (paid by Cabinet for the output)	\$214,642	\$214,642	-

Explanation of Annual Variances:

RCY 4	Provision of Legislative Assembly Broadcasts		
Description			
Production and delivery of Legislative Assembly Broadcasts			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
Number of broadcasts aired during regular meetings and Finance Committee meetings	62	60	2
Number of Hours available for Broadcasts	67.5	270	(202.5)
Quality			
Percentage of compliance to ICTA/NAB standards:	95%	95%	
Percentage of programmes monitored by Director and Deputy Director:	95%	95%	
Timeliness			
Delivery of general information programmes in a timely manner to coincide with actual events:	95%	95%-100%	
Religious programs to be delivered on time as client and Radio Cayman directs	95%	95%- 100%	
Location			
Cayman Islands		100%	
Cost (of producing the output)	\$0	\$56,151	\$56,151
Price (paid by Cabinet for the output)	\$32,655	\$56,151	(\$23,496)

Explanation of Annual Variances:

RCY 5	Provision of Broadcast Services To Cayman Brac and Little Cayman		
Description			
Provision of Broadcast services to the Sister Islands			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• General Information Programmes:	500	672	(172)
• Religious programmes	2,000	2,556	(556)
• Educational programs	500	692	(192)
• Entertainment programs	2,500	3,000	(500)
Quality			
• Percentage of compliance to ICTA/NAB standards:	95%	100%	(5%)
• Percentage of programmes monitored by Director and Deputy Director:	95%	95%	
Timeliness			
• Delivery of general information programmes in a timely manner to coincide with actual events	95%	100%	
• General Information, Religious, Educational and Entertainment programmes to be delivered on time as client and Radio Cayman direct.	95%	100%	
Location			
Cayman Brac and Little Cayman		100%	
Cost (of producing the output)	\$0	\$145,425	\$145,425
Price (paid by Cabinet for the output)	\$139,815	\$145,425	(\$5,610)

Explanation of Annual Variances:

RCY 6	Provision of Public Service Announcements & Commercials for Government Departments, along with cultural and current affairs Programming.			
Description				
Provision of Public Service announcements and commercials for government departments				
Measures	Annual Actual	Annual Budget	Annual Variance	
Quantity				
Number of Public Service Announcements and Commercials aired annually	6,477 11	2,000 15	4,477 (4)	
Number of Current Affairs and Cultural Programmes aired				
Quality				
Percentage of compliance to ICTA/NAB standards	95%	95% - 100%		
Percentage of programmes monitored by Director and Deputy Director	95%	95% - 100%		
Timeliness				
Public Service Announcements and commercials for government departments are delivered in a timely manner in compliance with the wishes of the customer.	95%	95% - 100%		
Location				
Grand Cayman, Cayman Brac and Little Cayman		100%		
Cost (of producing the output)	\$0	\$63,367	\$63,367	
Price (paid by Cabinet for the output)	\$63,367	\$63,367	\$0	

Explanation of Annual Variances:

PWD 1	Policy Advice		
Description			
Policy advice to Minister & Ministry of Health Services, Agriculture, Aviation and Works on all matters relating to buildings and other related facilities.			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
Hours available to provide Advise : written or oral, including:	59.5 Hrs	300 Hrs	(240.5 Hrs)
Meetings Attended	30	4-6	24
Business papers issued	0	5-10	(5)
Responses to PQ's	0	0-4	
Quality			
Advice prepared by appropriately qualified persons with due professional care	100% (Est)	90%	10%
Information well researched, relevant, accurate, up to date and if occasion demands innovative	90% (Est)	90%	0
Timeliness			
Advice to be provided within timeframes agreed at outset.	90% (Est)	80%	10%
Location			
Grand Cayman.		100%	
Cost (of producing the output)	\$361,627	\$27,369	(\$334,258)
Price (paid by Cabinet for the output)	\$7,680	\$27,369	\$19,689

Explanation of Annual Variances:

- Hours of involvement: Fewer hours than anticipated. No real historical data to base budgeted data upon. This was an abnormal year due to Hurricane Ivan.
- Meetings attended: Greater number of meetings attended than expected at budget preparation. Many of which were hurricane recovery related and which would not occur during a more normal year.
- Business papers issued and Responses to PQ's. None requested this year. The budgeted quantity measures are considered reasonable for a more normal year.
- Advice prepared by appropriately qualified persons: Estimated higher than budgeted and reflects the fact that the HoD and his senior staff attended the majority of these meetings.
- Cost of producing output below budget. This due less man-hours provided than estimated, probably due to the abnormal hurricane Ivan year. This service is provided by senior staff. Budgeted hourly rates do not reflect this and will need to be increased in future budget years. Price paid v Price budgeted:

PWD 10	Preparation and Implementation of National Hurricane Committee Plan		
Description			
Preparation, updating and implementation of Agency specific responsibilities identified in the National Hurricane Plan, including executing annual hurricane preparedness exercise.			
Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Updating (if any) Agency specific responsibilities of NHP	3 updates	1 updates	2 updates
• Number of preparedness exercises/events executed	3	1	+2 events
• Number of facilities to be shuttered and inspected	339	111	228
• Number of electrical, water supply and generator installations to shelters and key facilities inspected	78	25	53
Quality			
• Buildings shuttered in accordance with accepted hurricane standards, namely PWD's Hurricane Inspectors checklist.	95%	95%	0
• Generator installations functioning normally under load tests.	95%	95%	0
Timeliness			
• Updating Agency specific responsibilities of NHP.	20May05	By April 30	3 wks late
• Preparedness exercise executed min 3 weeks in advance of hurricane season start.	20May05	By April 30	3 wks late
• Exercise duration completed within 6 hrs.	Yes	100%	0
Location			
Grand Cayman.		100%	
Cost (of producing the output)	\$709,271	\$364,288	(\$344,983)
Price (paid by Cabinet for the output)	\$226,489	\$364,288	(\$137,799)

Explanation of Annual Variances:

1. The occurrence of Tropical Storm Charlie in Aug 2005 and of Hurricane Ivan in September 2005 required the involvement of 2 additional updates and preparedness events over and above the annual preparedness exercise which usually occurs during the 1st week of May. Additionally the numbers of facilities to be shuttered and generator installations to be inspected and test loaded increased as a result of the additional two live preparedness events. Accordingly the cost of this output increased by the \$99.3K reported above.
2. The annual preparedness exercise usually occurs at the end of April or within the first week of May. The date stated above is 30 April. Due to a conflict with school examination timeframes the event in 2005 had to be delayed until the 20 May.

HIC 1	Policy Advice to the Honourable Minister			
Description: Advise the Minister generally on any matter relating to Health Insurance.				
Measures		Annual Actual	Annual Budget	Annual Variance
Quantity - Usual, Customary and Reasonable (UCR) Fees for the Cayman Islands. - System to monitor and assess Premium Rates. - Quarterly reports on the performance of health insurers.		1 1 4	1 1 4	
Quality - Research and benchmark information for the UCR to ensure accuracy. - Criteria for Premium Rates are supported by industry standards. - Satisfaction of the Minister that the Reports are accurate and relevant.		95-100% 95-100% 95-100%	95-100% 95-100% 95-100%	
Timeliness All advice will be given within the timeframe agreed with the Minister.		100%	100%	
Location Cayman Islands			100%	
Cost (of producing the output)		\$185,938	\$239,102	(\$53,164)
Price (paid by Cabinet for the output)		\$217,845	\$239,102	(\$21,257)

Explanation of Variances:

The HIC was unable to bill for all areas of this output in full because of the unavailability of resources.

HIC 2	Investigate and resolve complaints			
Description: Investigate and resolve complaints regarding the provision of health insurance.				
Measures		Annual Actual	Annual Budget	Annual Variance
Quantity Number of complaints investigated		263	300-360	(37)
Number of complaints resolved		210	180-240	0
Quality Complaints are investigated based on approved policy and procedures.		100% compliant	100% compliant	-
Responses to complaints are researched, accurate, relevant and current.		100% compliant	100% compliant	-
Timeliness Initial response to complaints provided within three working days.		(95-100)% compliant	(95-100)% compliant	-
Location Cayman Islands			100%	
Cost (of producing the output)		\$240,680	\$229,610	(\$11,070)
Price (paid by Cabinet for the output)		\$342,070	\$229,610	\$112,460

Explanation of Variances:

The number of complaints investigated was below the budgeted range primarily due to an overstated budget range. The HIC had little or no prior data to produce the best possible estimates. There are three cases that are pending prosecution with the courts. The cost of this output was underestimated and it was discovered that the actual time spent by inspectors in resolving complaints, including interviewing complainants and respondents, and research, was far more than anticipated. This resulted in the significant variance in the price of the output.

HIC 3	Manage the Segregated Insurance Fund			
Description:				
- Management of the Segregated Insurance Fund (SIF) in connection with the treatment and care of indigent persons. - Receive and account for all moneys collected and paid into the SIF				
Measures		Annual Actual	Annual Budget	Annual Variance
Quantity				
Annual review and audit of the Segregated Insurance Fund (SIF).		1	1	
Annual report on the operations of the Commission to the Minister.		1	1	
Quality				
Funds to be maintained in accordance with the requirements specified within the Health Insurance Commission Law 2003.		100%	100%	
Timeliness				
Make payments from the funds at the time agreed with the Ministry of Health and the Cayman Islands National Insurance Company.		100%	100%	
Location				
Cayman Islands			100%	
Cost (of producing the output)		\$35,091	\$153,755	\$118,664
Price (paid by Cabinet for the output)		\$53,515	\$153,755	(\$100,240)

Explanation of Variances:

The Cayman Islands Monetary Authority retained the responsibility of collecting the Segregated Insurance Fund contributions from the Approved Insurers for the entire period. An audit of the fund was initiated during the year but was not completed. The Health Insurance Commission refused to assume responsibility for the fund until it was audited; hence the HIC was unable to fully deliver this output.

Part B
Ownership Performance Achieved During the Year

3 Nature and Scope of Activities

Approved Nature and Scope of Activities

General Nature of Activities

Ministry of Health Admin

The Ministry develops policy and legislation that supports the work of the Agriculture and Public Works Departments, the Health Services, Civil Aviation Authority, Airports Authority, Roads Authority, Radio Cayman Authority and Cayman Islands Health Insurance Company. It also monitors the quality and health care and Health Insurance Services and health practitioners' within the Cayman Islands. The Ministry of Health has added Mental Health programs and activities to its list of Health Promotion Programs. This was initiated because of the impact of Hurricane Ivan and the need for counselling to the residents in coping with the aftermath of Ivan.

Agriculture

The organization seeks to develop sustainable agricultural production in order to promote measures of self-sufficiency and food security (compatible with economic reality) for the Cayman Islands. To preserve and protect the state of health and well being of plants and animals and to indirectly promote the wellness of residents through dynamic planned development.

Through the Agricultural Development Program a number of projects are designed to increase the efficient and economic viability of the sector, expand production, reduce dependency on imports, increase food security, enhance safety of domestic food supply and increase farm incomes. In the long term these activities should increase local employment, have greatly positive influence on social well-being and forge closer links with the tourism and other sectors.

Radio Cayman

The nature of Radio Cayman's business is to provide educational, entertainment, cultural and religious programming and the sale of air-time for revenue.

Public Works

The Public Works Department is the government's principal advisor on matters relating to public buildings and other government facilities. The department provides project management, construction management, architectural, quantity surveying and MEP consultancy services for building related projects and the provision of repair and maintenance services to Government properties as requested by fund-holding Client Agencies. Services are provided by using in-house professional consulting and construction services expertise and direct labour services or by procuring private sector services on the basis that the Department will be reimbursed for the full cost of their efforts, as aggregated from time recording and project costing systems.

Health Insurance Commission

The nature of the Health Insurance Commission is to ensure that the provision of health insurance in the Cayman Islands is well regulated and that the greater assistance is provided to the public in resolving complaints.

Scope of Activities

Department of Agriculture

- Provision of policy advice and administrative support to the Ministry of Health Services, District Administration and Agriculture on scientific, technical and strategic matters relating to the agricultural sector and government reforms.
- Conduct regulatory activities in accordance with several Laws, to protect the islands' natural and cultivated flora and fauna; and to indirectly protect the wellness of the resident human population.

- Conduct timely review of existing laws and regulations and provide appropriate instructions for legal drafting of amendments or new provisions, in response to changes occurring locally or to meet international obligations.
- Provision of agricultural, horticultural, livestock, aquaculture and veterinary medical services to support a modern, sustainable and diversified agricultural sector.
- Sale of agricultural supplies and equipment.
- Provision of technical advice and assistance to other departments, authorities, and government owned companies, non-government organizations and individuals.
- Provision of advice on and the monitoring of financial assistance given to farmers in support of agricultural development activities.
- Oversee the maintenance of gardens surrounding public buildings and provision of potted plants for decorative purposes.

Radio Cayman

- Radio Cayman's scope of activities include, the broadcasting of commercials, news, public affairs programmes, public service announcements, educational, cultural, entertainment and religious programmes.
- Radio Cayman's business objective is to sell advertising time to earn revenue and make a profit. The station is also committed to the continued provision of services to Cayman Brac and Little Cayman, which is currently provided exclusively by Radio Cayman, via transmitters situated on Cayman Brac.
- Radio Cayman also plays an integral role in providing full scale emergency broadcasts during times of national emergencies, such as storms and hurricanes or the threat of a storm or hurricane.

Public Works

Advice on matters relating to buildings and roads:

- Policy advice to Minister and Ministry on buildings matters
- Advice to government departments, statutory authorities, government owned companies, Statutory Authorities and Committees on building related matters.

Professional project management and consulting services for government buildings and other facilities to fund-holding Client Agencies, including the:

- Production of project definition documents to clearly define projects at outset
- Production of designs, costing and contract documentation for buildings and their related facilities using in-house Architectural, QS and MEP resources or through the procurement and management of private sector organisations.
- Management of the tendering and contract award processes in accordance with the requirements of FSR's.
- Project management, construction supervision and construction activities using in-house resources or by procuring and managing private sector contractors and hand-over of facility to Client Agencies.
- Repairs and maintenance services to Government Properties including condition inspections and reports using in-house resources or private sector services in accordance with service level agreements agreed with building Occupiers or their Facility Managers.

Responsibilities relating to a National emergency:

- Preparation, updating and implementation of Agency specific responsibilities identified in the National Hurricane Plan,
- Executing an annual hurricane preparedness exercise,

- The maintenance and use of a capacity to provide an appropriate response on a full cost reimbursement basis, when requested by Cabinet, in the event of a hurricane or other emergency to government owned properties, public shelters and public roads for the general public. This capacity requires PWD to co-opt and utilise the manpower capabilities from other government agencies such as the National Roads Authority, Environmental Health, Agriculture, as well as supervised Prison labour.

Other Departmental Responsibilities:

- Administer and enforce the provisions of the Explosives Law
- Provide assorted services in respect of arrangements for ceremonial functions

Health Insurance Commission

- The scope of activities include advising the Minister of Health Services on any matter relating to health insurance including advice on the premium rates charged by approved health insurance providers and the fee charged by health care facilities and health practitioners for each health care benefit. In addition, the HIC will carry out the investigation of complaints.

Customers and Location of Activities

The Ministry

The services listed above are provided to Minister of Health Services, Agriculture, Aviation and Works and Cabinet.

Services are provided within the Cayman Island to the general public, resident and non-resident, and other government departments and agencies.

Agriculture

The Department's services are provided to the Ministry of Health, District Administration and Agriculture other government and non-government agencies, farmers and other individuals in the Cayman Islands. All services are provided to these customers within the Cayman Islands.

Radio Cayman

The customers of Radio Cayman include businesses that purchase commercial spots and listeners on all three islands

Public Works

The services provided by the Public Works Department are provided to Ministries, Government Departments, Statutory Authorities, and Government owned companies, approved private sector clients and any other entity that PWD agrees to provide services to. The majority of our activities are located in Grand Cayman and occasionally in Sister Islands and generally always within the Cayman Islands.

Health Insurance Commission

Customers:

- General Public (Insured Persons)
- Health Insurers
- Health Practitioners/Health Facilities
- Employers

Location of Activities: Cayman Islands

Compliance during the Year

The Ministry continued to adhere closely to its nature and scope of activity and has responded very well to the demands made for the various services it provides. After Hurricane Ivan, the emphasis shifted to recovery and restoration work.

4 Strategic Ownership Goals

Approved Strategic Ownership Goals

The key strategic ownership goals for the **Ministry** in 2004/5 and the subsequent two years are as follows:

1. Enhance the Ministry's strategic policy advice capability through the establishment of a Policy Development Unit.
2. Pursue the development and design plans for the construction of improved physical facilities for the Department of Agriculture's station at Spot Bay, Cayman Brac.
3. Oversee the implementation of a change in the organization structure of Radio Cayman by changing it into an Authority.
4. Establish the Airports Authority and restructuring of the Civil Aviation Authority
5. Establish a streamline structure for staff of the Department of Agriculture.
6. Support the development of a Aquaculture industry in the Cayman Islands
7. Enhance the monitoring of health related services in the Cayman Islands.

The key strategic ownership goals for the **Department of Agriculture** in 2004/05 and the subsequent two years are as follows:

1. To complete construction of the abattoir facility in Grand Cayman.
2. At the Department of Agriculture's station in Spot Bay, Cayman Brac.
3. To develop and design plans for a slaughter house and butcher shop in Cayman Brac.
4. To introduce a Draft Bill that for the humane slaughter and processing of meat from Domestic Livestock.
5. Project Planning and Design for expansion of storage and Laboratory facilities at the Department of Agriculture in Grand Cayman.

The key strategic ownership goals for **Radio Cayman** in 2004/5 and the subsequent two years are as follows:

1. Transition Radio Cayman into a Statutory Authority.
2. Become totally self-funding.
3. Upgrade studios.
4. Enhance Radio Cayman's output by purchasing new broadcast equipment, such as antennae.
5. Continue to develop staff through recurrent training

The key strategic ownership goals for the **Public Works Department** in 2004/5 and the subsequent two years are as follows:

1. To replace ageing vehicles in accordance with DVES replacement policy. Objective is that all vehicles comply with replacement policy over a three-year period (i.e. no cars older than 6yrs, no pick-up or transport vehicles older than 10yrs and no heavy equipment older than 15yrs). This will increase operational efficiency and effectiveness of the equipment stock; reduce the excessive maintenance costs experienced with ageing vehicles and progressively reduce the rental expenses incurred in replacing units during equipment downtime. As of 1 July 04, the Department will have 10# units, at an estimated replacement cost of \$221K, that are older than the replacement policy criteria. In 2004/5, 5# units will be replaced, subject to funding approval.
2. Continue to review and upgrade present forms of contracts for works and services where appropriate, to more suitable versions to suit present day circumstances. GC/Works/1 with quantities version was upgraded in 2003/4. The small works version of this contract will be

upgraded in 2004/5. Consultation with the private sector organisations will be an essential and integral part of the review process.

3. Investigate and hopefully implement new maintenance management software to improve efficiency in logging, monitoring and executing Client work-order activities.
4. Continue enhancements to the TRS package for PWD's site based group employees to improve reporting of activities within the business units ensuring greater accuracy in the costing of outputs, and improved management information on such activities.
5. Continue the implementation of a new computerised PWD specification document based on industry standard specification document, to improve efficiency in specification, construction and maintenance of projects.
6. Subject to funding, seek the appointment of a Human Resources manager to improve HR management skills within the Department and to prepare a Policies and Procedures Manual including health and safety requirements at work sites.
7. Continue improvements to the efficiency and effectiveness in the provision of PWD's maintenance services.
8. To successfully manage the stresses and challenges of change-mechanisms resulting from the transition to accrual accounting and to successfully complete this transition to the total satisfaction of the FMI Advisors and management supervision Agencies.
9. To review the organisation and staff in the Public Works Department

Achievement during Year

Prior to Hurricane Ivan substantial improvements were made to the grounds of the Spot Bay station in Cayman Brac.

Construction of the buildings associated with the Abattoir and the installation of major equipment progressed to stage of completion that allowed a formal hand over of the buildings to the Ministry. However, at the end of the 04/05 year there remained a number of outstanding matters to be fully executed prior to the commissioning of the facility into operation. A draft bill for the humane slaughter of animals was prepared by the legal draftsman and under went a series of reviews, in connection with staff of the Department of Environment Heath (DEH). An agreement was reached between the two departments that DEH and DoA, that revisions of the draft should reflect the DEH as regulator and DoA as operator of the proposed new abattoir facility.

The Animal rescue Facility was completed and formally opened. The building stood up to the ravages of Hurricane Ivan remarkably well. There was minimal damage done to the structure.

The Agriculture Department successfully resumed its training of staff when institutions on island were up and running following the hurricane. The department mobilized all available resources and gave hurricane assistance to the farming and wider community. The assistance was given firstly towards clearing and bringing relief of all needed kind to people within as well as others external to the department. A focused Agricultural Sector assistance plan was initiated and an continued to be executed throughout the remaining fiscal year to bring assistance and relief to farmers in Grand Cayman and to a lesser degree Cayman Brac.

5 Ownership Performance Targets
5.1 Financial Performance

Financial Performance Measures	Annual Actual \$	Annual Budget \$	Annual Variance \$
Revenue from Cabinet	7,170,224	8,295,796	(1,125,572)
Revenue from ministries, portfolios, statutory authorities, government companies	9,918,139	9,430,642	487,497
Revenue from others	878,485	1,346,208	(467,723)
Surplus/deficit from outputs	(1,918,583)	1,148,000	(3,066,583)
Ownership expenses			
Operating Surplus/Deficit	(1,499,402)	124,031	(1,623,433)
Net Worth	1,619,061	12,262,890	10,643,829
Cash flows from operating activities	1,116,242	191,447	924,795
Cash flows from investing activities	(992,560)	(861,790)	(130,770)
Cash flows from financing activities	680,290	785,290	(105,000)
Change in cash balances	803,972	114,947	689,025

Explanation of Variances:

Financial Performance Ratios	Annual Actual	Annual Budget	Annual Variance
Current Assets: Current Liabilities (Working Capital)	72%	302%	(230%)
Total Assets: Total Liabilities	121%	1406%	(1285%)

Explanation of Variances:

5.2 Maintenance of Capability

Human Capital Measures	Annual Actual	Annual Budget	Annual Variance
Total full time equivalent staff employed			
Staff turnover (%)			0
Managers		5%	
Professional and technical staff		6%	0
Clerical and labourer staff		10%	0
			0
Average length of service (number of years in current position)		6 years	0
Managers			
Professional and technical staff		5 years	0
Clerical and labourer staff		15 years	0
Changes to personnel management system:			

Explanation of Variances:

Physical Capital Measures	Annual Actual \$	Annual Budget \$	Annual Variance \$
Value of total assets	3,749,114	10,110,960	
Asset replacements: total assets	26.5%	8.5%	
Book value of assets: initial cost of those assets	31.1%	76.3%	
Depreciation: cash flow on asset purchases	51.1%	23.0%	
Changes to asset management policies		None	

Explanation of Variances:

Major New Entity Capital Expenditures for the Year	Annual Actual \$	Annual Budget \$	Annual Variance \$
Hurricane repairs		690,280	0

Explanation of Variances:

Major Entity Capital Expenditures continuing from previous years	Annual Actual \$	Annual Budget \$	Annual Variance \$

Explanation of Variances:

5.3 Risk Management

Risk	Status of Risk	Action Taken During 2004/5 to Manage Risk	Financial Value of Risk
Lawsuits for libel or defamation			Unknown
Loss of electric power			Unknown
Staff retention and recruitment			Not quantifiable.
Funding for Capital Expenditure on Executive Assets to be appropriately sized to ensure Group employee work force appropriately employed on a full time basis			An increase of 5# persons costs an average of \$164K pa
Work related injuries to persons			Loss of equipment and or injury to persons, or property.
Inadequately planned appropriations create either the need for additional appropriations or force under-spending on planned projects.			Inadequate funding penalizes Vendors through delayed payments of commitments
Project Estimates prepared without due care and skill cause inappropriate funding allocations			Unable to quantify. Increase in use of supplementary process
Drivers of vehicles and operators of specialist equipment			High \$value claims, increased insurance premiums, or loss of insurance coverage

Explanation of Variances:

6 Equity Investments and Withdrawals

Equity Movement	Annual Actual \$	Annual Budget \$	Annual Variance \$
Equity Investment from Cabinet into the Ministry of Health Services, Agriculture, Aviation and Works	680,290	785,290	(\$105,000)
Capital (Equity) Withdrawal by Cabinet from the <i>[insert Ministry/Portfolio name]</i>			

Explanation of Variances:

Appendix: Financial Statements for the Year

CONTENTS

Statement of Responsibility
Operating Statement
Statement of Changes in Net Worth
Balance Sheet
Statement of Cash Flows
Statement of Accounting Policies
Notes to the Financial Statements

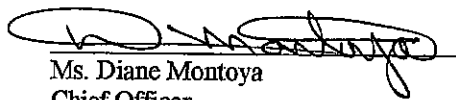
MINISTRY OF HEALTH SERVICES, AGRICULTURE, AVIATION AND WORKS STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

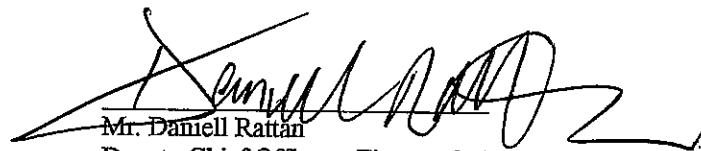
These financial statements have been prepared by the Ministry of Health Services, Agriculture, Aviation and Works in accordance with the provisions of the Public Management and Finance Law (2005 Revision)

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Law (2005 Revision).

To the best of our knowledge the financial statements:

- (a) are complete and reliable;
- (b) fairly reflect the financial position as at the year end 30 June 2005 and the financial performance for the 2004/5 financial year; and
- (c) comply with generally accepted accounting practice.


Ms. Diane Montoya
Chief Officer


Mr. Daniell Rattan
Deputy Chief Officer – Finance & Administration

Dated this 14th day of August, 2008, for Ministry of Health Services, Agriculture, Aviation and Works.

**MINISTRY OF HEALTH SERVICES, AGRICULTURE, AVIATION AND WORKS
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	Annual Actual \$000	Annual Budget \$000
Revenue			
Outputs to Cabinet		7,170	8,296
Outputs to other government agencies		9,918	9,430
Other Operating Revenue		187	0
Outputs to others		687	1,346
Interest Revenue		5	
Total Operating Revenue		17,967	19,072
Operating Expenses			
Personnel costs	1	9,721	10,593
Supplies and consumables	2	8,991	6,467
Depreciation	3	507	198
Capital charge		666	666
Other operating expenses		0	0
Total Operating Expenses		19,885	17,924
(Deficit)/Surplus from operating activities		(1,918)	1,148
Gains/losses on foreign exchange transactions		0	0
Gains/losses on disposal or revaluation of non-current assets		0	0
(Deficit)/Surplus before extraordinary items		(1,918)	1,148
Extraordinary items	14	419	(1,024)
Net (Deficit)/Surplus		(1,499)	124

The accounting policies and notes on pages 68 to 74 form part of these financial statements

MINISTRY OF HEALTH SERVICES, AGRICULTURE, AVIATION AND WORKS
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2005

	Annual Actual \$000	Annual Budget \$000
Opening balance net worth	2,438	11,353
Net (deficit)/surplus	(1,499)	124
Property revaluations		
Investment revaluations		
Net revaluations during the period		
Total recognised revenues and expenses		
Equity investment from Cabinet	680	785
Repayment of surplus to Cabinet		
Capital withdrawal by Cabinet		
Closing balance net worth	1,619	12,262

The accounting policies and notes on pages 68 to 74 form part of these financial statements.

MINISTRY OF HEALTH SERVICES, AGRICULTURE, AVIATION AND WORKS
BALANCE SHEET
AS AT 30 JUNE 2005

	Note	Annual Actual \$000	Annual Budget \$000
Current Assets			
Cash and cash equivalents	4	805	1,518
Accounts receivable	5	4,535	1,273
Inventories	6	3	14
Other Current Assets		192	27
Total Current Assets		<u>5,535</u>	<u>2,832</u>
Non-Current Assets			
Property, plant and equipment	7	3,749	10,111
Other non-current assets		2	258
Total Non-Current Assets		<u>3,751</u>	<u>10,369</u>
Total Assets		<u>9,286</u>	<u>13,201</u>
Current Liabilities			
Accounts payable	8	6,807	477
Unearned revenue		452	0
Employee entitlements	9	415	462
Other current liabilities		<u>(7)</u>	<u>0</u>
Total Current Liabilities		<u>7,667</u>	<u>939</u>
Non-Current Liabilities			
Employee entitlements	10	0	0
Other non-current liabilities	11	0	0
Total Non-Current Liabilities		<u>0</u>	<u>0</u>
Total Liabilities		<u>7,667</u>	<u>939</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u>1,619</u>	<u>12,262</u>
Net worth			
Contributed Capital		401	12,138
Accumulated Surpluses Prior Period		2,717	0
Accumulated (Deficit)/Surpluses Current Period		<u>(1,499)</u>	<u>124</u>
Total Net Worth		<u>1,619</u>	<u>12,262</u>

The accounting policies and notes on pages 68 to 74 form part of these financial statements.

**MINISTRY OF HEALTH SERVICES, AGRICULTURE, AVIATION AND WORKS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	Annual Actual \$000	Annual Budget \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Outputs to Cabinet		6,347	8,840
Outputs to other government agencies		6,785	8,887
Outputs to others		1,289	1,365
Interest received		5	0
Payments			
Personnel costs		(9,086)	(10,593)
Suppliers		(4,224)	(7,641)
Other payments		0	(666)
Net cash flows from operating activities	12	1,116	192
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets		(992)	(862)
Proceeds from sale of non-current assets			0
Net cash flows from investing activities		(992)	(862)
CASH FLOWS FROM FINANCING ACTIVITIES			
Equity investment		680	785
Repayment of surplus			
Capital withdrawal			
Net cash flows from financing activities		680	785
Net increase/(decrease) in cash and cash equivalents		804	115
Cash and cash equivalents at beginning of period		1	1,403
Cash and cash equivalents at end of period	4	805	1,518

The accounting policies and notes on pages 68 to 74 form part of these financial statements.

MINISTRY OF HEALTH SERVICES, AGRICULTURE, AVIATION AND WORKS
STATEMENT OF COMMITMENTS
AS AT 30 JUNE 2005

Type	One year or less	One to five years	Over five years	Total
	\$000	\$000	\$000	\$000
Capital Commitments				
Land and buildings	NA	NA	NA	NA
Other fixed assets	NA	NA	NA	NA
Other commitments [list separately if material]	NA	NA	NA	NA
Total Capital Commitments				
Operating Commitments				
Non-cancellable accommodation leases	NA	NA	NA	NA
Other non-cancellable leases	NA	NA	NA	NA
Non-cancellable contracts for the supply of goods and services	NA	NA	NA	NA
Other operating commitments	NA	NA	NA	NA
Total Operating Commitments				
Total Commitments				

The accounting policies and notes on pages 68 to 74 form part of these financial statements.

**MINISTRY OF HEALTH SERVICES, AGRICULTURE, AVIATION AND WORKS
STATEMENT OF CONTINGENT LIABILITIES
AS AT 30 JUNE 2005**

SUMMARY OF QUANTIFIABLE CONTINGENT LIABILITIES

	\$000
Legal Proceedings and Disputes	0
None	
Total Legal Proceedings and Disputes	0
None	
Other Contingent Liabilities	
None	0
Total Other Contingent Liabilities	0
Summary of Non-Quantifiable Contingent Liabilities	
None	

The accounting policies and notes on pages 68 to 74 form part of these financial statements.

**MINISTRY OF HEALTH SERVICES, AGRICULTURE, AVIATION AND WORKS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2005**

General Accounting Policies

Reporting entity

These financial statements are for the Ministry of Health Services, Agriculture, and Aviation & Works.

Basis of preparation

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Financial Reporting Standards and United Kingdom reporting standards applicable to the public sector have been used. The measurement base applied is historical cost adjusted for revaluations of certain assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently.

Reporting Period

The annual reporting period is the twelve months ended 30 June 2005.

As this is the first year in which financial statements have been prepared on an accruals basis no comparative figures are available or provided.

Specific Accounting Policies

Revenue

Output revenue

Output revenue, including entity revenue resulting from user charges or fees, is recognised when it is earned.

Interest revenue

Interest revenue is recognised in the period in which it is earned.

Expenses

General

Expenses are recognised when incurred.

Depreciation

Depreciation of non-financial physical assets is provided on a straight-line basis at rates based on the expected useful lives of those assets.

Assets

Cash and cash equivalents

Cash and cash equivalents include cash held in Ministry of Health Services, Agriculture, Aviation & Works bank account and any money held on deposit with the Portfolio of Finance and Economics (Treasury).

Receivables and advances

Receivables and advances are recorded at the amounts expected to be ultimately collected in cash.

Inventory

Inventories are recorded at the lower of cost and net current value. Where inventories are valued at cost, specific identification or the FIFO method has been used. Appropriate allowance has been made for obsolescence.

Property, Plant and Equipment (including Infrastructure Assets)

Buildings are recorded at historical cost (or fair value as at time of first recognition) or valuation.

Other plant and equipment, which includes motor vehicles and office equipment, is recorded at cost (or fair value if acquired prior to 2005) less accumulated depreciation.

Computer Hardware and Software

Computer hardware and software are recorded at cost, and depreciated in accordance with the policy on depreciation.

Liabilities**Accounts Payable**

Accounts payable are recorded at the amount owing after allowing for credit notes and other adjustments.

Provisions

Provisions are recognised in accordance with IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets.

Employee entitlements

Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognised as a liability.

Long service leave liabilities are measured as the present value of estimated leave service entitlements.

MINISTRY OF HEALTH SERVICES, AGRICULTURE, AVIATION AND WORKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1: PERSONNEL COSTS

	Annual Actual \$000	Annual Budget \$000
Salaries and wages (including employee pension contributions)	9,270	9,363
Employer pension expense	429	480
Other personnel costs	22	750
Total Personnel Costs	9,721	10,593

NOTE 2: SUPPLIES AND CONSUMABLES

	Annual Actual \$000	Annual Budget \$000
Supply of goods and services	8,027	4,552
Operating lease rentals	73	156
Other	891	1,759
Total Supplies and Consumables	8,991	6,467

NOTE 3: DEPRECIATION

	Annual Actual \$000	Annual Budget \$000
Buildings	92	51
Vehicles	302	112
Furniture and fittings	38	14
Computer hardware and software	27	19
Office equipment	3	0
Other plant and equipment	6	1
Other assets	39	1
Total Depreciation	507	198

Assets are depreciated on a straight-line basis as follows:

	Years
Buildings	60
Vehicles	20
Aeroplanes	
Boats	
Furniture and fittings	12
Computer hardware and software	3
Office equipment	5
Other plant and equipment	5
Other assets	

NOTE 4: CASH AND CASH EQUIVALENTS

	Annual Actual \$000	Annual Budget \$000
Cash on hand	1	0
Bank accounts	804	1,518
Deposits with Portfolio Finance and Economic (Treasury)	0	0
Total Cash and Cash Equivalents	805	1,518

NOTE 5: ACCOUNTS RECEIVABLE

	Annual Actual \$000	Annual Budget \$000
Outputs to Cabinet	883	554
Outputs to other government agencies	3,456	544
Outputs to others	0	22
Interest receivable	5	0
Prepayments	3	153
Interest Receivable	0	0
Other Receivables	188	0
Total Gross Accounts Receivable	4,535	1,273
Less provision for doubtful debts	0	0
Total Net Accounts Receivable	4,535	1,273

NOTE 6: INVENTORIES

	Annual Actual \$000	Annual Budget \$000
Raw Materials (including Consumable Stores)	3	14
Work in Progress	0	0
Finished Goods	0	0
Total Inventories	3	14

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	Cost or Revalued Amount \$000	30 June 2005 Book Value Actual \$000
Buildings	2,170	2,186
Vehicles	1,012	807
Aeroplanes	0	0
Boats	0	0
Furniture and fittings	230	218
Computer hardware and software	74	182
Office equipment	56	56
Other plant and equipment	47	47
Construction in progress	0	0
Other assets (list if material)	160	226
Total	3,749	3,722

NOTE 8: ACCOUNTS PAYABLE

	Annual Actual \$000	Annual Budget \$000
Trade Creditors	5,327	477
Operating lease rental	0	0
Accruals	1,480	0
Total	6,807	477

NOTE 9: EMPLOYEE ENTITLEMENTS (CURRENT)

	Annual Actual \$000	Annual Budget \$000
Long service leave and other leave entitlements	415	406
Other salary related entitlements	0	56
Total Employee Entitlements	415	462

NOTE 10. EMPLOYEE ENTITLEMENTS (NON-CURRENT)

	Annual Actual \$000	Annual Budget \$000
Long service leave and other leave entitlements	0	0
Other salary related entitlements	0	0
Total	0	0

NOTE 11: OTHER NON-CURRENT LIABILITIES

	Annual Actual \$000	Annual Budget \$000
Provision for agency revenue repayable	0	0
Provision for restructuring	0	0
Accounts payable	0	0
Unearned revenue	0	0
Other	0	0
Total	0	0

**NOTE 12: RECONCILIATION OF OPERATING SURPLUS TO CASH FLOWS
FROM OPERATING ACTIVITIES**

	Annual Actual \$000	Annual Budget \$000
Operating surplus/(deficit)	(1,499)	124
Non-cash movements		
Depreciation	507	198
Increase in provision for doubtful debts	0	0
(Decrease)/increase in payables/accruals	5,821	0
Net (gain)/loss from sale of fixed assets	0	(130)
Net gain/loss from sale of investments	0	0
Increase in other current assets	247	0
(Increase)/decrease in receivables	(3,960)	0
Net cash flows from operating activities	1,116	192

NOTE 13: RELATED PARTY DISCLOSURES

There are no related party transaction disclosures

NOTE 14: EXTRA ORDINARY ITEM

The extra ordinary item is made up of settlement of insurance claims and other expenses as a result of Hurricane Ivan. The Ministry received \$722,442 as a settlement on the insurance claims and had repair expenditures of \$303,260.

	Annual Actual \$000
Settlement of Insurance Claims	722
Less: Expenditures	303
	419