



Annual Report

of

Cabinet Office

Cayman Island Government

For the 2005/6 Financial Year

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1. Overview of Performance for the Year

Introduction

This annual report details the performance of the Cabinet Office for the fiscal year ending 30 June 2006. It includes information about outputs actually delivered during the year as compared to the planned performance documented in the Annual Budget Statement for the Cabinet Office for 2005/6, or as amended through the supplementary appropriation process. It also reports those aspects of ownership performance that were contained in the Annual Budget Statement for 2005/6 or as amended through the supplementary appropriation process.

Summary of Performance

Output Performance

Output delivery has fluctuated between the outputs based on where the demand for services was required.

Ownership Performance

The Cabinet Office has generated a small surplus during 2005-06 despite a slightly below budget revenue.



CABINET OFFICE

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STATEMENT OF RESPONSIBILITY FOR THE OUTPUT STATEMENTS

These output statements have been prepared by the Cabinet Office in accordance with the provisions of the Public Management and Finance Law (2005 Revision).

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

As Chief Officer and Chief Financial Officer, we are responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded in the output statements are authorised by law, and properly record the output transactions of the Cabinet Office.

As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Cabinet Office output statements and for the judgements made in them.

We are unable to represent that these output statements:

- (a) completely and reliably reflect the output transactions of Cabinet Office for the year ended 30 June 2006; or
- (b) fairly reflect the outputs delivered as at 30th June 2006.


Orrett Connor
Chief Officer
Date: 05/08/2010


Matthew Tibbetts
Chief Financial Officer
Date: 5/8/10



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Auditor General's Report

To the Cabinet Secretary and Members of the Legislative Assembly of the Cayman Islands

I was engaged to audit the accompanying statement of outputs delivered of the Cabinet Office for the year ended 30 June 2006 as set out on pages 6 to 33 in accordance with the provisions of Section 44(3) of the *Public Management and Finance Law (2005 Revision)*. The statement consists of the following nineteen outputs:

- CAB 1 - Policy Advice and Coordination
- CAB 2 - Coordinating and Monitoring Policy Implementation
- CAB 3 - Public Communications of Policy Initiatives
- CAB 4 - Administrative Support for Cabinet
- CAB 6 - Administrative and Secretarial Support for the Processing of Appeals
- CAB 7 - Preparation of Tax Undertaking Certificates
- CAB 8 - Ministerial Servicing for the Leader of Government Business
- CAB 10 - Hurricane Debris Removal
- PCF 1 – Provision of Protocol Services and Advice
- GIS 2 – Public Information Services and Products
- GIS 8 – Public Interest News Releases
- GIS 17 – Providing Content for the Government's Internet Portal
- CSD 12 – IT Policy, Procedure and Strategy Advice
- CSD 27 – Provision of Disaster Tolerant Central Information Technology Infrastructure
- CSD 34 - Provision of Government Wide Internet Portal
- UKO 1 – Policy Advice on Events in Europe
- UKO 2 – Promotion on the Cayman Islands in the UK
- UKO 5 – Information on Cayman Islands to Public in Europe
- UKO 7 – Consular Services

Management's Responsibility for the Statement of Outputs Delivered

Management is responsible for the preparation and fair representation 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 controls 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 Cabinet Office, for each output, for the year ended 30 June 2006:

1. A description of the outputs delivered;
2. The quantity of the output delivered;
3. The quality of the output delivered;
4. The delivery dates for the output delivered;
5. The place of delivery of the output delivered;
6. The price paid for the output delivered compared to the budgeted cost for each output as approved in the Budget 2005/06.

Auditor's Responsibility for the Statement of Outputs Delivered

I was engaged to conduct my audit in accordance with International Standards on Auditing. Because of the matters described in the basis of disclaimer of opinion paragraph below, I do not express an opinion on the statement of outputs.

Overall Scope Limitations

The parameters included for each of the output measures included in these statements have been provided to me by the Cabinet Secretary and are solely his responsibility. I do not review the basis of the determination of these parameters that measure each of the outputs, or for their appropriateness or relevance. Nor do I review 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 therein has been determined by the Cabinet Secretary's management in their best judgment and, as such, its accuracy and relevance are solely their responsibility.

Basis for Disclaimer for the Statement of Output Delivered

I was not presented with sufficient information to form an opinion as to whether the statement of outputs delivered is fairly presented in all material respects.

Disclaimer of Opinion for the Statement of Outputs Delivered

Because of the significance of the matter discussed in the preceding paragraph, I do not express an opinion on the statement of outputs delivered.

A. J. Swarbrick

Alastair J. Swarbrick, MA (Hons), CFE
Auditor General

Cayman Islands
05 August 2010



Part B
Statement of Outputs Delivered

CAB 1	Policy Advice and Coordination	\$216,373	
Description			
Development of policy proposals of Cabinet and the Leader of Government Business and the coordination of policy development between Ministries/Portfolios and other Government Sector Agencies.			
Measures	2005/6 Actual	2005/6 Budget	Variance
Quantity			
Number of pieces of advice prepared	64	50 - 160	-
Number of briefings	48	20 - 50	-
Number of Legislative drafting instructions examined	5	5 - 30	-
Number of policy initiatives reviewed	47	5 - 20	27
Quality			
Advice to Government agencies ensures the alignment of proposed policies with Government's and Related Specific Outcomes	95 - 100%	95 - 100%	-
Legislative drafting and policy initiatives are reviewed by senior personnel	97 - 100%	97 - 100%	-
Timeliness			
Legislation and activity proposals examined within 4 weeks	90 - 100%	90 - 100%	-
Advice on proposed legislation and activities offered within 2 weeks	90 - 100%	90 - 100%	-
Location			
Grand Cayman			
Cost (of producing the output)	\$241,065	\$216,373	\$24,692
Price (paid by Cabinet for the output)	\$216,373	\$216,373	-

Explanation of Annual Variances:

CAB 3	Public Communications of Policy Initiatives	\$89,134	
Description			
Coordinating public information and communications strategies of the Government relating to policy initiatives.			
Measures	2005/6 Actual	2005/6 Budget	Variance
Quantity			
• Number of press releases prepared	27	10 - 30	-
• Number of hours spent on coordinating communications	40	100 - 200	-
Quality			
Press releases contained accurate information and relates to policy initiatives	95 - 100%	95 - 100%	-
Timeliness			
Press releases issued with three working days of request	90 - 100%	90 - 100%	-
Location			
Grand Cayman			
Cost (of producing the output)	\$25,361	\$89,134	\$63,773
Price (paid by Cabinet for the output)	\$38,328	\$89,134	\$50,806

Explanation of Annual Variances:

CAB 4	Administrative Support for Cabinet	\$442,600	
Description			
Administrative support to Cabinet involving:			
• Prepare and Circulate Cabinet Agenda and Minutes to Members and Ministers • Prepare and Circulate Cabinet Extracts to Members and Permanent Secretaries • Arranging and preparing secretarial support for Cabinet meetings and subcommittees • Advising on procedures Re: Conduct of Cabinet meetings • Briefing the Cabinet • Preparing and Maintaining Code of Conduct for Ministers and Business Guide for Cabinet			
Measures	2005/6 Actual	2005/6 Budget	Variance
Quantity			
• Number of Agenda prepared and circulated	81	40 - 50	31
• Number of Minutes prepared and circulated	55	40 - 60	-
• Number of Extracts prepared and circulated	1542	1,500 - 2,000	-
• Number of Codes of Conduct prepared & maintained	2	1	1
• Number of Cabinet Briefings conducted	31	40 - 50	(9)
• Number of pieces of advice prepared	15	6 - 12	3
Quality			
• All Agendas, minutes and extracts are prepared in concordance with the Guidelines to the Operation of Cabinet	100%	100%	-
• Agendas signed by the Clerk to the Cabinet or Acting Clerk	100%	100%	-
• Minutes signed by the Governor or Acting Governor	100%	100%	-
• Briefings conducted by qualified and experienced personnel	100%	100%	-
• Advice provided is well researched, accurate, current and relevant	100%	100%	-
Timeliness			
• Agendas Circulated at least 2 working days prior to meetings	90 - 100%	90 - 100%	-
• Minutes Circulated at most 3 working day after meeting	90 - 100%	90 - 100%	-
• Extracts Issued at most 2 working days after confirmation of Minutes	90 - 100%	90 - 100%	-
• Meetings, briefings and advice provided within the time frame agreed upon	90 - 100%	90 - 100%	-
Location			
Grand Cayman			
Cost (of producing the output)	\$ 880,408	\$442,600	(\$437,808)
Price (paid by Cabinet for the output)	\$ 505,442	\$442,600	(\$62,842)

Explanation of Annual Variances:

CAB 6	Administrative and Secretarial Support for the Processing of Appeals	\$22,234		
Description				
Support for the Processing of appeals on behalf of Cabinet involving work permits, Caymanian status and permanent residence				
Measures	2005/6 Actual	2005/6 Budget	Variance	
Quantity				
Number of meetings supported and attended	29	20 - 28	1	
Quality				
Minutes issued are an accurate account of the meeting – signed by the chair of the meeting	95 - 100%	95 - 100%	-	
Appeals are processed in accordance with Immigration Laws and regulations	100%	100%	-	
Timeliness				
Minutes issued up to 3 working days after meeting to the chair of the meeting	90 - 100%	90 - 100%	-	
Location				
Grand Cayman				
Cost (of producing the output)	\$ 75,476	\$22,234	(\$53,242)	
Price (paid by Cabinet for the output)	\$20,010	\$22,234	\$2,224	

Note – The total cost of supplying this output is \$47,234. However, the receipt of \$25,000 from other third parties reduces this to \$22,234.

Explanation of Annual Variances:

CAB 7	Preparation of Tax Undertaking Certificates		\$195,219
Description			
Preparation and Distribution of:			
• Tax Undertaking Certificates for Exempted Companies, Trusts and Limited Partnerships • Licenses issued under Section 80d of the Companies Law			
Measures	2005/6 Actual	2005/6 Budget	Variance
Quantity			
• Number of Tax Undertaking Certificates issued	10,593	5,800 - 6,400	4,193.00
• Number of Licenses issued under Section 80 of the Company Law	6	200 - 240	(194)
Quality			
Tax undertaking certificates and licenses processed in accordance with the relevant Law and checked and signed by Clerk to the Cabinet or Deputy	100%	100%	-
Timeliness			
• Tax Undertaking Certificates issued 2 - 3 weeks from receipt or application	90 - 100%	90 - 100%	-
• Licenses issued up to 2 working days after confirmation of minutes	90 - 100%	90 - 100%	-
Location			
Grand Cayman			
Cost (of producing the output)	\$ 398,241	\$195,219	(\$203,022)
Price (paid by Cabinet for the output)	\$221,550	\$195,219	(\$26,331)

Explanation of Annual Variances:

CAB 8	Ministerial Servicing for the Leader of Government Business		\$204,184
Description			
Provision of support services to the Leader of Government Business including:			
- Ministerial Briefings - Responses to Parliamentary Questions - Preparation of Speeches and Presentations - Secretarial Services			
Measures	2005/6 Actual	2005/6 Budget	Variance
Quantity			
Number of Ministerial Briefings	17	2 - 10	7
Number of Responses to Parliamentary Questions	24	1 - 5	19
Number of Speaking Notes	31	5 - 10	21
Number of hours for miscellaneous ministerial support	12	1,000 - 2,000	(988)
Number of hours of secretarial support	155	1,000 - 2,000	(845)
Quality			
Ministerial Briefings Responses to Parliamentary Questions and Notes are prepared accurately, using robust data and analytical and appropriate methods to support findings and recommendations	95 - 100%	95 - 100%	-
All are subject to peer review and signed off/delivered by the Cabinet Secretary or other senior personnel	90 - 100%	90 - 100%	-
Timeliness			
Ministerial Briefings Responses and Notes are delivered by target dates	95 - 100%	95 - 100%	-
Responses to Parliamentary Questions are prepared within the timeframe set by the Leader of Government Business	95 - 100%	95 - 100%	-
Location			
Grand Cayman			
Cost (of producing the output)	\$99,939	\$204,184	\$104,244
Price (paid by Cabinet for the output)	\$15,696	\$204,184	\$188,488

Explanation of Annual Variances:

CAB 10	Hurricane Debris Removal	\$2,500,000	
Description			
Removal and processing debris generated from Hurricane Ivan including:			
• Removal of debris • Management and disposal of debris • Screening and reclamation of sand • Collection and processing of derelict vehicles			
Measures	2005/6 Actual	2005/6 Budget	Variance
Quantity			
• Cubic yards of debris removed (thousands)	115.21	70 - 100	15.21
• Cubic yards of debris managed and processed (thousands)	-	70 - 100	(70)
• Cubic yards of sand screened (thousands)	3,279	-	-
• Number of vehicles collected and processed		500-1,500	1,779
Quality			
Recovery activity prioritised and completed in accordance with priorities established by Cabinet	100%	100%	-
Timeliness			
Duration of clean up	Jul - Dec 05	Jul - Dec 05	-
Location			
Grand Cayman			
Cost (of producing the output)	\$1,144,504	\$2,500,000	\$1,355,496
Price (paid by Cabinet for the output)	\$2,497,519	\$2,500,000	\$2,481

Explanation of Annual Variances:

PCF 1	Provision of Protocol Services and Advice		\$300,000
Description Providing protocol services to Government agencies including: • Advice on protocol matters • Training officer responsible for protocol matters			
Measures	2005/6 Actual	2005/6 Budget	Variance
Quantity • Number of hours of advice on protocol matters • Number of officers trained in protocol matters	- -	900 - 1,100 5 - 10	(900) (5)
Quality • Protocol advice and training is provided by suitably experienced staff • Protocol advice and training is in accordance with internal guidelines	NA	100% 100%	NA
Timeliness Advice and training are delivered in line with timetables agreed with relevant Chief Officers and Heads of Department	NA	95 - 100%	NA
Location Grand Cayman			
Cost (of producing the output)	-	\$300,000	(300,000)
Price (paid by Cabinet for the output)	-	\$300,000	(300,000)

Note: This is a new output for 2005/06.

Explanation of Annual Variances:

The Protocol Office is currently not up and running.

GIS 2	Public Information Services and Products		\$93,498
Description Public information services and involving: - Information provided at the public's request on Government Matters - Calendar of Events - Press Contact handled at non government request			
Measures	2005/6 Actual	2005-6 Budget	Variance
Quantity - Number of hours spent providing information at the public's request - Number of overseas press contacts handled, including responses to enquiries - Issues of Calendar of Events published	1,999 26 29	1,400 - 1,600 200 - 300 40 - 52	399 -174 -11
Quality - Information to the Public provided by experienced Information Officers - Substantiated complaints from overseas media reporting inaccurate info received - Issues of the Calendar free of factual errors originating with GIS	100% - 95%	100% - 95 - 100%	- - -
Timeliness - Information provided to the public in accordance with timescale agreed with the requestor - Response to overseas press within 24 hrs - Calendar updated and put in on government website each Friday	100% 100% 95%	100% 90 - 100% 95 - 100%	- - -
Location Grand Cayman			
Cost (of producing the output)	\$151,715	\$93,498	(\$58,217)
Price (paid by Cabinet for the output)	\$199,608	\$93,498	(\$106,110)

Explanation of Variances:

The Calendar of Events was not being updated since the person responsible left GIS and the task had not yet been re-assigned. The number of overseas press contacts handled has decreased because:

1. The bulk of overseas inquiries in the past evolved around financial services issues. These calls are now being re-directed to the Portfolio of Finance which now has in place its own internal PR agency. We may have to revise down our expectation, now that FS has its own overseas media response agency.
2. Over the course of this quarter, GIS did handle a number of overseas inquiries relative to the active hurricane season, but these were not itemized separately for billing, because in carrying out the services of crisis communications for the NHC, GIS converts operations into an emergency communication centre, and bills for time, rather than products.

GIS 8	Public Interest News Releases	\$14,479	
Description Provision of News Releases on subjects of interest to the public			
Measures	2005/6 Actual	2005/6 Budget	Variance
Quantity			
Number of news release issued to the media	165	46 - 55	110
Quality			
News releases accurately reflect issues being reported	100%	95 - 100%	-
Timeliness			
News releases issued to the media within two working days of request	100%	95 - 100%	-
Location			
Grand Cayman			
Cost (of producing the output)	\$311,156	\$14,479	(\$296,677)
Price (paid by Cabinet for the output)	\$191,382	\$14,479	(\$176,903)

Note: The total cost of supplying this output is \$243,557; however, the actual receipt of \$229,072 from other Government agencies reduces this to \$14,479.

Explanation of Annual Variances:

This new GIS-initiated press release strategy was introduced near 1 August 2005, a month into the quarter. As a new offering, the budgeted "estimate" did not have a precedent to serve as a basis. It should also be noted that we want to encourage clients to be proactive and therefore to bear the cost of their public information programmes, so while we offer this opportunity to clients, we anticipate that the more involved clients are, the lower the figure for GIS- initiated releases will be.

GIS 17	Providing Content for the Government's Internet Portal		\$32,658
Description Providing content for the Government's Internet Portal including; • Information items not covered by a news release • Adding special reports and items written by other Government Departments • Maintaining standing information such as information on Chief Officers etc.			
Measures	2005/6 Actual	2005/6 Budget	Variance
Quantity			
Number of hours spent on the composition of content for internet portal	470	510 - 610	(40)
Quality			
Internet portal content meets internal guidelines on accuracy and content	100%	95 - 100%	-
Timeliness			
Content updated on the web site within two working days of receipt	100%	95 - 100%	-
Location			
Grand Cayman			
Cost (of producing the output)	\$31,643	\$32,658	\$1,015
Price (paid by Cabinet for the output)	\$26,048	\$32,658	\$6,610

Note: This is a new output in 2005/06.

Explanation of Annual Variances:

GIS devoted its resources to development of content for Government's (NHC's) Emergency Management Website, CaymanPrepared.ky. The other factors are that web development was requested and paid by other Government Departments e.g., Freedom of Information. This left time only for web maintenance relative to the usual web-based demands. Please note that this maintenance includes developing web pages that could potentially be billed to a specific department or Ministry. For example for the Ministry of DAPAH web pages were developed on the Builders' Bill and the Government Office Accommodation Project; the Immunization Schedule was produced for Public Health.

CSD 12	IT Policy, Procedure and Strategy Advice	\$20,183		
Description				
Develop Information Technology Policies, Procedures, and strategies for the Ministry, Government Agencies and the Computer Services Department.				
Measures	2005/6 Actual	2005/6 Budget	Variance	
Quantity				
- Number of hours of advice provided - Number of policies developed	- -	100 - 200 1 - 10	(100) (1)	
Quality				
- Work complete and concise covering all issues, meeting deliverables raised in Initial request - Work performed at most appropriate standards with all due professional care	0% 0%	80% 80%	(80%) (80%)	
Timeliness				
Complete requirements; produce relevant reports and recommendations to deadline agreed with customer	0%	80%	(80%)	
Location				
Grand Cayman and Cayman Brac				
Cost (of producing the output)	\$ 58,666	\$20,183	(\$38,483)	
Price (paid by Cabinet for the output)	-	\$20,183	\$20,183	

Explanation of Annual Variances:

CSD 26	Provision of Government Wide Internet Portal	\$66,602	
Description The provision of the IT infrastructure for the Government's internet portal www.gov.ky including • Hosting the web site on central servers • Protecting the site against unauthorized access and viruses • Updating the site architecture as required • Support for day to day problems with accessing and updating the site			
Measures	2005/6 Actual	2005/6 Budget	Variance
Quantity Number of days on which the Government's internet portal is accessible to internet users 24 hours a day	91	359 - 365	268
Quality Services are delivered using Industry Standard Web portal technologies	100	95 - 100%	-
Timeliness Web site provides is available to the public as a source of information 24 hours a day, seven days a week.	100	95 - 100%	-
Location Grand Cayman			
Cost (of producing the output)	\$8,924	\$66,602	\$57,678
Price (paid by Cabinet for the output)	-	\$66,602	\$66,602

Note: This is a new output in 2005/06.

Explanation of Annual Variances:

CSD 27	Provision of a Disaster Tolerant Central IT Infrastructure	\$188,578	
Description The provision of an IT infrastructure which is highly tolerant to disasters such as hurricanes including; • A secure physical location for central Government file servers • The duplication of essential Government applications servers • A secure physical location for data back up • A location from which essential systems procedures can be carried out in the event of existing facilities being unavailable			
Measures	2005/6 Actual	2005/6 Budget	Variance
Quantity			
Number of file servers housed in secure facilities	25	25 - 50	-
Quality			
• Secure facilities rated as to withstand a category 5 hurricane and/or coastal flooding of 15 feet	100%	100%	-
• Facilities equipped with back up utilities to keep the IT systems running in the event of a category 5 hurricane and/or coastal flooding of 15 feet	100%	100%	-
Timeliness			
Secure facilities operational 24 hours a day, 7 days a week	100%	95 - 100%	-
Location			
Grand Cayman			
Cost (of producing the output)	\$77,521	\$188,578	\$111,057
Price (paid by Cabinet for the output)	\$81,717	\$188,578	\$106,861

Note: This is a new output in 2005/06.

Explanation of Annual Variances:

UKO 1	Policy Advice on Events in Europe		\$64,595
Description Provision of Policy Advice and information to Government agencies on events and policies in the UK and Europe based on Press and Media Reports, Parliamentary Reports, European Union Reports, Trade Reviews, Financial Publications, Statistical Data etc.			
Measures	2005/6 Actual	2005/6 Budget	Annual Variance
Quantity			
Number of pieces of advice provided to Government agencies	241	150 - 200	41
Quality			
Advice is provided by qualified personnel	100%	98 - 100%	0%
Timeliness			
Advice sent to the relevant Government agency 0 - 3 working days following the identification of relevant issues	100%	98 - 100%	0%
Location			
London Office			
Cost (of producing the output)	\$78,133	\$64,595	(\$13,538)
Price (paid by Cabinet for the output)	\$81,205	\$64,595	(\$16,610)
Related Broad Outcomes: 9: Support the Economy 10: Open, Transparent, Honest and Efficient Public Administration			

Note: This was formally output PIE 7 under the Portfolio of Internal and External Affairs.

Explanation of Annual Variances:

UKO 2	Promotion of the Cayman Islands in the UK	\$271,242	
Description Promotion of the Cayman Islands through: • Participating in meetings, conferences, and official functions • Involvement with media organizations and other associates • Administration and support for the All Party Parliamentary Group for the Cayman Islands • Administration and support for the Friends of Cayman group • Participation in the United Kingdom Overseas Territory Association			
Measure	2005/6 Actual	2005/6 Budget	Annual Variance
Quantity • Number of meetings, conferences, and official functions attended • Number of media contacts, press releases etc		300 - 400 100 - 200	300 - 400 100 - 200
Quality Persons promoting the Cayman Islands are well versed in all aspects of the Cayman Islands and are able to network as required		100%	100%
Timeliness • Attendance at functions, conferences and meetings subject to invitation • Media activities as dictated by media requests or opportunities		100% 100%	100% 100%
Location London			
Cost (of producing the output)	\$339,747	\$271,242	(\$68,505)
Price (paid by Cabinet for the output)	\$251,403	\$271,242	\$19,839
Related Broad Outcomes: 9: Support the Economy			

Note: This was formally output PIE 8 under the Portfolio of Internal and External Affairs.

Explanation of Annual Variances:

UKO 5	Information on Cayman Islands to Public in Europe	\$84,965		
Description Provision of information on the Cayman Islands to companies and the public in the UK and Europe				
Measures	2005/6 Actual	2005/6 Budget	Annual Variance	
Quantity				
Verbal and written responses to enquiries	653	600 - 1,000	-	
Quality				
Information provided is in accordance with published data and relevant legislation	98 - 100%	98 - 100%	-	
Timeliness				
All enquires answered: immediately - 2 working days	98 - 100%	98 - 100%	-	
Location				
London Office				
Cost (of producing the output)	\$94,776	\$84,965	(\$9,811)	
Price (paid by Cabinet for the output)	\$58,978	\$84,965	\$25,987	
Related Broad Outcomes: 9: Support the Economy 10: Open, Transparent, Honest and Efficient Public Administration				

Note: This was formally output PIE 11 under the Portfolio of Internal and External Affairs.

Explanation of Annual Variances:

UKO 7	Consular services	\$57,881	
Description Provision of assistance to Caymanians resident or visiting the United Kingdom including: • Assistance with visa and passport enquiries; • Assistance to Caymanians in custody or in prison in the UK; • Assistance to Caymanians hospitalized or with medical referrals to the UK;			
Measures	2005/6 Actual	2005/6 Budget	Annual Variance
Quantity			
Number Caymanians assisted	NA	100 - 200	NA
Quality			
Assistance provided by Civil Servants experienced in dealing with the UK public sector agencies	NA	100%	NA
Timeliness			
All assistance provided within four working days	NA	95 - 100%	NA
Location			
London Office			
Cost (of producing the output)	\$ 64,979	\$57,881	(\$7,098)
Price (paid by Cabinet for the output)	-	\$57,881	\$57,881
Related Broad Outcomes: 10: Open, Transparent, Honest and Efficient Public Administration			

Note: This is a new output in 2005-06.

Explanation of Annual Variances:

Part C

**Ownership Performance Achieved During the Year
(Unaudited)**

3. Nature and Scope of Activities

Approved Nature and Scope of Activities

General Nature of Activities

Providing support for Leader of Government Business and the Cabinet; providing critical infrastructure support and management of Government's information technology assets; providing for a well-informed populace through the communication of information relating to the activities of Government agencies; providing advice and support to Government agencies with responsibility for protocol services; providing a range of services relating to official visits and promotion of the Cayman Islands from an office in the United Kingdom.

Scope of Activities

- Support for the Cabinet in coordinating the collection and dissemination of information regarding the decisions of the Cabinet.
- Coordinating and monitoring the policy initiatives of the Government and providing secretarial, administrative and policy support for the Leader of Government Business.
- Providing information technology advice, evaluation and consulting services; establish IT standards; procure, install, maintain and support computer equipment, network and computing services; provide analysis, design, programming, implementation and support for software solutions; provide support and assistance for office automation and related products; procure and distribute computing consumables; provide centralised photocopying, printing, mail, fax distribution and associated services.
- Providing for the support of government agencies in communicating proactively and responsively with the public, utilising the mass media as primary partners.
- Providing advice and training to Government agencies on protocol for officials visiting the Cayman Islands.
- Providing a range of services relating to promotion, information, recruitment and official visits from an office based in the United Kingdom

Customers and Location of Activities

The customers of the Cabinet Office are the Governor (as President of the Cabinet), Leader of Government Business, Members of the Legislative Assembly, Government agencies in the Cayman Islands, Governments of other Overseas Territories in the region, the general public, visitors, public and private organisations, and public servants.

The Cabinet Office provides services throughout the Cayman Islands and in the United Kingdom

Compliance during the Year

During 2005/06 the Cabinet Office has operated within the nature and scope of activities approved above.

4. Strategic Ownership Goals

Approved Strategic Ownership Goals

The key strategic ownership goals for the Cabinet Office in 2005/6 and the subsequent two years are as follows:

- Completing the establishment of the Cabinet Policy Coordination Unit and the Protocol Unit
- The establishment of mechanisms to improve the coordination of Government Policy, encourages innovation and creativity in policymaking, and identify and oversee policy which cuts across a number of Ministries and Portfolios
- The development of a set of modelling tools and information sources in order to assess the impact of Government Policy
- Upgrade Government Information Technology infrastructure network resilience, Internet and electronic transaction security, making Government less susceptible to loss of revenue and productive as a result of damage to computing equipment.
- Increase and improve the quality and depth of consulting and project management service offerings to Government Agencies.
- To extend the functionality of the Government hosted Internet Portal and e-Government services in partnership with Government Departments Agencies. To produce an e-Government strategy
- Improve the training and retention of key staff in order to provide viable succession plans for the department.
- Maintain, and where possible improve, the capability of the available fixed asset base for use in the delivery of outputs.
- Facilitate the completion of any further constitutional review exercises in accordance with the timetable set by the Government.
- Implement the requirements of the Public Personnel Management Bill following its enactment.
- Create greater administrative efficiency to ensure that all services to Government Agencies are provided in a timely, quality- oriented, customer focused, efficient and effective manner

Achievement during Year

Progress has been made in the achievement of all of the approved strategic goals.

5. Ownership Performance Targets

5.1 Financial Performance

Financial Performance Measures	2005/6 Actual \$000	2005/6 Budget \$000	Annual Variance \$000
Revenue from Cabinet	3,464	5,056	1,592
Revenue from ministries, portfolios, statutory authorities, government companies	10,453	10,736	283
Revenue from others	702	364	(338)
Surplus/deficit from outputs	1,557	-	(1,557)
Ownership expenses	-	-	-
Operating Surplus/Deficit	1,557	-	(1,557)
Net Worth	4,306	7,126	2,820
Cash flows from operating activities	183	1,095	912
Cash flows from investing activities	(875)	(2,514)	(1,639)
Cash flows from financing activities	-	1,608	1,608
Change in cash balances	(691)	189	880

Explanation of Variances:

Financial Performance Ratios	2005/6 Actual	2005/6 Budget	Annual Variance
Current Assets: Current Liabilities (Working Capital)	139%	282%	143%
Total Assets: Total Liabilities	180%	484%	304%

Explanation of Variances:

5.2 Maintenance of Capability

Human Capital Measures	2005/6 Actual	2005/6 Budget	Annual Variance
Total full time equivalent staff employed	25	21	4
Staff turnover (%) Managers	15%	15%	-
Professional and technical staff	11%	11%	-
Clerical and labourer staff	25%	30%	(5%)
Average length of service (number of years in current position) Managers	3	3	-
Professional and technical staff	2.7	2.7	-
Clerical and labourer staff	8	6	2
Changes to personnel management system:			

Explanation of Variances:

Physical Capital Measures	2005/6 Actual	2005/6 Budget	Annual Variance
Value of total assets	\$9,679,841	\$8,983,056	\$696,785
Asset replacements: total assets	9%	27%	(18%)
Book value of assets: initial cost of those assets	51%	23%	28%
Depreciation: cash flow on asset purchases	239%	78%	161%
Changes to asset management policies	None	None	-

Explanation of Variances:

Major <u>New</u> Entity Capital Expenditures for the Year	2005/6 Actual \$	2005/6 Budget \$	Annual Variance \$
Fit out of Disaster Tolerant Recovery Site	560,000	560,000	-
Central infrastructure replacement	200,000	200,000	-
Replacement of Fire Suppression Systems in Computer Services Department	120,000	120,000	-

Explanation of Variances:

Major Entity Capital Expenditures continuing from previous years	2005/6 Actual \$	2005/6 Budget \$	Annual Variance \$
None	-	-	-

Explanation of Variances:

5.3 Risk Management

Key risks faced by the Portfolio	Status of Risk	Action Taken During 2005/6 to Manage Risk	Financial Value of Risk
Natural Disaster – Loss of Vital Information	Unchanged	Employees transfer vital Information on a regular basis to the Archives Archiving of application files and other documents Off site real-time copies of data	
Security of Confidential Documents	Unchanged	All confidential documents e.g. Personnel Records, are kept locked away in cabinets and are only accessed by authorized personnel.	
Providing incorrect advice to client agencies	Increased risk due to Creation of Protocol	- Ensure personnel are trained in the analysis of policy and protocol impacts - Policy Unit personnel to be familiar with the current division of policy responsibilities between Government agencies - Protocol Unit personnel to be familiar with the current protocol guidelines	
Staff retention and recruitment	Continued decrease in competitiveness with private sector and the global market from freeze of salary increments, elimination of COS, and large cost of living increases	- Upgrade and promote staff in high demand positions. - Create job advertisements that inform potential new employees of the intangible benefits of living in the Cayman islands - Sharing of responsibilities by current staff - Succession Planning	
Destruction, damage or loss of Assets due to Natural Disaster	Establishing disaster tolerant facilities at Grand Cayman and on Cayman Brac	- Prevention and Recovery: - Provide back-up devices - Build disaster tolerant data communications room. - Provide training	

		exercises and preparedness • Regular Fire Inspections	
Breach of Central Government Computer Security	None	• Implement IT audits and hire an experienced IT security manager • Approve an IT user policy	
Loss of Government's networked computer system	None	• Progressively update core IT infrastructure	

Explanation of Variances:

6 Equity Investments and Withdrawals

Equity Movement	2005/6 Actual \$	2005/6 Budget \$	Annual Variance \$
Equity Investment from Cabinet into the <i>Cabinet Office</i>	-	-	-
Capital (Equity) Withdrawal by Cabinet from the <i>Cabinet Office</i>	-	-	-

Explanation of Variances:

Part D
Financial Statements for the Year



CABINET OFFICE

Cayman Islands Government
Government Administration Building
Grand Cayman, Cayman Islands, BWI
TEL: 244- 2292
FAX: 949-0650

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Cabinet Office 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)*.

As Chief Officer and Chief Financial Officer, we are responsible for establishing; and have established and maintain a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Cabinet Office.

As Chief Officer and Chief Financial Officer, we are responsible for the preparation of the Cabinet Office financial statements and for the judgements made in them.

The financial statements fairly present the statement of financial performance, statement of changes in net assets, statement of financial position and cash flow statement for the financial year ended 30 June 2006.

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

- (a) completely and reliably reflect the financial transactions of Cabinet Office for the year ended 30 June 2006;
- (b) fairly reflect the financial position as at 30th June 2006 and performance for the year ended 30th June 2006; and
- (c) comply with International Public Sector Accounting Standards under the responsibility of the International Accounting Standards Board.

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

Orrett Connor
Chief Officer
Date: 05/08/2010

Matthew Tibbetts
Chief Financial Officer
Date: 5/8/10



Cayman Islands

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Auditor General's Report

To the Cabinet Secretary and Members of the Legislative Assembly of the Cayman Islands

I have audited the accompanying financial statements for the Cabinet Office, which comprise the statement of financial position as at 30 June 2006 and the statement of income, statement of changes in net worth and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 43 to 49 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 controls 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 Qualified Opinion

Inventories

There was no inventory count performed at June 30, 2006 and as a result I am unable to evaluate the accuracy of the amount on the statement of financial position for inventory. In addition, I was unable to carry out satisfactory audit procedures to obtain reasonable assurance for the existence of inventory at June 30, 2006.

Property, plant and equipment

As the Cabinet Office did not maintain proper records, I was unable to satisfy myself as to the completeness, existence and valuation of property, plant and equipment amounting to \$2.2M on the statement of financial position.

Net worth

I was unable to satisfy myself that the amount reported for net worth on the statement of financial position in the amount of \$4.3M at 30 June 2006 was fairly stated because of the lack of adequate records.

Lack of supporting documents for operating expenses

I was unable to satisfy myself as to the validity and accuracy of operating expenses recorded on the statement of financial performance in the amount of \$438,795. The expenses relate to the operations of the Government Information Services department.

Qualified Opinion

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the existence and valuation of fixed assets and inventory and the accuracy of net worth, as well as the validity of operating expenses, the financial statements present fairly, in all material respects, the financial position of the Cabinet Office as of 30 June 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Emphasis of Matter

Some requirements for presentation and disclosures under IPSAS have not been complied with. This lack of disclosure is material to the readers' ability to understand these financial statements.

A handwritten signature in blue ink, appearing to read 'A. J. Swarbrick'.

Alastair J. Swarbrick, MA (Hons), CPFA
Auditor General

Cayman Islands
05 August 2010

**CABINET OFFICE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2006**

		2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Revenue	Note			
Outputs to Cabinet		3,464	5,056	1,014
Outputs to other government agencies		10,453	10,736	-
Outputs to others		702	364	18
Interest Revenue		29	-	14
Total Operating Revenue		14,648	16,156	1,046
Operating Expenses				
Personnel costs	1	5,637	6,722	405
Supplies and consumables	2	4,659	4,580	355
Depreciation	3	1,389	1,966	8
Capital charge	12	396	389	90
Total Operating Expenses		12,081	13,657	858
Surplus from operating activities		2,567	2,499	188
Gains/losses on foreign exchange transactions		-	-	-
Gains/losses on disposal or revaluation of non-current assets		-	-	-
Surplus before extraordinary items		2,567	2,499	188
Extraordinary items				
Extraordinary outputs – expense		1,010	2,499	15,787
Extraordinary outputs - revenue		-	-	16,731
Total Extraordinary items		1,010	2,499	944
Net Surplus		1,557	-	1,132

The Notes to the Financial Statements form an integral part of these financial statements.

**CABINET OFFICE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2006**

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Opening balance net worth	1,235	6,448	-
Net surplus	1,557	677	1,132
Property revaluations	-	-	-
Investment revaluations	-	-	-
Net revaluations during the period	-	-	-
Total recognised revenues and expenses	-	677	1,132
 Equity investment from Cabinet	 4,203	 -	 119
Repayment of surplus to Cabinet	(2,689)	-	-
Capital withdrawal by Cabinet	-	-	(16)
Closing balance net assets	4,306	7,126	1,235

The Notes to the Financial Statements form an integral part of these financial statements.

**CABINET OFFICE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2006**

	Note	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Current Assets				
Cash and cash equivalents	4	1,070	2,863	1,761
Accounts receivable	5	6,228	1,870	93
Inventories	6	175	188	-
Other Assets		-	323	-
Total Current Assets		7,473	5,244	1,854
Non-Current Assets				
Property, plant and equipment	7	2,206	3,740	35
Other non-current assets		-	-	-
Total Non-Current Assets		2,206	3,740	35
Total Assets		9,679	8,983	1,889
Current Liabilities				
Accounts payable	8	1,555	1,558	342
Unearned revenue		143	-	-
Employee entitlements	9	157	182	81
Other current liabilities	10	3,517	117	231
Total Current Liabilities		5,372	1,857	654
Non-Current Liabilities				
Employee entitlements	11	1	-	-
Other non-current liabilities		-	-	-
Total Non-Current Liabilities		1	-	-
Total Liabilities		5,373	1,857	654
NET ASSETS		4,306	7,126	1,235
NET ASSETS / EQUITY				
Contributed capital		4,306	6,449	103
Asset revaluation reserve		-	-	-
Accumulated surpluses		-	677	1,132
TOTAL NET ASSETS / EQUITY		4,306	7,126	1,235

The Notes to the Financial Statements form an integral part of these financial statements.

**CABINET OFFICE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Outputs to Cabinet		1,135	5,026	938
Outputs to other government agencies		7,811	9,611	-
Outputs to others		1,518	359	19
Interest received		29	-	14
Extraordinary receipts		-	-	16,731
Payments				
Personnel costs		(5,170)	(6,722)	(380)
Suppliers		(5,135)	(4,291)	(260)
Other payments		-	(389)	-
Extraordinary payments		-	(2,500)	(15,414)
Net cash flows from operating activities	13	183	1,095	1,648
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of non-current assets		(875)	(2,514)	(6)
Proceeds from sale of non-current assets		-	-	-
Net cash flows from investing activities		(875)	(2,514)	(6)
CASH FLOWS FROM FINANCING ACTIVITIES				
Equity investment		-	2,285	119
Repayment of surplus		-	(677)	-
Capital withdrawal		-	-	-
Net cash flows from financing activities		-	1,608	119
Net increase/(decrease) in cash and cash equivalents		(691)	189	1,761
Cash and cash equivalents at beginning of period		1,761	2,674	-
Cash and cash equivalents at end of period	4	1,070	2,863	1,761

The Notes to the Financial Statements form an integral part of these financial statements.

CABINET OFFICE NOTES TO THE FINANCIAL STATEMENTS

General Accounting Policies

Reporting entity

These financial statements are for the Cabinet Office. The Cabinet Office is comprised of several departments namely Cabinet Office, Computer Services Department, Government Information Services, Temporary Housing Initiative, London Office and Protocol Office. In general, these are the Outputs to Cabinet and other government agencies namely to support for Leader of Government Business and the Cabinet; provides critical infrastructure support and management of Government's information technology assets; providing for a well-informed populace through the communication of information relating to the activities of Government agencies; providing advice and support to Government agencies with responsibility for protocol services; providing a range of services relating to official visits and promotion of the Cayman Islands from an office in the United Kingdom.

Basis of preparation

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Accounting 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 for the twelve months ended 30 June 2006.

As this is the second year in which financial statements have been prepared on an accruals basis and 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 the Cabinet Office 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.

*Employee Benefits**a) Annual leave entitlement*

Annual leave due, but not taken, is recognised as a current liability at current rates of pay.

b) Pension obligations

Pension contributions for employees of the Portfolio of the Civil Service are paid to the Public Service Pensions Fund (the "Fund"). The fund is administered by the Public Service Pensions Board and is operated as a multi-employer non-contributory Fund, whereby the employer pays both employer and employee contributions. Prior to 1 January 2000 the scheme underlying the Fund was a defined benefit scheme. With effect from 1 January 2000 the Fund had both a defined benefit and a defined contribution element. Participants joining after that date became members of the defined contribution element. Pension scheme contributions are included in the personnel costs in the statement of income.

The Public Service Pension Liability for all civil servants (both current and past) is an executive liability managed by the Hon. Financial Secretary. This liability is reported on the Hon. Financial Secretary's executive financial statements.

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.

NOTE 1: PERSONNEL COSTS

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Salaries and wages (including employee pension contributions)	5,305	6,576	350
Employer pension expense	261	146	19
Other personnel costs	70	-	36
Total Personnel Costs	5,637	6,722	405

NOTE 2: SUPPLIES AND CONSUMABLES

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Supply of goods and services	3,911	3,460	299
Operating lease rentals	748	932	56
Other	-	188	-
Total Supplies and Consumables	4,659	4,580	355

NOTE 3: DEPRECIATION

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Buildings	-	-	-
Other Infrastructure Assets	118	-	-
Vehicles	2	4	-
Aeroplanes	-	-	-
Boats	-	-	-
Furniture and fittings	16	18	2
Computer hardware and software	1,223	1,894	6
Office equipment	14	3	-
Other plant and equipment	9	47	-
Other assets	6	-	-
Total Depreciation	1,389	1,966	8

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

	Years
Buildings	N/A
Vehicles	4 - 5
Aeroplanes	N/A
Boats	N/A
Furniture and fittings	10 - 20
Computer hardware and software	3 - 10
Office equipment	5 - 10
Other plant and equipment	4 - 25
Other assets	N/A

NOTE 4: CASH AND CASH EQUIVALENTS

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Cash on hand	-	149	-
Bank accounts	1,070	2,714	1,761
Deposits with Portfolio Finance and Economic (Treasury)	-	-	-
Total Cash and Cash Equivalents	1,070	2,863	1,761

NOTE 5: ACCOUNTS RECEIVABLE

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Outputs to Cabinet	578	112	93
Outputs to other government agencies	5,377	1,074	-
Outputs to others	-	101	-
Interest receivable	-	-	-
Prepayments	273	4	-
Interest Receivable	-	-	-
Other Receivables	-	578	-
Total Gross Accounts Receivable	6,228	1,870	93
Less: provision for doubtful debts	-	-	-
Total Net Accounts Receivable	6,228	1,870	93

NOTE 6: INVENTORIES

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Raw Materials (including Consumable Stores)	175	188	-
Work in Progress	-	-	-
Finished Goods	-	-	-
Total Inventories	175	188	-

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	30 June 2006 Cost or Revalued Amount \$000	30 June 2006 Acc Dep \$000	30 June 2006 Book Value Actual \$000	30 June 2005 Book Value Actual \$000
Buildings	314		314	-
Other Infrastructure Assets	1,598	347	1,251	-
Vehicles	101	2	99	-
Aeroplanes	-	-	-	-
Boats	-	-	-	-
Furniture and fittings	86	34	52	28
Computer hardware and software	1,242	1,682	(439)	7
Office equipment	110	14	96	-
Other plant and equipment	-	-	-	-
Construction in progress	9	-	9	-
Other assets	840	15	825	-
Total	4,300	2,094	2,206	35

NOTE 8: ACCOUNTS PAYABLE

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Trade Creditors	888	291	1
Operating lease rental	-	-	-
Accruals	1,161	1,267	341
Total	2,049	1,558	342

NOTE 9: EMPLOYEE ENTITLEMENTS (CURRENT)

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Long service leave and other leave entitlements	125	172	81
Other salary related entitlements	32	10	-
Total Employee Entitlements	157	182	81

NOTE 10: OTHER CURRENT LAIBILITIES

The total amount of \$3,517M included a surplus payable to the Cabinet Office in the amount of \$1,132M for the year ending 30 June 2005 and \$1,557M for the year ending 30 June 2006. Under the Public Management & Finance Law (2005 Revision) section 39 (3) (f) the Office may "retain such part of its net operating surplus as is determined by the Financial Secretary". Therefore, the Cabinet Office has booked a surplus payable to the Government in the amount of \$2.689M (30 June 2008) as the Office has not requested or received any approval from the Financial Secretary to retain the surplus achieved in 2005 and 2006. The amount after surplus payable pertains to Creditors –owed to other ministries or departments in the amount of \$828K.

NOTE 11: EMPLOYEE ENTITLEMENTS (NON-CURRENT)

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Long service leave and other leave entitlements	1	-	-
Other salary related entitlements	-	-	-
Total	1	-	-

NOTE 12: CAPITAL CHARGE

A capital charge is payable to the Portfolio of Finance and Economics as required by Public Management and Finance Law, (2005 Revision) section 41(5). The Financial Secretary annually sets the capital charge rate which was 5.95% for 2005/06 (2004/05 5.95%). The capital charge is recorded semi-annually, on December 31 and June 30 and calculated by multiplying the capital charge rate by the net assets/net worth amount. For 2005/06, the capital charge is \$396K (2004/05: \$90K).

**NOTE 13: RECONCILIATION OF OPERATING SURPLUS TO CASH FLOWS
FROM OPERATING ACTIVITIES**

	2005/6 Actual \$000	2005/6 Budget \$000	2004/5 Actual \$000
Operating surplus/(deficit)	1,557	-	1,132
Non-cash movements			
Depreciation	1,389	1,966	8
Increase in provision for doubtful debts	-	-	-
(Decrease)/increase in payables/accruals	2,33	289	594
Net (gain)/loss from sale of fixed assets	-	-	-
Net gain/loss from sale of investments	-	-	-
Increase in other current assets	175	-	-
(Increase)/decrease in receivables	(5,634)	(1,160)	(86)
Net cash flows from operating activities	183	1,095	1,648

NOTE 14: EVENTS OCCURRING AFTER BALANCE DATE (30 June 2006)

During the year the Cabinet Office provided output services to other government agencies in the amount of \$10,453K. Cabinet Office, on behalf of its eligible employees, paid pension contributions to the Public Service Pension Plan in the amount of \$522K during the year.

NOTE 15: RELATED PARTY DISCLOSURES

Extraordinary items are outputs which were brought forward from 2004-5 but relate to the expenses incurred as a result of Hurricane Ivan. Expenses from extraordinary output (CAB 10) are shown separately in the "Extraordinary items" section of the statement of income in the amount of \$1,010K.

During the year, the entity engaged the services of other government entities. The following are list of government entities and the amount owed by the Cabinet Office: Cayman Islands Government – Treasury Department - \$395K; Computer Services Department - \$ 53K and District Administration, Planning, Agriculture and Housing - \$44K.