



Annual Report

of

Cabinet Office

Cayman Island Government

For the 2006/7 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 2007.

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 2006/7, 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 2006/7 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 2006-07 despite 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 2007; or
- (b) fairly reflect the outputs delivered as at 30th June 2007.

A handwritten signature in black ink, appearing to read 'Orrett Connor', written over a horizontal line.

Orrett Connor
Chief Officer
Date:

A handwritten signature in black ink, appearing to read 'Matthew Tibbetts', written over a horizontal line.

Matthew Tibbetts
Chief Financial Officer
Date: 6/12/10



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 was engaged to audit the accompanying statement of outputs delivered of the Cabinet Office for the year ended 30 June 2007 as set out on pages 6 to 35 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 2007:

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 2006/07.

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 handwritten signature in blue ink, appearing to read 'A J Swarbrick', with a stylized flourish at the end.

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

Cayman Islands
06 December 2010

Part B
Statement of Outputs Delivered

CAB 1	Policy Advice and Coordination		\$141,805
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	2006-7 Actual	2006/7 Budget	Annual Variance
Quantity			
• Number of pieces of advice prepared	63	50-90	-
• Number of briefings	48	20-50	-
• Number of Legislative drafting instructions examined	3	5-30	(2)
• Number of policy initiatives reviewed	54	5-20	34
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	100%	100%	-
Cost (of producing the output)	\$248,616	\$141,805	\$106,811
Price (paid by Cabinet for the output)	\$108,022	\$141,805	(\$33,783)

Explanation of Annual Variances:

CAB 2	Coordinating and Monitoring Policy Implementation		\$131,966
Description			
Coordinating and monitoring the implementation of policy initiatives by Ministries and Portfolios.			
Measures	2006-7 Actual	2006/7 Budget	Annual Variance
Quantity			
Number of hours spent coordinating and monitoring policy implementation	907	135-250	657
Number of Policy Implementation Reports Prepared	20	5-20	-
Quality			
Coordinating and monitoring avoids the duplication of activity and promotes synergy in areas of common responsibility	80-100%	80-100%	-
	98-100%	98-100%	-
Reports are prepared accurately, properly researched and are signed off by Cabinet Secretary			
Timeliness			
Monitoring is conducted on an on-going basis	100%	100%	-
Reports arising from monitoring are provided monthly	80-100%	80-100%	-
Location			
Grand Cayman	100%	100%	-
Cost (of producing the output)	\$70,485	\$131,966	(\$61,481)
Price (paid by Cabinet for the output)	\$165,749	\$131,966	\$33,783

Explanation of Annual Variances:

CAB 3	Public Communications of Policy Initiatives	\$56,123	
Description			
Coordinating public information and communications strategies of the Government relating to policy initiatives.			
Measures	2006-7 Actual	2006/7 Budget	Annual Variance
Quantity			
Number of press releases prepared	37	8-20	17
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	100%	100%	-
Cost (of producing the output)	\$13,230	\$56,123	(\$42,893)
Price (paid by Cabinet for the output)	\$63,135	\$56,123	\$7,012

Explanation of Annual Variances:

CAB 4	Administrative Support for Cabinet	\$397,383	
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	2006-7 Actual	2006/7 Budget	Annual Variance
Quantity			
• Number of Agenda prepared and circulated	63	80-100	(17)
• Number of Minutes prepared and circulated	37	40-60	(3)
• Number of Extracts prepared and circulated	1330	1,500-	(170)
• Number of Codes of Conduct prepared & maintained	-	2,000	(1)
• Number of Cabinet Briefings conducted	33	1	(7)
• Number of pieces of advice prepared	27	40-50	25
		6-12	
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%	-
• Codes of Conduct prepared as agreed by the Leader of Government Business & Ministers	100%	100%	-
• Briefings conducted by qualified and experienced personnel	100%	100%	-
• Advice provided is well researched, accurate, current and relevant	100%	100%	-
	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%	-
• Codes of Conducts implemented with the time frame agreed upon	90-100%	90-100%	-
• Meetings, briefings and advice provided within the time frame agreed upon	90-100%	90-100%	-
	90-100%	90-100%	-
Location			
Grand Cayman	100%	100%	-
Cost (of producing the output)	\$806,530	\$397,383	\$409,147
Price (paid by Cabinet for the output)	\$301,193	\$397,383	(\$96,190)

Explanation of Annual Variances:

CAB 6	Administrative and Secretarial Support for the Processing of Appeals	\$286,761		
Description				
Support for the Processing of appeals on behalf of Cabinet involving work permits, Caymanian status and permanent residence				
Measures	2006-7 Actual	2006/7 Budget	Annual Variance	
Quantity				
Number of meetings supported and attended	23	24-36	(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	100%	100%	-	
Cost (of producing the output)	\$116,630	\$286,761	(\$170,131)	
Price (paid by Cabinet for the output)	\$278,913	\$286,761	(\$7,848)	

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	\$212,397	
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	2006-7 Actual	2006/7 Budget	Annual Variance
Quantity - Number of Tax Undertaking Certificates issued - Number of Licenses issued under Section 80 of the Company Law	8,753 5	5,800-7,800 5-10	953 -
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 - Licenses issued up to 2 working days after confirmation of minutes	90-100% 90-100%	90-100% 90-100%	- -
Location Grand Cayman	100%	100%	-
Cost (of producing the output)	\$287,432	\$212,397	\$75,035
Price (paid by Cabinet for the output)	\$320,535	\$212,397	\$108,138

Explanation of Annual Variances:

CAB 8	Ministerial Servicing for the Leader of Government Business		\$341,385
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	2006-7 Actual	2006/7 Budget	Annual Variance
Quantity			
Number of Ministerial Briefings	24	2-10	14
Number of Responses to Parliamentary Questions	-	1-5	(1)
Number of Speaking Notes	32	5-10	22
Number of hours of secretarial support	615.5	400-600	15.5
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	100%	100%	-
Cost (of producing the output)	\$193,058	\$341,385	(\$148,327)
Price (paid by Cabinet for the output)	\$376,803	\$341,385	\$35,418

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	2006-7 Actual	2006/7 Budget	Annual Variance
Quantity • Cubic yards of debris removed (thousands)	7-15	7-15	-
Quality • Recovery activity prioritised and completed in accordance with priorities established by Cabinet	100%	100%	-
Timeliness • Duration of clean up	Jul–Oct 06	Jul–Oct 06	-
Location Grand Cayman	100%	100%	-
Cost (of producing the output)	\$143,087	\$143,087	\$-
Price (paid by Cabinet for the output)	\$143,087	\$143,087	\$-
Related Broad Outcome 1:- Deal with the Aftermath and Lessons from Hurricane Ivan.			

Explanation of Annual Variances:

CAB 11	Administration of Temporary Housing Initiative	\$299,136		
Description Administering the operation of the temporary housing units owned by Government under the Temporary Housing Initiative including: • Organising the maintenances of the Government owned units • Collecting rental payments from tenants • Coordinating with tenants regarding relocation to permanent property solutions • Coordinating relevant social programmes for tenants				
Measures		2006-7 Actual	2006/7 Budget	Annual Variance
Quantity Number of temporary housing units administered		74	70-88	-
Quality Housing activity prioritised and completed in accordance with priorities established by Cabinet		100%	100%	-
Timeliness Housing activity completed in accordance with timeliness established by the Cabinet Secretariat		100%	100%	-
Location Grand Cayman		100%	100%	-
Cost (of producing the output)		\$489,188	\$299,136	\$190,052
Price (paid by Cabinet for the output)		\$456,215	\$299,136	\$157,079
Related Broad Outcome 1: Deal with the Aftermath and Lessons from Hurricane Ivan				

Explanation of variances:

Budget: The total cost of supplying this Output is \$575,136. However, revenue of \$276,000 from third parties reduces the cost to Cabinet to \$299,136.

Actual: The total cost of supplying this Output is \$489,188. However, revenue of \$182,007 from third parties and other Government Agencies reduces the cost to Cabinet to \$299,136.

PCF 1	Provision of Protocol Services and Advice	\$266,866		
Description Providing protocol services to Government agencies including: • Advice on protocol matters • Training officer responsible for protocol matters				
Measures	2006-7 Actual	2006/7 Budget	Annual Variance	
Quantity • Number of hours of advice on protocol matters • Number of officers trained in protocol matters	921.75 -	900-1,100 5-10	- (5)	
Quality • Protocol advice and training is provided by suitably experienced staff • Protocol advice and training is in accordance with internal guidelines	100% 100%	100% 100%	- -	
Timeliness Advice and training are delivered in line with timetables agreed with relevant Chief Officers and Heads of Department	95-100%	95-100%	-	
Location Grand Cayman	100%	100%	-	
Cost (of producing the output)	\$67,204	\$266,866	(\$199,662)	
Price (paid by Cabinet for the output)	\$-	\$266,866	(\$266,866)	

Explanation of Annual Variances:

The Protocol Office is currently not up and running despite some costs being incurred.

CSD 12	IT Policy, Procedure & Strategy Advice		\$12,200
Description			
Develop Information Technology Policies, Procedures, and strategies for the Ministry, Government Agencies and the Computer Services Department			
Measures	2006-7 Actual	2006/7 Budget	Variance
Quantity			
Number of polices developed	-	2-5	(2)
Quality			
Work completed by suitably qualified and experienced IT professionals	100%	100%	-
Timeliness			
Complete requirements; produce relevant reports and recommendations to deadline agreed with customer	80-100%	80-100%	-
Location			
Grand Cayman and Cayman Brac	100%	100%	-
Cost (of producing the output)	\$1,870	\$12,200	(\$10,330)
Price (paid by Cabinet for the output)	\$-	\$12,200	(\$12,200)
Related Broad Outcome			
10: Open, Transparent, Honest and Efficient Public Administration			

Explanation of Annual Variances:

CSD 27	Provision of a Disaster Tolerant Central IT Infrastructure		\$213,559	
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		2006-7 Actual	2006/7 Budget	Variance
Quantity Number of file servers housed in secure facilities		71	25-50	21
Quality • Secure facilities rated as to withstand a category 5 hurricane and/or coastal flooding of 15 feet • 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		95-100%	95-100%	-
Location Grand Cayman		100%	100%	-
Cost (of producing the output)		\$216,044	\$213,559	\$2,485
Price (paid by Cabinet for the output)		\$249,152	\$213,559	\$35,593
Related Broad Outcome 1: Deal with the Aftermath and Lessons from Hurricane Ivan 10: Open, Transparent, Honest and Efficient Public Administration.				

Explanation of Annual Variances:

CSD 26	Provision of Government Wide Internet Portal	\$68,036	
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	2006-7 Actual	2006/7 Budget	Variance
Quantity			
Number of days on which the Government's internet portal is accessible to internet users 24 hours a day	362	359-365	-
Quality			
Services are delivered using Industry Standard Web portal technologies	95-100%	95-100%	-
Timeliness			
Web site provided is available to the public as a source of information 24 hours a day, seven days a week.	95-100%	95-100%	-
Location			
Grand Cayman	100%	100%	-
Cost (of producing the output)	\$95,154	\$68,036	\$27,118
Price (paid by Cabinet for the output)	\$79,375	\$68,036	\$11,339
Related Broad Outcome 9: Support the Economy. 10: Open, Transparent, Honest and Efficient Public Administration			

Explanation of Annual Variances:

GIS 2	Public Information Services and Products	\$93,770	
Description Public information services involving: • Information provided at the public's request on Government matters • Services provided to the local/overseas media at their request • Public relations advice provided to all government agencies Public Information Products: • Calendar of Events • Updating local/overseas publications			
Measures	2006/7 Actual	2006/7 Budget	Variance
Quantity • Number of hours • Number of Calendar of Events published • Number of local/overseas publications	1472 44 65	1,200-1,350 40-52 200-300	122 - (135)
Quality • Information to the public provided by experienced Information Officers (IOs) • Updating of calendar of events supervised by Manager of IOs. • Local/Overseas press relations handled by the Chief Information Officer or Manager of IOs or designates • Overseas publication updates undertaken by senior GIS staff	100% 95-100% 100% 100%	100% 95-100% 100% 100%	- - - -
Timeliness • Information provided to the public in accordance with timescale agreed with the requestor • Calendar updated and placed online each Friday • Response to local/overseas press within 24 hrs of request • Meet deadline set by overseas publishers	100% 90-100% 95-100% 100%	100% 90-100% 95-100% 100%	- - - -
Location Grand Cayman	100%	100%	-
Cost (of producing the output)	\$152,089	\$93,770	\$58,319
Price (paid by Cabinet for the output)	\$313,210	\$93,770	\$219,440
Related Broad Outcome 10: Open, Transparent, Honest and Efficient Public Administration			

Explanation of Annual Variances:

GIS 8	Public Interest News Releases	\$98,276	
Description			
Provision of print and video news releases on subjects of interest to the public			
Measures	2006/7 Actual	2006/7 Budget	Variance
Quantity			
Number of news release issued to the media	61	200-250	(139)
Quality			
News releases accurately reflect issues being reported	95-100%	95-100%	-
Timeliness			
News releases issued to the media within two working days of request	95-100%	95-100%	-
Location			
Grand Cayman	100%	100%	-
Cost (of producing the output)	\$231,211	\$98,276	\$132,935
Price (paid by Cabinet for the output)	\$133,603	\$98,276	\$35,327
Related Broad Outcome			
10: Open, Transparent, Honest and Efficient Public Administration			

Explanation of Annual Variances:

The total cost of supplying this output is \$330,837. However, the receipt of \$232,561 from other Government Agencies reduces this to \$98,276.

GIS 17	Providing Content for the Government's Internet Portal	\$11,532	
Description Providing content for the Government's Internet Portal including; • Adding special reports and items written by other Government Departments • Maintaining and updating general public information on Government Internet • Uploading press releases • Uploading the Cayman Islands Official Gazette and -related Internet matters			
Measures	2006/7 Actual	2006/7 Budget	Variance
Quantity			
Number of hours	207.5	150-200	7.5
Quality			
All activities undertaken or supervised by a GIS senior manager	95-100%	95-100%	-
Timeliness			
• Upload reports or releases immediately on availability to GIS • Update central Government website material quarterly	95-100% 95-100%	95-100% 95-100%	- -
Location			
Grand Cayman	100%	100%	-
Cost (of producing the output)	\$46,902	\$11,532	\$35,370
Price (paid by Cabinet for the output)	\$44,588	\$11,532	\$33,056
Related Broad Outcome 9: Support the Economy. 10: Open, Transparent, Honest and Efficient Public Administration			

Explanation of Annual Variances:

UKO 1	Policy Advice on Events in Europe	\$57,715	
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	2006/7 Actual	2006/7 Budget	Variance
Quantity			
Number of pieces of advice provided to Government agencies	162	150-200	-
Quality			
Advice is provided by qualified personnel	98-100%	98-100%	-
Timeliness			
Advice on events and policies in the UK and Europe is provided immediately or within 3 working days following the identification of relevant issues	98-100%	98-100%	-
Location			
London Office	100%	100%	-
Cost (of producing the output)	\$ 72,415	\$57,715	\$14,700
Price (paid by Cabinet for the output)	\$62,333	\$57,715	\$4,618
Related Broad Outcome 9: Support the Economy 10: Open, Transparent, Honest and Efficient Public Administration			

Explanation of Annual Variances:

UKO 2	Promotion of the Cayman Islands in Europe	\$210,492	
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 Kingdoms Overseas Territory Association			
Measures	2006/7 Actual	2006/7 Budget	Variance
Quantity			
• Number of meetings, conferences, and official functions attended • Number of media contacts, press releases etc	431 -	300-400 100-200	31 -
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	100%	100%	-
Cost (of producing the output)	\$217,552	\$210,492	\$7,060
Price (paid by Cabinet for the output)	\$302,407	\$210,492	\$91,915
Related Broad Outcome			
9: Support the Economy			

Explanation of Annual Variances:

UKO 5	Information on Cayman Islands to Public in Europe	\$84,013	
Description			
Provision of information on the Cayman Islands to companies and the public in the UK and Europe			
Measures	2006/7 Actual	2006/7 Budget	Variance
Quantity			
Verbal and written responses to enquiries	275	650-1,050	(375)
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	100%	100%	-
Cost (of producing the output)	\$124,616	\$84,013	\$40,603
Price (paid by Cabinet for the output)	\$35,554	\$84,013	(\$48,459)
Related Broad Outcome			
9: Support the Economy			
10: Open, Transparent, Honest and Efficient Public Administration			

Explanation of Annual Variances:

UKO 7	Consular services	\$60,081	
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	2006/7 Actual	2006/7 Budget	Variance
Quantity			
Number of Caymanians assisted	349	100-200	149
Quality			
Assistance provided by Civil Servants experienced in dealing with the UK public sector agencies	100%	100%	-
Timeliness			
All assistance provided within four working days of request	95-100%	95-100%	-
Location			
London Office	95-100%	95-100%	-
Cost (of producing the output)	\$149,414	\$60,081	\$89,333
Price (paid by Cabinet for the output)	\$209,683	\$60,081	\$149,602
Related Broad Outcome 10: Open, Transparent, Honest and Efficient Public Administration			

Explanation of Annual Variance

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 for the administration of the Temporary Housing Initiative after Hurricane Ivan; 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 for the Administration of the Government's Temporary Housing Initiative in the aftermath of Hurricane Ivan, including the provision of social programmes.
- 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

All activities of the Cabinet Office during 2006/7 fall within the Nature and Scope of Activities specified in the 2006/07 Annual ABS document.

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:

- The establishment of mechanisms to improve the coordination of Government Policy, encourages innovation and creativity in policymaking, and identify and oversee policy which encompasses a number of Ministries and Portfolios
- The development of a set of modeling tools and information sources in order to assess the impact of Government Policies.
- Upgrade Government Information Technology infrastructure network resilience, Internet and electronic transaction security, making Government less susceptible to loss of revenue and productivity, as a result of damage to computing equipment.
- Increase and improve the quality and depth of consulting and project management services offered 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
- 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 Law 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 on all the strategic ownership goals listed in the 2006/7 Annual ABS for the Cabinet Office; however none were completed by the end of the Financial Year.

5 Ownership Performance Targets

5.1 Financial Performance

Financial Performance Measures	2006/7 Actual \$000	2006/7 Budget \$000	Annual Variance \$000
Revenue from Cabinet	3,445	3,044	401
Revenue from ministries, portfolios, statutory authorities, government companies	10,960	10,159	801
Revenue from others	592	625	(33)
Surplus/deficit from outputs	959	-	959
Ownership expenses	-	-	-
Operating Surplus/Deficit	959	-	959
Net Worth	5,089	7,126	(2,037)
Cash flows from operating activities	505	1,461	(956)
Cash flows from investing activities	(2,413)	(1,288)	(1,125)
Cash flows from financing activities	939	-	939
Change in cash balances	(969)	173	(1,142)

Explanation of Variances:

Financial Performance Ratios	2006/7 Actual	2006/7 Budget	Annual Variance
Current Assets: Current Liabilities (Working Capital)	1.37	5.60	(4.23)
Total Assets: Total Liabilities	1.87	10.64	(8.77)

Explanation of Variances:

5.2 Maintenance of Capability

Human Capital Measures	2006/7 Actual	2006/7 Budget	Annual Variance
Total full time equivalent staff employed	103	103	-
Staff turnover (%)			
Managers	8%	8%	-
Professional and technical staff	8%	8%	-
Clerical and labourer staff	8%	8%	-
Average length of service (number of years in current position)			
Managers	11	11	-
Professional and technical staff	7	7	-
Clerical and labourer staff	7	7	-
Changes to personnel management system:			

Explanation of Variances:

Physical Capital Measures	2006/7 Actual \$000	2006/7 Budget \$000	Annual Variance \$000
Value of total assets	10,945	7,398	3,547
Asset replacements: total assets	69%	37%	32%
Book value of assets: initial cost of those assets	27%	20%	7%
Depreciation: cash flow on asset purchases	65%	113%	(48%)
Changes to asset management policies			

Explanation of Variances:

Major <u>New</u> Entity Capital Expenditures for the Year	2006/7 Actual \$	2006/7 Budget \$	Annual Variance \$
NA	-	-	-

Explanation of Variances:

Major Entity Capital Expenditures continuing from previous years	2006/7 Actual \$	2006/7 Budget \$	Annual Variance \$
NA	-	-	-

Explanation of Variances:

5.3 Risk Management

Risk	Status of Risk	Action Taken During 2006/7 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 authorised personnel.	
Providing incorrect advice to client	Increased risk due to the Creation of the Protocol	Ensure personnel are trained in the analysis of	

agencies	Unit	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	Unchanged	• Implement IT audits and hire an experienced IT security manager • Approve an IT user policy	
Loss of Government's networked computer system	Unchanged	• Progressively update core IT infrastructure	

Explanation of Variances:

6. Equity Investments and Withdrawals

Equity Movement	2006/7 Actual \$	2006/7 Budget \$	Annual Variance \$
Equity Investment from Cabinet into the <i>Cabinet Office</i>	280,000	280,000	-
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 2007.

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 2007;
- (b) fairly reflect the financial position as at 30th June 2007 and performance for the year ended 30th June 2007; 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.

Orrell Connor
Chief Officer
Date:

Matthew Tibbetts
Chief Financial Officer
Date: 6/12/10



Cayman Islands

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Cayman Islands Government
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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 2007 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 41 to 51 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

Receivables

I was unable to satisfy myself as to the accuracy and existence of the receivables amounting to \$1.8M relating to accounts due from the Hon. Leader of Government Business due to lack of adequate records to prove that this amount existed on the books of the debtor. This amount has been outstanding as at 30 June 2010. As a result, the accuracy and existence of the total amount of receivables amounting to \$7.1M in the statement of financial position at June 30, 2007 is doubtful.

Inventories

There was no inventory count performed at June 30, 2007 and as a result I am unable to evaluate the accuracy of the amount of \$384K 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, 2007.

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 \$2.9M 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 \$5M at 30 June 2007 was fairly stated because of the lack of adequate records.

Revenues

I was unable to obtain reasonable assurance on the completeness of revenues due to system flaw in IRIS – Oracle Application. The magnitude of this observation to the statement of financial performance for the year ending 30 June 2007 cannot be determined due to the limitation in generating the required information on the system.

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 accuracy of receivables, existence and valuation of fixed assets and inventory, the accuracy of net worth and the completeness of revenues, the financial statements present fairly, in all material respects, the financial position of the Cabinet Office as of 30 June 2007, 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. Swarbrick', with a stylized flourish at the end.

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

Cayman Islands
06 December 2010

**CABINET OFFICE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2007**

		2006/7	2006/7	2005/6
	Note	Actual	Budget	Actual
		\$000	\$000	\$000
Revenue				
Outputs to Cabinet		3,445	3,044	3,464
Outputs to other government agencies		10,960	10,159	10,453
Outputs to others		592	625	702
Interest Revenue		26	-	29
Total Operating Revenue		15,023	13,828	14,648
Operating Expenses				
Personnel costs	1	7,279	7,386	5,637
Supplies and consumables	2	4,648	4,594	4,659
Depreciation	3	1,565	1,461	1,389
Capital charge	12	456	387	396
Total Operating Expenses		13,948	13,828	12,081
Surplus from operating activities		1,075	-	2,567
Gains/losses on foreign exchange transactions		-	-	-
Gains/losses on disposal or revaluation of non-current assets		-	-	-
Surplus before extraordinary items		1,075	-	2,567
Extraordinary items				
Extraordinary outputs – expense		116	143	1,010
Extraordinary outputs - revenue		-	143	-
Total Extraordinary items		116	-	1,010
Net Surplus		959	-	1,557

The Notes to the Financial Statements from 45 to 51 form an integral part of these financial statements.

**CABINET OFFICE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2007**

	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
Opening balance net worth	4,306	6,703	1,235
Net surplus	959	-	1,557
Property revaluations	-	-	-
Investment revaluations	-	-	-
Net revaluations during the period	-	-	-
Total recognised revenues and expenses	-	-	-
Equity investment from Cabinet	783	280	4,203
Repayment of surplus to Cabinet	(959)	-	(2,689)
Capital withdrawal by Cabinet	-	-	-
Closing balance net assets	5,089	6,983	4,306

The Notes to the Financial Statements from 45 to 51 form an integral part of these financial statements.

**CABINET OFFICE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2007**

	Note	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
Current Assets				
Cash and cash equivalents	4	497	1,923	1,070
Accounts receivable	5	7,105	1,458	6,228
Inventories	6	384	188	175
Other Assets		28	323	-
Total Current Assets		8,014	3,892	7,473
Non-Current Assets				
Property, plant and equipment	7	2,928	3,740	2,206
Other non-current assets		3	-	-
Total Non-Current Assets		2,931	3,740	2,206
Total Assets		10,945	8,983	9,679
Current Liabilities				
Accounts payable	8	718	1,558	1,555
Unearned revenue		26	-	143
Employee entitlements	9	157	182	157
Other current liabilities	10	4,954	117	3,517
Total Current Liabilities		5,855	1,857	5,372
Non-Current Liabilities				
Employee entitlements	11	1	-	1
Other non-current liabilities		-	-	-
Total Non-Current Liabilities		1	-	1
Total Liabilities		5,856	1,857	5,373
NET ASSETS		5,089	7,126	4,306
NET ASSETS / EQUITY				
Contributed capital		5,089	6,449	4,306
Asset revaluation reserve		-	-	-
Accumulated surpluses		-	677	-
TOTAL NET ASSETS / EQUITY		5,089	7,126	4,306

The Notes to the Financial Statements from 45 to 51 form an integral part of these financial statements.

**CABINET OFFICE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Sale of Outputs		14,012	13,828	10,464
Interest received		24	-	29
Other receipts		8	-	-
Payments				
Personnel costs		(7,398)	(7,386)	(5,170)
Suppliers		(4,755)	(4,595)	(5,135)
Other payments		-	(387)	-
<i>Net cash flows from operating activities</i>		1,891	1,461	183
CASH FLOWS FROM INVESTING ACTIVITIES				
	12			
Purchase of non-current assets		(2,740)	(1,288)	(875)
Proceeds from sale of non-current assets		(4)	-	-
Net cash flows from investing activities		(2,744)	(1,288)	(875)
CASH FLOWS FROM FINANCING ACTIVITIES				
Equity investment		280	-	-
Repayment of surplus		-	-	-
Capital withdrawal		-	-	-
Net cash flows from financing activities		280	-	-
Net increase/(decrease) in cash and cash equivalents		(573)	173	(691)
Cash and cash equivalents at beginning of period		1,070	1,750	1,761
Cash and cash equivalents at end of period		497	1,923	1,070

The Notes to the Financial Statements from 45 to 51 form an integral part of these financial statements.

**CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007**

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 2007.

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

	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
Salaries and wages (including employee pension contributions)	6,945	7,058	5,305
Employer pension expense	309	328	261
Other personnel costs	25	-	70
Total Personnel Costs	7,279	7,386	5,637

NOTE 2: SUPPLIES AND CONSUMABLES

	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
Supply of goods and services	3,799	3,172	3,911
Operating lease rentals	966	1,227	748
Other	-	196	-
Total Supplies and Consumables	4,648	4,595	4,659

NOTE 3: DEPRECIATION

	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
Buildings	50	-	-
Other Infrastructure Assets	88	-	118
Vehicles	52	4	2
Aeroplanes	-	-	-
Boats	-	-	-
Furniture and fittings	22	16	16
Computer hardware and software	1,230	1,390	1,223
Office equipment	108	4	14
Other plant and equipment	3	35	9
Other assets	12	12	6
Total Depreciation	1,565	1,461	1,389

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

	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
Cash on hand	-	149	-
Bank accounts	497	1,774	1,070
Deposits with Portfolio Finance and Economic (Treasury)	-	-	-
Total Cash and Cash Equivalents	497	1,923	1,070

NOTE 5: ACCOUNTS RECEIVABLE

	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
Outputs to Cabinet	1,323	112	578
Outputs to other government agencies	5,499	1,074	5,377
Outputs to others	-	332	-
Interest receivable	-	-	-
Prepayments	283	4	273
Interest Receivable	-	-	-
Other Receivables	-	489	-
Total Gross Accounts Receivable	7,105	2,011	6,228
Less: provision for doubtful debts	-	231	-
Total Net Accounts Receivable	7,105	1,780	6,228

NOTE 6: INVENTORIES

	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
Raw Materials (including Consumable Stores)	384	188	175
Work in Progress	-	-	-
Finished Goods	-	-	-
Total Inventories	384	188	175

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	30 June 2007 Cost or Revalued Amount \$000	30 June 2007 Acc Dep \$000	30 June 2007 Book Value Actual \$000	30 June 2006 Book Value Actual \$000
Buildings	314	50	264	314
Other Infrastructure Assets	1,598	447	1,151	1,251
Vehicles	101	54	47	99
Furniture and fittings	181	63	118	52
Computer hardware and software	2,035	2,912	(877)	(439)
Office equipment	176	114	62	96
Other plant and equipment	336	19	317	-
Construction in progress	-	-	-	9
Other assets	1,845	-	1,845	825
Total	6,586	3,659	2,927	2,206

NOTE 8: ACCOUNTS PAYABLE

	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
Trade Creditors	177	191	888
Accruals	541	205	1,161
Total	718	396	2,049

NOTE 9: EMPLOYEE ENTITLEMENTS (CURRENT)

	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
Long service leave and other leave entitlements	125	172	125
Other salary related entitlements	32	10	32
Total Employee Entitlements	157	182	157

NOTE 10: OTHER CURRENT LIABILITIES

The total amount of \$4,954M included a surplus payable to the Cabinet Office in the amount of \$1,132M for the year ending 30 June 2005; \$1,557M for the year ending 30 June 2006 and \$959K for the year ending 30 June 2007. 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 \$3.6M (30 June 2007) as the Office has not requested or received any approval from the Financial Secretary to retain the surplus achieved since 2005. The amount after surplus payable pertains to Creditors –owed to other ministries or departments in the amount of \$1.3M.

NOTE 11: EMPLOYEE ENTITLEMENTS (NON-CURRENT)

	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
Long service leave and other leave entitlements	1	-	1
Other salary related entitlements	-	-	-
Total	1	-	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 2006/07 (2005/06 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 2006/07, the capital charge is \$456K (2005/06: \$396K).

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

	2006/7 Actual \$000	2006/7 Budget \$000	2005/6 Actual \$000
Operating surplus/(deficit)	959	-	1,557
Non-cash movements			
Depreciation	1,565	1,461	1,389
Increase in provision for doubtful debts	-	-	-
(Decrease)/increase in payables/accruals	(149)	-	2,330
Net (gain)/loss from sale of fixed assets	-	-	-
Net gain/loss from sale of investments	-	-	-
Increase in other current assets	(87)	-	175
(Increase)/decrease in receivables	(397)	-	(5,634)
Net cash flows from operating activities	1,891	1,461	183

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 \$116K.

During the year the Cabinet Office provided output services to other government agencies in the amount of \$10,808K. Cabinet Office, on behalf of its eligible employees, paid pension contributions to the Public Service Pension Plan in the amount of \$617K during the year. In addition, 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 - \$389K; Lands and Survey Department - \$224K.