



Annual Report

of

Cabinet Office

Cayman Island Government

For the 2007/8 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 2008.

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 2007/8, 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 2007/8 or as amended through the supplementary appropriation process.

Summary of Performance

Output Performance

Outputs generally delivered in accordance with budget expectations with the exception of outputs for Constitutional Review Secretariat and the Office of the Information Commissioner, as these departments have not been established fully.

Ownership Performance

The Cabinet Office has generally complied with the ownership performance with the result of performance being a \$8K surplus.



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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 2008; or
- (b) fairly reflect the outputs delivered as at 30th June 2008.

A handwritten signature in black ink, appearing to read 'Orrett Connor'.

Orrett Connor
Chief Officer
Date:

A handwritten signature in black ink, appearing to read 'Matthew Tibbetts'.

Matthew Tibbetts
Chief Financial Officer
Date: 8/12/08



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 2008 as set out on pages 6 to 38 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 11 – Administration of Temporary Housing Initiative
- CAB 12 – Freedom of Information Coordination
- CAB 13 – Compliance with Freedom of Information Legislation
- PCF 1 – Protocol Services
- CRS 1 – Constitutional Review
- 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 – Policy Advice
- CSD 27 – Provision of Disaster Tolerant Central Information Technology Infrastructure
- CSD 34 - Government Wide Internet Portal and E-Government Support Unit
- UKO 1 – Policy Advice
- UKO 2 – Promotion on the Cayman Islands in Europe

- UKO 5 – Information on Cayman Islands to Public in Europe
- UKO 7 – Representational Duties and International Relations

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 2008:

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 2007/08.

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.



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

Cayman Islands
08 December 2010

Part B
Statement of Outputs Delivered

CAB 1	Policy Advice and Coordination	\$250,173	
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	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity - Number of pieces of advice prepared - Number of briefings - Number of legislative drafting instructions examined - Number of policy initiatives reviewed	46 43 - 51	45-50 42-47 - 45-50	- - - 1
Quality - Advice to Government agencies ensures the alignment of proposed policies with Government's and related specific outcomes - Briefings reviewed by senior personnel - Legislative drafting and policy initiatives are reviewed by senior personnel	95-100% 95-100% 97-100%	95-100% 95-100% 97-100%	- - -
Timeliness - Legislation and activity proposals examined within four weeks - Briefings provided within three days of the request - Advice on proposed legislation and activities offered within two weeks	90-100% 90-100% 90-100%	90-100% 90-100% 90-100%	- - -
Location Grand Cayman	100%	100%	-
Cost (of producing the output)	153,231	152,837	394
Price (paid by Cabinet for the output)	127,866	152,837	(24,971)
Related Broad Outcome:			
10: Open, Transparent, Honest and Efficient Public Administration			

Explanation of Annual Variances:

CAB 2	Coordinating and Monitoring of Policy Implementation	\$241,870		
Description				
Coordinating and monitoring the implementation of policy initiatives by Ministries and Portfolios to avoid the duplication of activity and promote synergy in areas of common responsibility.				
Measures	2007/8 Actual	2007/8 Budget	Annual Variance	
Quantity				
• Number of hours spent coordinating and monitoring policy implementation	495	280-500	-	
• Number of policy implementation reports prepared	27	5-20	7	
Quality				
• Policies coordinated and monitored by senior personnel	98-100%	98-100%	-	
• Reports are prepared accurately, properly researched and are signed off by Cabinet Secretary	98-100%	98-100%	-	
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)	54,189	241,870	(187,681)	
Price (paid by Cabinet for the output)	241,870	241,870	-	
Related Broad Outcome:				
10: Open, Transparent, Honest and Efficient Public Administration				

Explanation of Annual Variances:

CAB 3	Public Communications of Policy Initiatives	\$155,995	
Description			
Coordinating public information and communications strategies of the Government relating to policy initiatives.			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity Number of press releases prepared	55	45-60	-
Quality Press releases reviewed by Senior Policy Officer	95-100%	95-100%	-
Timeliness Press releases issued within three working days of request	90-100%	90-100%	-
Location Grand Cayman	100%	100%	-
Cost (of producing the output)	30,603	155,995	(125,392)
Price (paid by Cabinet for the output)	145,596	155,995	(10,399)
Related Broad Outcome:			
10: Open, Transparent, Honest and Efficient Public Administration			

CAB 4	Administrative Support for Cabinet	\$424,840	
Description			
Administrative support to Cabinet involving:			
• Prepare and circulate cabinet agendas 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 regarding the conduct of Cabinet meetings • Briefing the Cabinet • Preparing and Maintaining Code of Conduct for Ministers and Business Guide for Cabinet			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity			
• Number of agendas prepared and circulated	93	85-95	-
• Number of minutes prepared and circulated	51	45-55	-
• Number of extracts prepared and circulated	2375	2,200-2,300	75
• Number of codes of conduct prepared and maintained	-	1	(1)
• Number of Cabinet briefings conducted	44	40-50	-
• Number of pieces of advice prepared	1	1	-
Quality			
• All Agendas, minutes and extracts are prepared in accordance with the Guidelines to the Operation of Cabinet	100%	100%	-
• Agendas signed by the Clerk to the Cabinet or Acting Clerk	100%	100%	-
• Minutes reviewed by Cabinet Secretary	100%	100%	-
• Codes of Conduct prepared as agreed with the Leader of Government Business and Ministers	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 two working days prior to meetings	90-100%	90-100%	-
• Minutes circulated within three working days after meeting	90-100%	90-100%	-
• Extracts Issued within two working days after confirmation of Minutes	90-100%	90-100%	-
• Codes of Conducts implemented within the time frame agreed upon	90-100%	90-100%	-
• Meetings, briefings and advice provided within the time frame agreed upon	90-100%	90-100%	-
Location			
Grand Cayman	100%	100%	-
Cost (of producing the output)	1,219,023	514,580	704,443
Price (paid by Cabinet for the output)	425,090	514,580	(89,490)
Related Broad Outcome:			
10: Open, Transparent, Honest and Efficient Public Administration			

CAB 6	Administrative and Secretarial Support for the Processing of Appeals	\$131,397	
Description Support for the Processing of appeals on behalf of Cabinet involving work permits, Caymanian Status and permanent residence			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity Number of meetings supported and attended	27	30-40	(3)
Quality Minutes issued are an accurate account of the meeting – signed by the chair of the meeting	95-100%	95-100%	-
Timeliness Minutes issued up to three working days after meeting to the chair of the meeting	90-100%	90-100%	-
Location Grand Cayman	100%	100%	-
Cost (of producing the output)	103,474	131,397	(27,923)
Price (paid by Cabinet for the output)	118,257	131,397	(13,140)
Related Broad Outcome: 10: Open, Transparent, Honest and Efficient Public Administration			

Note: The total cost of this output is \$206,397. However, the revenue of \$75,000 from third parties reduces the cost to Cabinet to \$131,397.

CAB 7	Preparation of Tax Undertaking Certificates	\$238,247		
Description Preparation and distribution of: • Tax Undertaking Certificates for Exempted Companies, Trusts and Limited Partnerships • Licenses issued under Section 80(d) of the Companies Law				
Measures		2007/8 Actual	2007/8 Budget	Annual Variance
Quantity • Number of Tax Undertaking Certificates issued • Number of licenses issued		13,122 4	5,800-7,800 5-10	5,322 (1)
Quality Tax undertaking certificates and licenses processed in accordance with the relevant laws and checked and signed by Clerk or Deputy Clerk of the Cabinet		100%	100%	-
Timeliness • Tax undertaking certificates issued 2 – 3 weeks from receipt of application • Licenses issued up to two working days after confirmation of minutes		90-100% 90-100%	90-100% 90-100%	- -
Location Grand Cayman		100%	100%	-
Cost (of producing the output)		268,457	238,247	30,210
Price (paid by Cabinet for the output)		238,247	238,247	-
Related Broad Outcome: 9: Support the Economy				

CAB 8	Ministerial Servicing for the Leader of Government Business	\$324,645		
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		2007/8 Actual	2007/8 Budget	Annual Variance
Quantity				
Number of ministerial briefings		18	8-15	3
Number of responses to parliamentary questions		-	1-5	(1)
Number of speaking notes		14	10-20	-
Number of hours of secretarial support		887	400-600	287
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%	-
Secretarial support provided by qualified officer		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%	-
Secretarial support provided as requested by Leader of Government Business		95-100%	95-100%	-
Location				
Grand Cayman		100%	100%	-
Cost (of producing the output)		459,908	324,645	135,263
Price (paid by Cabinet for the output)		324,645	324,645	-
Related Broad Outcome:				
10: Open, Transparent, Honest and Efficient Public Administration				

CAB 11	Administration of Temporary Housing Initiative	\$402,703	
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	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity Number of temporary housing units administered	70	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 Cayman Islands	100%	100%	-
Cost (of producing the output)	639,167	402,703	236,464
Price (paid by Cabinet for the output)	405,399	402,703	2,696
Related Broad Outcome: 1: Deal with the Aftermath and Lessons from Hurricane Ivan			

Notes: The total cost of supplying this output is \$731,726. However, revenue of \$329,023 from third parties reduces the cost to Cabinet to \$402,703.

CAB 12	Freedom of Information Coordination	\$491,608	
Description			
The Freedom of Information (FOI) Unit will: • Lead and coordinate freedom of information across government. • Implementation of the Freedom of Information (FOI) legislation primarily by developing tools and procedures, organizing and conducting training for staff in public entities • Raise awareness in the entire public sector			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity			
• Number of public entities provided with proactive training and awareness sessions	50	25-40	10
• Number of reactive assistance interactions with public entities	40	100-300	(60)
• Number of statutory, regulatory and policy requirements reviewed	16	10-30	-
• Number of implementation progress reports submitted	7	4	3
• Number of web sites to be developed	4	1	3
Quality			
• Training and awareness to be provided by qualified officer	95-100%	95-100%	-
• Assistance provided by qualified officer	95-100%	95-100%	-
• Review and advice provided in relation to policies and legislation that will be in accordance with international best practice	90-100%	90-100%	-
• Reports will be accurate, concise and provide clear recommendations	95-100%	95-100%	-
• Web site information approved by Senior FOI Officer	95-100%	95-100%	-
Timeliness			
• Initial extensive training completed by May 2008	90-100%	90-100%	-
• Assistance provided as required	90-100%	90-100%	-
• Prepare Code of Practice for advice and assistance by September 2007	90-100%	90-100%	-
• Reports submitted quarterly	90-100%	90-100%	-
• Website online by March 2008	90-100%	90-100%	-
Location			
Cayman Islands	100%	100%	-
Cost (of producing the output)	277,799	491,608	(213,809)
Price (paid by Cabinet for the output)	491,608	491,608	-
Related Broad Outcome:			
10: Open, Transparent, Honest and Efficient Public Administration			

CAB 13	Compliance with Freedom of Information Legislation		\$659,533
Description			
The Office of the Information Commissioner will be independent and report to parliament and whose primary purpose will be to serve as an external appellate body under the freedom of information legislation, aimed at ensuring that public entities have complied with the law and that the public's rights under it have been met.			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity			
• Number of appeals processed	-	75-100	(75)
• Significant findings to serve as case law published	-	10-20	(10)
• Number of reports on compliance to the Legislative Assembly (LA)	-	1	(1)
• Number of advertisements to promote awareness of FOI to the public	-	6-12	(6)
• Hours of advice	-	400-600	(400)
Quality			
• Appeals processed in accordance with internal procedures and developed in accordance with the law	100%	100%	-
• Significant findings used as case laws are approved by Information Commissioner	100%	100%	-
• Reports reviewed by Information Commissioner prior to submission to the Legislative Assembly (LA)	100%	100%	-
• Advertisements approved by Information Commissioner	95-100%	95-100%	-
• Advice provided by qualified personnel	100%	100%	-
Timeliness			
• Appeals processed in accordance within timelines established in policies and procedures manual	100%	100%	-
• Significant findings added to case law data base within four weeks of review and approval by Information Commissioner	100%	100%	-
• Reports to the LA will be provided annually in accordance with policies and procedures manual	95-100%	95-100%	-
• Public awareness of FOI will be carried out on a monthly basis	100%	100%	-
• Specific advice requested will be provided within five working days	95-100%	95-100%	-
Location			
Cayman Islands	100%	100%	-
Cost (of producing the output)	5,458	659,533	(654,075)
Price (paid by Cabinet for the output)	\$-	\$659,533	(\$659,533)
Related Broad Outcome:			
10: Open, Transparent, Honest and Efficient Public Administration			

PCF 1	Protocol Services	\$286,891	
Description			
The provision of a wide range of protocol services and interventions to the Cayman Islands Government and to the wider community as required.			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity			
• Advice and reporting in relation to protocol matters	2040	900-1,100	940
• Number of protocol policies and services developed	2	6-12	(4)
• Number of ceremonial and official events coordinated	3	3-5	-
• Number of official visits (local/overseas) planned and organized	16	3-5	(11)
• Number of protocol officers trained in various entities	34	30-50	-
Quality			
• All policies and practices will be developed with key stakeholders in conformance with international best practice while being tailored specifically for the Cayman Islands	100%	100%	-
• Protocol advice, services and training to be provided by suitably experienced staff	100%	100%	-
• Protocol advice, services and training in accordance with agreed policies and guidelines	100%	100%	-
Timeliness			
• Protocol services will be delivered in line with timetables agreed with Cabinet Secretary	95-100%	95-100%	-
• Ceremonial and official events coordinated as required	95-100%	95-100%	-
• Planning and organization of visits as required	95-100%	95-100%	-
• Training to be provided by February 2008	95-100%	95-100%	-
Location			
Grand Cayman	100%	100%	-
Cost (of producing the output)	322,913	286,891	36,022
Price (paid by Cabinet for the output)	286,891	286,891	-
Related Broad Outcomes:			
9: Support the Economy			
10: Open, Transparent and Efficient Public Administration			

CRS 1	Constitutional Review		\$600,000
Description			
Constitutional Review Secretariat (CRS) will be established to coordinate and manage the entire Constitutional Review process, which will be comprehensive and involve the entire populace of the Cayman Islands			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity Number of hours of coordination	8,028	6,500-7,500	528
Quality Implementation carried out in accordance with guidelines established	90-100%	90-100%	-
Timeliness Implementation of the constitutional review will be delivered in line with timetables agreed with Cabinet Secretary	95-100%	95-100%	-
Location Grand Cayman	100%	100%	-
Cost (of producing the output)	1,207,300	1,295,000	(87,700)
Price (paid by Cabinet for the output)	1,295,000	1,295,000	\$-
Related Broad Outcome:			
9: Support the Economy			

CSD 12	Policy Advice	\$13,005	
Description Develop Information Technology (IT) Policies, Procedures, and strategies for the Ministries/Portfolios, Government Agencies and the Computer Services Department.			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity - Number of Parliamentary Questions answered - Number of reports, responses and advice provided	- -	1-3 1-5	(1) (1)
Quality Work completed by suitably qualified and experienced IT professionals	-	98%	(98%)
Timeliness Complete requirements; produce relevant reports and recommendations to deadline agreed with Minister and Chief Officer	-	80-100%	(80-100%)
Location Grand Cayman and Cayman Brac	-	100%	(100%)
Cost (of producing the output)	1,047	13,005	(11,958)
Price (paid by Cabinet for the output)	-	13,005	(13,005)
Related Broad Outcome: 10: Open, Transparent, Honest and Efficient Public Administration			

CSD 26	Government Wide Internet Portal and E-Government Support Unit	\$580,680		
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 • Provision of staff and expertise to deliver E-Government support services moving Government to delivering a breath of online services, kiosks in major Government buildings				
Measures		2007/8 Actual	2007/8 Budget	Annual Variance
Quantity • Number of days on which the Government's internet portal is accessible • Provision of staff and expertise to deliver E-Government support services moving Government to delivering a breath of online services, kiosks in Major Government buildings		359-365 1-8	359-365 1-8	- -
Quality • Services are delivered using Industry Standard Web portal technologies • E-Government services delivered by trained and qualified staff members and external contractors as required		95-100% 95-100%	95-100% 95-100%	- -
Timeliness • Web site provides is available to the public as a source of information 24 hours a day, seven days a week • Delivery of E-government services in accordance with agreed project time lines		95-100% 95-100%	95-100% 95-100%	- -
Location Grand Cayman		100%	100%	-
Cost (of producing the output)		385,516	580,680	(195,164)
Price (paid by Cabinet for the output)		570,700	580,680	(9,980)
Related Broad Outcomes: 9: Support the Economy 10: Open, Transparent, Honest and Efficient Public Administration				

Note: The total cost of supplying this output is \$790,031. However, the revenue of \$209,351 from other government agencies reduces the cost to Cabinet to \$580,680.

CSD 27	Disaster Tolerant Central Information Technology Infrastructure	\$669,000	
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 • Number of servers and devices housed in Cayman Brac (New) • Provision of Disaster Tolerant network ring to main government sites			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity			
• Number of file servers housed in secure facilities – Grand Cayman	75	50-100	-
	2	3-20	(1)
• Number of servers and devices housed in Cayman Brac	1	1	-
• Disaster Tolerant network ring to main government sites			
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%	-
• All work carried out by qualified technical staff members and qualified contractors	95%	95%	-
Timeliness			
• Secure facilities operational 24 hours a day, seven days a week	95-100%	95-100%	-
• Brac data centre operational as a backup site for key systems 24 hours a day, seven days a week	95-100%	95-100%	-
• Provision of Disaster Tolerant network ring to main government sites	95-100%	95-100%	-
Location			
Grand Cayman and Cayman Brac	100%	100%	-
Cost (of producing the output)	480,560	669,000	(188,440)
Price (paid by Cabinet for the output)	649,500	669,000	(19,500)
Related Broad Outcomes:			
1: Deal with the Aftermath and Lessons from Hurricane Ivan			
6: Embrace Cayman Brac and Little Cayman			
10: Open, Transparent, Honest and Efficient Public Administration			

Note: The total cost of supplying this output is \$902,651. However, the revenue of \$233,651 from other government agencies reduces the cost to Cabinet to \$669,000.

GIS 2	Public Information Services and Products	\$507,659	
Description			
Public information services involving:			
• Information provided at the public's request on Government matters • Services provided to the local/overseas media • Public relations advice provided to all government agencies • Issues management			
Public Information Products:			
• Calendar of events • Updating local/overseas publications • Weekly television programme • Annual report			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity			
• Number of public information services hours	2,665	1,200-1,350	1,315
• Number of calendar of events published	35	40-52	(5)
• Number of local/overseas publications handled	1	4-6	(3)
• Number of television programmes	52	40-48	4
• Number of annual reports	3	1	2
Quality			
• Public Information Services provided by experienced Information Officers (IOs)	100%	100%	-
• Updating of calendar of events supervised by Manager of IOs.	95-100%	95-100%	-
	100%	100%	-
• Local/Overseas press relations handled by the Chief Information Officer (CIO) or Manager of IOs or designates	100%	100%	-
• Overseas publication updates undertaken by senior GIS staff	100%	100%	-
	100%	100%	-
• Television programmes overseen by senior GIS staff			
• Annual Report reviewed by Senior GIS Staff and Chief Information Officer			
Timeliness			
• Public Information Services provided in accordance with timescale agreed with the relevant agency	100%	100%	-
• Calendar updated and placed on the Government website each Friday	90-100%	90-100%	-
• Response to local/overseas press within 24 hrs of request	95-100%	95-100%	-
• Meet deadline set by overseas publishers	100%	100%	-
• Annual Report published by December 2007	90-100%	90-100%	-
Location			
Grand Cayman	100%	100%	-
Cost (of producing the output)	175,545	507,659	(332,114)
Price (paid by Cabinet for the output)	461,752	507,659	(45,907)
Related Broad Outcome:			
10: Open, Transparent, Honest and Efficient Public Administration			

GIS 8	Public Interest News Releases	\$73,143	
Description			
Provision of print and video news releases on subjects of interest to the public			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity			
• Number of print releases issued to the media	165	200-250	(45)
• Number of video releases issued to the media	-	150-200	(150)
Quality			
News releases reviewed by Senior Information Officer	95-100%	95-100%	-
Timeliness			
• Print news releases issued to the media within two working days of request	95-100%	95-100%	-
• Video news releases provided as agreed	95-100%	95-100%	-
Location			
Grand Cayman	100%	100%	-
Cost (of producing the output)	271,427	73,143	198,284
Price (paid by Cabinet for the output)	182,250	73,143	109,107
Related Broad Outcome:			
10: Open, Transparent, Honest and Efficient Public Administration			

The total cost of supplying this output is \$373,223. However, the revenue of \$300,080 from other Government Agencies reduces the cost to Cabinet to \$73,143.

GIS 17	Providing Content for the Government's Internet Portal	\$19,668		
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 (gov.ky) • Uploading press releases • Uploading the Cayman Islands Official Gazette and -related Internet matters				
Measures		2007/8 Actual	2007/8 Budget	Annual Variance
Quantity Number of hours		435	150-200	235
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)		40,891	19,668	21,223
Price (paid by Cabinet for the output)		38,344	19,668	18,676
Related Broad Outcomes: 9: Support the Economy 10: Open, Transparent, Honest and Efficient Public Administration				

UKO 1	Policy Advice	\$86,185	
Description Provision of advice and information to the Government and its agencies on events, policies and developments in the UK and Europe based on Press and Media Reports, Parliamentary Reports, European Union Reports, Trade Reviews, Financial Publications, Statistical Data etc.			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity Number of pieces of advice provided	220	175-225	-
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 three working days following the identification of relevant issues	98-100%	98-100%	-
Location London Office	100%	100%	-
Cost (of producing the output)	84,637	86,185	(1,548)
Price (paid by Cabinet for the output)	86,185	86,185	-
Related Broad Outcome: 10: Open, Transparent, Honest and Efficient Public Administration			

UKO 2	Promotion of the Cayman Islands in Europe	\$116,887		
Description Promotion of the Cayman Islands through: • Participating in meetings and conferences • Involvement with media organizations and other associates • Administration and support for the Friends of Cayman group				
Measures	2007/8 Actual	2007/8 Budget	Annual Variance	
Quantity • Number of promotional events and meetings attended • Number of media contacts, press releases etc.	325 6	300-400 5-9	- -	
Quality Officers 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 promotional events and meetings subject to invitation • Media activities as dictated by media requests or opportunities	98-100% 100%	98-100% 100%	- -	
Location Europe	100%	100%	-	
Cost (of producing the output)	149,182	116,887	32,295	
Price (paid by Cabinet for the output)	116,887	116,887	-	
Related Broad Outcome: 9: Support the Economy				

UKO 5	Information on Cayman Islands to the Public in Europe	\$122,221	
Description Provision of written and verbal information on the Cayman Islands to companies, organizations and the public in the United Kingdom (UK) and Europe including updating information in UK publications and requests for documents/reports/publications from Government departments.			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
<i>Quantity</i>			
Number of hours of information provided	243	500-600	(257)
<i>Quality</i>			
Information provided by qualified personnel	90-100%	90-100%	-
<i>Timeliness</i>			
All enquires answered: immediately - two working days	98-100%	98-100%	-
<i>Location</i>			
Europe	100%	100%	-
<i>Cost (of producing the output)</i>	108,748	122,221	(13,473)
<i>Price (paid by Cabinet for the output)</i>	59,401	122,221	(62,820)
Related Broad Outcomes: 9: Support the Economy 10: Open, Transparent, Honest and Efficient Public Administration			

UKO 7	Consular Services	\$128,499	
Description			
Provision of assistance to persons resident or visiting the United Kingdom including:			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity			
Number of persons assisted	123	100-150	-
Quality			
Assistance provided by officers experienced in dealing with the UK public sector agencies	100%	100%	-
Timeliness			
All assistance provided within two working days of request	95-100%	95-100%	-
Location			
London Office	100%	100%	-
Cost (of producing the output)	92,990	128,499	(35,509)
Price (paid by Cabinet for the output)	128,499	128,499	-
Related Broad Outcome:			
10: Open, Transparent, Honest and Efficient Public Administration			

UKO 8	Representational Duties and International Relations	\$225,208	
Description Liaison with Her Majesty's Government and International Organizations: • Participating in and arranging meetings, conferences, functions and official visits • Entertainment of official guests • Attendance at ceremonial and official functions (receptions dinners etc.) • Administration and support for the All Party Parliamentary Group for the Cayman Islands • Participation in the United Kingdoms Overseas Territory Association • Participation in Commonwealth Organizations • Participation in and administrative support for the Overseas Countries and Territories Association (OCTA) • Representing Cayman Islands and developing international relations			
Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Quantity • Number of hours • Number of meetings, conferences and official functions attended	690 154	1,000-1,500 300-1,200	(310) (146)
Quality • Assistance provided by officers experienced in dealing with international organizations • Meetings, conferences and official functions attended by qualified officer	95-100% 95-100%	95-100% 95-100%	- -
Timeliness • All assistance provided within four working days of request • Meetings, conferences and official functions attended as necessary	100% 100%	100% 100%	- -
Location London and Cayman Islands	95-100%	95-100%	-
Cost (of producing the output)	570,884	225,208	345,676
Price (paid by Cabinet for the output)	155,395	225,208	(69,813)
Related Broad Outcomes: 9: Support the Economy 10: Open, Transparent, Honest and Efficient Public Administration			

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

- Facilitate the completion of any further constitutional review.

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

In general, the Cabinet Office has complied with the Nature and Scope of Activities as agreed in the 2007-08 Budget.

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 modelling 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
- Introduction of Freedom of Information across Government departments.

Achievement during Year

In general, the Cabinet Office has complied with the Strategic Ownership Goals as agreed in the 2007-08 Budget.

5 Ownership Performance Targets

5.1 Financial Performance

Financial Performance Measures	2007/8 Actual \$000	2007/8 Budget \$000	Annual Variance \$000
Revenue from Cabinet	6,129	7,121	(992)
Revenue from ministries, portfolios, statutory authorities, government companies	11,771	10,998	773
Revenue from others	574	922	(348)
Surplus/deficit from outputs	100	248	(148)
Ownership expenses			
Operating Surplus/Deficit	100	248	(148)
Net Worth	5,635	6,190	(555)
Cash flows from operating activities	371	1,497	(1,126)
Cash flows from investing activities	(1,294)	(2,152)	858
Cash flows from financing activities	510	710	(200)
Change in cash balances	(413)	54	(467)

Explanation of Variances:

Financial Performance Ratios	2007/8 Actual	2007/8 Budget	Annual Variance
Current Assets: Current Liabilities (Working Capital)	132%	338%	(206%)
Total Assets: Total Liabilities	168%	85%	(83%)

Explanation of Variances:

5.2 Maintenance of Capability

Human Capital Measures	2007/8 Actual	2007/8 Budget	Annual Variance
Total full time equivalent staff employed	111	111	-
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	12	12	-
Professional and technical staff	7	7	-
Clerical and labourer staff	7	7	-
Changes to personnel management system:			

Explanation of Variances:

Physical Capital Measures	2007/8 Actual \$000	2007/8 Budget \$000	Annual Variance \$000
Value of total assets	14,065	7,408	6,657
Asset replacements: total assets	5%	69%	64%
Book value of assets: initial cost of those assets	37%	21%	(16%)
Depreciation: cash flow on asset purchases	60%	157%	97%
Changes to asset management policies	None	None	None

Explanation of Variances:

Major <u>New</u> Entity Capital Expenditures for the Year	2006/7 Actual \$	2006/7 Budget \$	Annual Variance \$
Fit out for FOI Coordinating Unit	40,000	40,000	-
Fit out for Protocol Office	40,000	40,000	-
Fit out for Information Commissioner's Office	80,000	80,000	-
Compliance with FOI	350,000	350,000	-
Total	510,000	510,000	-

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 2007/8 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	2007/8 Actual \$	2007/8 Budget \$	Annual Variance \$
Equity Investment from Cabinet into the <i>Cabinet Office</i>	510,000	710,000	-
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 2008.

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 2008;
- (b) fairly reflect the financial position as at 30th June 2008 and performance for the year ended 30th June 2008; 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:

Matthew Tibbetts
Chief Financial Officer
Date: 8 / 12 / 10



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Cayman Islands Government
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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 2008 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 44 to 54 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 \$10.3M in the statement of financial position at June 30, 2008 is doubtful.

Inventories

There was no inventory count performed at June 30, 2008 and as a result I am unable to evaluate the accuracy of the amount of \$575K 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, 2008.

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 \$3M on the statement of financial position.

Net worth

I was unable to satisfy myself that the amount of \$5.6M reported as net worth on the statement of financial position at 30 June 2008 was fairly stated because of the lack of adequate records on the beginning balance amounting to \$2.6M.

Employee entitlements

I was unable to obtain sufficient evidence as to the accuracy of long service leave and other leave entitlement amounting to \$389K on the statement of financial position.

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 2008 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 employee entitlements and 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 2008, 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.



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

Cayman Islands
08 December 2010

**CABINET OFFICE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2008**

		2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
Revenue				
Outputs to Cabinet		6,129	6,750	3,445
Outputs to other government agencies		11,771	10,998	10,960
Outputs to others		574	673	592
Interest Revenue		10	-	26
Total Operating Revenue		<u>18,484</u>	<u>18,421</u>	<u>15,023</u>
Operating Expenses				
Personnel costs	1	9,019	9,613	7,279
Supplies and consumables	2	7,458	6,988	4,648
Depreciation	3	1,329	1,443	1,565
Capital charge	12	578	377	456
Other operating expenses		-	-	-
Total Operating Expenses		<u>18,434</u>		<u>13,948</u>
Surplus from operating activities		<u>100</u>	<u>-</u>	<u>1,075</u>
Gains/losses on foreign exchange transactions		-	-	-
Gains/losses on disposal or revaluation of non-current assets		-	-	-
Surplus before extraordinary items		<u>100</u>	<u>-</u>	<u>1,075</u>
Extraordinary items				
Extraordinary outputs – expense		-	143	116
Extraordinary outputs – revenue		-	143	-
Total Extraordinary items		<u>-</u>	<u>-</u>	<u>116</u>
Net Surplus		<u>100</u>	<u>-</u>	<u>959</u>

The Notes to the Financial Statements on pages 48 to 54 form an integral part of these financial statements.

**CABINET OFFICE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2008**

	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
Opening balance net worth	5,089	5,431	4,306
Net surplus	100	-	959
Property revaluations	-	-	-
Investment revaluations	-	-	-
Net revaluations during the period	-	-	-
Total recognised revenues and expenses	-	-	-
Equity investment from Cabinet	546	710	783
Repayment of surplus to Cabinet	(100)	-	(959)
Capital withdrawal by Cabinet	-	-	-
Closing balance net assets	5,635	6,141	5,089

The Notes to the Financial Statements on pages 48 to 54 form an integral part of these financial statements.

**CABINET OFFICE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2008**

	Note	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
Current Assets				
Cash and cash equivalents	4	84	1,789	497
Accounts receivable	5	10,339	1,975	7,105
Inventories	6	575	511	384
Other Assets		53	-	28
Total Current Assets		11,051	4,275	8,014
Non-Current Assets				
Property, plant and equipment	7	3,014	3,132	2,928
Other non-current assets		-	-	3
Total Non-Current Assets		3,014	3,132	2,931
Total Assets		14,065	7,408	10,945
Current Liabilities				
Accounts payable	8	2,373	967	718
Unearned revenue		26	-	26
Employee entitlements	9	389	182	157
Other current liabilities	10	5,641	117	4,954
Total Current Liabilities		8,429	1,266	5,855
Non-Current Liabilities				
Employee entitlements	11	1	-	1
Other non-current liabilities		-	-	-
Total Non-Current Liabilities		1	-	1
Total Liabilities		8,430	1,266	5,856
NET ASSETS		5,635	6,141	5,089
NET ASSETS / EQUITY				
Contributed capital		5,635	5,431	5,089
Asset revaluation reserve		-	710	-
Accumulated surpluses		-	-	-
TOTAL NET ASSETS / EQUITY		5,635	6,141	5,089

The Notes to the Financial Statements on pages 48 to 54 form an integral part of these financial statements.

**CABINET OFFICE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Sale of Outputs		15,592	17,904	14,012
Interest received		5	-	24
Other receipts		-	-	8
Payments				
Personnel costs		(8,359)	(9,613)	(7,398)
Suppliers		(6,864)	(6,417)	(4,755)
Other payments		(3)	(377)	-
Net cash flows from operating activities		<u>371</u>	<u>1,497</u>	<u>1,891</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of non-current assets	12	(1,294)	(2,153)	(2,740)
Proceeds from sale of non-current assets		-	-	(4)
Net cash flows from investing activities		<u>(1,294)</u>	<u>(2,153)</u>	<u>(2,744)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Equity investment		510	710	280
Repayment of surplus		-	-	-
Capital withdrawal		-	-	-
Net cash flows from financing activities		<u>510</u>	<u>710</u>	<u>280</u>
Net increase/(decrease) in cash and cash equivalents		(413)	54	(573)
Cash and cash equivalents at beginning of period		<u>497</u>	<u>1,735</u>	<u>1,070</u>
Cash and cash equivalents at end of period		<u>84</u>	<u>1,789</u>	<u>497</u>

The Notes to the Financial Statements on pages 48 to 54 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, Freedom of Information, Protocol Office and Constitutional Review Secretariat. 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 2008.

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 Cabinet Office 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

	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
Salaries and wages (including employee pension contributions)	8,382	9,149	6,945
Employer pension expense	396	464	309
Other personnel costs	241	-	25
Total Personnel Costs	9,019	9,613	7,279

NOTE 2: SUPPLIES AND CONSUMABLES

	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
Supply of goods and services	6,251	6,095	3,799
Operating lease rentals	1,207	678	966
Other	-	214	-
Total Supplies and Consumables	7,458	6,988	4,648

NOTE 3: DEPRECIATION

	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
Buildings	21	-	50
Other Infrastructure Assets	117	-	-
Vehicles	15	3	52
Aeroplanes	-	-	-
Boats	-	-	-
Furniture and fittings	28	12	22
Computer hardware and software	1,099	1,378	1,230
Office equipment	44	2	108
Other plant and equipment	-	34	3
Other assets	6	13	100
Total Depreciation	1,330	1,461	1,565

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

	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
Cash on hand	1	149	-
Bank accounts	83	1,640	497
Deposits with Portfolio Finance and Economic (Treasury)	-	-	-
Total Cash and Cash Equivalents	84	1,789	497

NOTE 5: ACCOUNTS RECEIVABLE

	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
Outputs to Cabinet	1,756	629	1,323
Outputs to other government agencies	7,887	1,210	5,499
Outputs to others	50	101	-
Prepayments	193	-	283
Interest Receivable	-	4	-
Other Receivables	453	31	-
Total Gross Accounts Receivable	10,339	1,975	7,105
Less: provision for doubtful debts	-	-	-
Total Net Accounts Receivable	10,339	1,975	7,105

NOTE 6: INVENTORIES

	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
Raw Materials (including Consumable Stores)	575	188	384
Work in Progress	-	-	-
Finished Goods	-	-	-
Total Inventories	575	188	384

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	30 June 2008 Cost or Revalued Amount \$000	30 June 2008 Acc Dep \$000	30 June 2008 Book Value Actual \$000	30 June 2007 Book Value Actual \$000
Buildings	314	72	242	264
Other Infrastructure Assets	1,598	570	1,028	1,151
Vehicles	101	69	32	47
Furniture and fittings	181	96	85	118
Computer hardware and software	2,035	4,007	(1,972)	(877)
Office equipment	176	153	23	62
Other plant and equipment	336	19	317	317
Other assets	-	-	-	1,845
Work / Construction in Process	61	-	61	-
Fixed Assets Mass Additions	3,198	-	3,198	1,845
Total	8,000	4,986	3,014	2,927

NOTE 8: ACCOUNTS PAYABLE

	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
Trade Creditors	626	450	177
Accruals	1,747	635	541
Total	2,373	1,085	718

NOTE 9: EMPLOYEE ENTITLEMENTS (CURRENT)

	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
Long service leave and other leave entitlements	357	172	125
Other salary related entitlements	32	10	32
Total Employee Entitlements	389	182	157

NOTE 10: OTHER CURRENT LIABILITIES

The total amount of \$5,641M 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; \$959K for the year ending 30 June 2007 and \$100K for the year ending 30 June 2008. 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 \$3.7M (30 June 2008) as the Office has not requested or received any approval from the Financial Secretary to retain the surplus achieved since 2005.

Included also in this section are Creditors –owed to other ministries or departments in the amount of \$1.6M and a reclassification of negative balance of receivable amounting to \$209K.

NOTE 11: EMPLOYEE ENTITLEMENTS (NON-CURRENT)

	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 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 2007/8 (2006/7 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 2007/8, the capital charge is \$578K (2006/7: \$456K).

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

	2007/8 Actual \$000	2007/8 Budget \$000	2006/7 Actual \$000
Operating surplus/(deficit)	100	-	959
Non-cash movements			
Depreciation	1,330	1,461	1,565
Increase in provision for doubtful debts	-	-	-
(Decrease)/increase in payables/accruals	2,181	-	(149)
Net (gain)/loss from sale of fixed assets	-	-	-
Net gain/loss from sale of investments	-	-	-
Increase in other current assets	(216)	-	(87)
(Increase)/decrease in receivables	(3,024)	-	(397)
Net cash flows from operating activities	371	1,461	1891

NOTE 14: RELATED PARTY DISCLOSURES

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 - \$383K; Portfolio of Legal Affairs - \$117K and Lands and Survey Department - \$99K.