



GOVERNMENT OF THE CAYMAN ISLANDS

Portfolio of the Civil Service

ANNUAL REPORT FOR THE YEAR ENDED 30th JUNE 2010

CONTENTS

	Page
PART A:	
Statement of Outputs Delivered	1-14
PART B: Financial Statements for the Year	15
Statement of Responsibility for Financial Statements	16
Auditor General's Report	17-18
Statement of Financial Position	19
Statement of Financial Performance	20
Statement of Changes in Net Worth	21-22
Cash Flow Statement	23
Notes to the Financial Statements	24-39

Part A

Statement of Outputs Delivered

(UNAUDITED)

PCS 1	Policy Advice and Support on Civil Service Matters	\$309,466	
Description Policy advice to the Head of the Civil Service and the Governor relating to civil service matters including: • Advice on service-wide human resource policies and practices for the civil service • Advice on remuneration for government employees other than civil servants • Advice on the Head of the Civil Service's machinery of government powers • Drafting of legislation and regulation • Drafting of replies to Parliamentary questions and general correspondence relating to Civil Service matters • Policy advice on the strategic development of the Civil Service College and other learning and development strategies within the civil service • Admin Circulars			
Measures	2009-10 Actual	2009-10 Budget	Variance
Quantity Number of hours of policy advice provided Number of FACE awards ceremonies	2,547 1	1,820-2,000 1	547 0
Quality Policy advice reviewed by Chief Officer prior to submission FACE awards ceremonies overseen by multi-agency advisory committee	95-100%	95-100%	0
Timeliness All advice submitted in accordance with schedules as agreed by the Head of the Civil Service FACE Award will take place in November	95-100% 95-100%	95-100% 95-100%	0 0
Location Cayman Islands	100%	100%	0
Cost	\$202,947	\$309,466	(\$106,519)
Price	\$309,466	\$309,466	\$0
Related Broad Outcome: 8. Preparing our labour market for future opportunities			

PCS 2	Strategic Human Resources Services	\$205,632	
Description			
The provision of strategic Human Resource (HR) Services to the Head of the Civil Service, including:			
- Monitoring trends and developments in HR matters across the service as a whole, including reports on service-wide trends and data. - Providing professional advice on the potential HR impacts and implications of Government proposals and initiatives and other developments within the civil service. - Further development of Human Resources IRIS (HRIRIS) as a tool to support the strategic decision-making capability of Government. - Employee satisfaction/attitude surveys within the civil service. - Management of corporate compensation and benefits. - Negotiation and agreement of Annual Agreement with CINICO - Personnel Circulars - Facilitation of Effective Human Resource (HR) Practices			
Measures	2009-10 Actual	2009-10 Budget	Variance
Quantity			
Number of reports	9	4-7	2
Number of HRIRIS projects to be completed	2	2	0
Number of surveys	3	1	2
Number of Annual agreements	0	1	(1)
Number of HR forums/meetings	4	4-6	0
Number of advisories on HR best practice documents	1	1-4	0
Quality			
All reports and papers to be subject to review and sign off by the Chief Officer and subsequent approval by Head of the Civil Service prior to distribution	95-100%	95-100%	0
HRIRIS project to be undertaken in consultation with relevant individuals and agencies within the civil service	95-100%	95-100%	0
All campaign materials approved by Chief Officer prior to distribution	95-100%	95-100%	0
Surveys conducted by qualified HR Personnel	95-100%	95-100%	0
Annual agreement to be reviewed by senior personnel prior to Chief Officer Sign off.	95-100%	95-100%	0
Agendas for HR forums to be established by steering committees	95-100%	95-100%	0
Circulars to be approved by Chief Officer prior to curriculum	95-100%	95-100%	0
Timeliness			
Service-wide personnel statistical reports: August 2009 and February 2010	95-100%	95-100%	0
Ad-hoc statistical or other reports: on or before agreed deadlines	95-100%	95-100%	0
HRIRIS Development project completed: June 2010	95-100%	95-100%	0
Survey to be completed by June 2010	95-100%	95-100%	0
Contract negotiations completed by June 2010	95-100%	95-100%	0
Quarterly HR Forums	95-100%	95-100%	0
Circulars: at least quarterly or as required	95-100%	95-100%	0
Location			
Grand Cayman	100%	100%	0
Cost	\$161,189	\$205,632	(\$44,443)
Price	\$205,632	\$205,632	\$0
Related Broad Outcome: 8. Preparing our labour market for future opportunities			

PCS 3	Support on Chief Officer Employment Matters	\$25,230		
Description				
Provision of technical and administrative support to the Head of the Civil Service and, where relevant, the Governor, in relation to employment arrangements for chief officers including:				
- Managing chief officers' appointment processes - Assisting with negotiating remuneration levels with chief officers - Managing the processes surrounding the disciplining, dismissing or early retirement of chief officers - Developing succession plans for chief officers positions - Ensuring annual performance agreements are prepared for each chief officer and providing advice on the fairness of the agreement for the Head of the Civil Service's certification - Managing the process for annual performance assessment of chief officers including undertaking an initial assessment for consideration by the Head of the Civil Service				
Measures		2009-10 Actual	2009-10 Budget	Variance
Quantity				
Number of hours of technical and administrative support		85	75-150	0
Number of performance agreements prepared and advised on		22	20	0
Number of performance assessments prepared and advised on		0	20	(20)
Quality				
Technical and administrative support provided by Senior HR personnel		100%	100%	0
Preparation of and advice on Performance agreements and performance assessments by senior HR personnel		100%	100%	0
Timeliness				
Support provided within timelines established by the Head of the Civil Service or Governor for the issue concerned		95-100%	95-100%	0
Preparation of performance agreements provided in November 09 and June 2010		95-100%	95-100%	0
Advice on performance assessments ongoing throughout the period		95-100%	95-100%	0
Location				
Grand Cayman		100%	100%	0
Cost		\$15,310	\$25,230	(\$9,920)
Price		\$25,230	\$25,230	\$0
Related Broad Outcome:				
8. Preparing our labor market for future opportunities				

PCS 4	Auditing Compliance with Human Resource (HR) Policies		\$386,190
Description Auditing civil service entity compliance with Government HR policies as established by the Public Service Management Law (2007) (PSML) and Personnel Regulations (2006) including: • Undertaking ongoing audits of civil service personnel systems to establish the extent of compliance with the Public Service Management Law (2006) and advising the Head of the Civil Service accordingly • Inquiring into alleged breaches of the code of conduct by Chief Officers and reporting to the Head of the Civil Service on the results of such enquiries • Undertaking such other investigations and human resource related services as the Governor, Head of the Civil Service or Cabinet may from time to time request			
Measures	2009-10 Actual	2009-10 Budget	Variance
Quantity • Number of HR audits • Number of investigations	49 2	45-50 1-5	0 0
Quality HR Audits and investigations conducted in accordance with established methodology and policies	100%	100%	0
Timeliness • HR Audits completed within agreed timetable • Investigations commenced within 10 days of request	100% 85-100%	100% 85-100%	0 0
Location Grand Cayman and Cayman Brac	100%	100%	0
Cost	\$420,816	\$386,190	\$34,626
Price	\$386,190	\$386,190	\$0
Related Broad Outcome: 8. Preparing our labor market for future opportunities			

PCS 5	Management of Public Sector Reform	\$131,582		
Description				
Facilitate the enhancement of the Government's management system and provide advice to the Head of the Civil Service on opportunities for improvement, including the facilitation of such initiatives as:				
• Personnel Reform • Freedom of Information • E-government • 2009 Constitution Implementation • Modifications to Public Management and Finance Law				
Measures	2009-10 Actual	2009-10 Budget	Variance	
Quantity Hours spent on the management of reforms	975	700-775	200	
Quality Facilitation of reforms provided by qualified Management Support Unit personnel	100%	100%	0	
Timeliness • Personnel reform implemented in accordance with the implementation timeline established by the Head of the Civil Service • Delivery of reform activities in line with timelines agreed with Head of the Civil Service • Delivery of new constitution activities in line with timelines agreed with Cabinet	100% 100% 90%	100% 100% 90%	0 0 0	
Location Grand Cayman	100%	100%	0	
Cost	\$112,290	\$131,582	(\$19,292)	
Price	\$131,582	\$131,582	\$0	
Related Broad Outcome:				
2. Restoring Prudent Fiscal Management				
8. Preparing our labor market for future opportunities				

PCS 7	Provision of Management Advice and Support	\$136,701		
Description Provide advice and capability support to civil service entities in relation to public sector management issues, including strategic management, financial management, production management, management systems and Human Resource management				
Measures	2009-10 Actual	2009-10 Budget	Variance	
Quantity Number of hours of advice and support provided	1,915	1,800-2,000	0	
Quality Advice provided by qualified and experienced advisors who have a good knowledge of the Cayman Islands public sector management system and the technical areas concerned	100%	100%	0	
Timeliness Advice provided in accordance with a schedule agreed with the relevant Chief Officer	100%	100%	0	
Location Grand Cayman	100%	100%	0	
Cost	\$184,378	\$136,701	\$47,677	
Price	\$136,701	\$136,701	\$0	
Related Broad Outcomes: 2. Restoring Prudent Fiscal Management 8. Preparing our labor market for future opportunities				

PCS 9	Recruitment Services	\$49,405		
Description: Provision of recruitment and orientation services to include: • Finalization of draft advert from client • Placement of ad based on client's requests • Logging, collation and forwarding of application forms to client electronically • Reference Checks • Follow-up after the interview • Preparation of Job Advert • Assessment and Forwarding of Applications and Resumes • Develop Interview Questions and Evaluation Documentation • Organize the Interview Panel and/or participate in Interviews • Telephone interviews • Preparation and organization of job sample testing best sources for ad placements • Other recruitment services as requested by client • Administration of standard pre-employment testing of candidates				
Measures		2009-10 Actual	2009-10 Budget	Variance
Quantity				
Number of recruitments		0	2-3	0
Number of hours of recruitment services		499	400-450	49
Quality				
• Advice and guidance to be based on best HR practice and compliant with the Public Service Management Law (2007) and the Personnel Regulations • Services to be provided by qualified HR Professionals		100%	100%	0
Timeliness				
• Work output and turn around times to be as specified in our publications or as agreed with clients		100%	100%	0
Location				
Grand Cayman		100%	100%	0
Cost		\$60,524	\$49,405	\$11,119
Price		\$49,405	\$49,405	\$0
Related Broad Outcome:				
8. Preparing our labour market for future opportunities				

PCS 10	Job Descriptions, Reviews and Evaluations		\$211,219
Description: Provision of job evaluation services including:- • Registration, Pre-screening and job analysis • Feedback on improvements to job description, advice on organization structure and job re-design • Evaluation of job descriptions written in compliance with HAY standards • Job Descriptions evaluated and results recorded on a Job Evaluation request form			
Measures			
	2009-10 Actual	2009-10 Budget	Variance
Quantity • Number of Job Descriptions evaluated	122	257	145
Quality • Job evaluation process conducted in compliance with HAY standards.	100%	100%	0
Timeliness • Reference for job evaluation request to be provided within 48 hours • Job analysis commenced within 5 working days after request received • Job Evaluation (including feedback) completed within 10 working days of receipt of Job Description meeting compliance standards	90 -100% 90 -100% 90 - 100%	90 -100% 90 -100% 90 -100%	0 0 0
Location Grand Cayman	100%	100%	0
Cost	\$135,678	\$211,219	(\$75,541)
Price	\$91,945	\$211,219	(\$119,274)
Related Broad Outcome: 8. Preparing our labour market for future opportunities			

PCS 11	Operational HR Advice, Support and Guidance		\$391,272	
Description: Provision of oral and written advice and guidance on: - Developing and/or enhancing HR policies and procedures or assessing their compliance with the Law and Regulations - General HR best practice matters HR advice and support to clients in regards to: - Employee discipline, dismissal, retirement or other terminations - Employee Relations and Retention - Support on Grievance and Appeals - Performance Management - Bespoke reports and statistical analysis - Other consultancy services Job descriptions: - Preparation of job descriptions (JD), including consultation with clients - Revision of JDs to meet standard required for evaluation				
Measures		2009-10 Actual	2009-10 Budget	Variance
Quantity - Number of employees in the department at the end of the month - Number of hours of advice and guidance to agencies on PSML or Personnel Regulations - Number of hours of HR advice and support - Number of hours of advice on job descriptions		3,683* 185 2,230 415	3,750 255-280 1,400 45	(67) (70) 830 370
Quality - Advice, guidance and support to be based on best HR practice and compliant with the Public Service Management Law (2007) and Personnel Regulations 2006 - Services to be provided by qualified HR Professionals - Job description to be prepared in compliance with HAY standards		90-100% 90-100% 90-100%	 90-100% 90-100% 90-100%	0 0 0
Timeliness - Client requests to be acknowledged within two working days of receipt - Information provided and turnaround times to be as agreed with clients		90-100% 90-100%	 90-100% 90-100%	0 0
Location Grand Cayman		100%	100%	0
Cost		\$422,811	\$391,272	\$31,539
Price		\$391,286	\$391,272	\$0
Related Broad Outcome: 8. Preparing our labour market for future opportunities				

[*To be confirmed with Annual Report on HR Statistics](#)

PCS 12	Maintaining Employee's data Files	\$309,238		
Description: Maintenance of employee records: • Maintenance of files containing information relating to staff members' pension rights • Provision of information relating to individual current and ex-employees that is held by the Portfolio of the Civil Service. Maintenance of Personnel records, to include: • Storage and maintenance of personnel records • Provision of access to and information relating to personnel records held by the Portfolio of the Civil Service Maintenance of IRIS records, to include: • Data input of information onto IRIS from source documents including employee information and dependents for medical benefits. • Provision of standard information (both individual and summary) relating to personnel records held on IRIS				
Measures		2009-10 Actual	2009-10 Budget	Variance
Quantity				
Number of employees in the department at the end of the month		3,683*	3,750	(67)
Quality				
• Records to be maintained in compliance with any record keeping standards established by government policy and in compliance with forthcoming FOI requirements		90-100%	90-100%	0
• Access to files provided in accordance with specifications agreed with client or as required by law to personnel information.		90-100%	90-100%	0
• Information entered onto IRIS reflects source information		90-100%	90-100%	0
Timeliness				
• Information from a current employee's file to be retrieved within three working days of request		90-100%	90-100%	0
• Requests for access to employee file by authorized persons to be met in accordance with FOI requirements		90-100%	90-100%	0
• Data input to be undertaken to meet deadline for payroll processing or where this is not relevant within 48 hours of receipt of completed documentation.		90-100%	90-100%	0
• Information provision to be delivered in timeline agreed with requesting officer.		90-100%	90-100%	0
Location				
Grand Cayman		100%	100%	0
Cost		\$418,243	\$309,238	\$109,005
Price		\$292,327	\$309,238	(\$16,911)
Related Broad Outcome:				
8. Preparing our labour market for future opportunities				

[*To be confirmed with Annual Report on HR Statistics](#)

PCS 13	Administrative Support and Technical Advice to the Civil Service Appeals Commission	\$293,168	
Description Administrative and technical advice to the Civil Service Appeals Commission (CSAC) relating to appeals from Civil Servants and Chief Officers made under: • Public Service Management Law (2005) • Personnel Regulations (2006)			
Measures	2009-10 Actual	2009-10 Budget	Variance
Quantity Number of hours available to hear and decide on appeals	1,292	1,200-1,300	0
Quality All appeal hearings in compliance with four basic principles established within the Commission's handbook	100%	100%	0
Timeliness All appeals processed within 30 working days	90-100%	90-100%	0
Location Grand Cayman and Cayman Brac	100%	100%	0
Cost	\$251,886	\$293,168	(\$41,282)
Price	\$293,168	\$293,168	\$0
Related Broad Outcome: 8. Preparing our labor market for future opportunities			

PCS 14	CFO Services to Cabinet Office	\$107,777		
Description Provision of financial services to the Cabinet Office including budget preparation, quarterly and monthly reporting, the maintenance of the IRIS ledgers and their associated control systems.				
Measures		2009-10 Actual	2009-10 Budget	Variance
Quantity - Number of quarterly reports provided to the Cabinet Secretary - Number of annual and supplementary budgets		1 3	4 2	(3) 1
Quality - Reports inclusive of all outputs and reported in the accordance with PMFL - Budgets prepared in accordance with BMU requirements evidenced by being passed by the LA		80-90% 80-90%	80-90% 80-90%	0 0
Timeliness - Quarterly reports submitted within 3 weeks of the end of each quarter - Budgets completed within deadline set by BMU		80-90% 80-90%	80-90% 80-90%	0 0
Location Grand Cayman		100%	100%	0
Cost		\$114,553	\$107,777	\$6,776
Price		\$71,851	\$107,777	\$35,926
Related Broad Outcome: 8. Preparing our labour market for future opportunities				

PCS 15	Civil Service College	\$1,007,463	
Description - Provision of learning and development opportunities to the Cayman Islands' Civil Service and other clients, through continued strategic development and management of a Civil Service College (CSC), to deliver: - Courses for academic accreditation and/or professional certification - Focus on certain professional groupings for intensive staff development (e.g. uniformed services supervisor training, procurement professionals training, etc) - Framework for linking training to Performance Management and Succession Planning - Discussion paper on consolidating training elements across a range units to achieve better value for money - Special courses on matters such as statutory authority governance as requested (to include HR, IRIS, FOI, Governance etc.)			
Measures	2009-10 Actual	2009-10 Budget	Variance
Quantity			
- Number of accredited courses delivered - Number of professional groupings supported - Number of Frameworks - Number of studies - Special Courses	39 2 0 0 7	32-38 2-3 1 1 4-6	1 0 (1) (1) 1
Quality			
- Courses and programmes subject to approval by Director of CSC, and other participating institutions where appropriate - Discussion papers and Framework to be approved by Chief Officer prior to distribution - Delivered by qualified staff based on Director of CSC approval	90-100% 100% 100%	90-100% 100% 100%	0 0 0
Timeliness			
- Accredited courses delivered in line with agreed schedule - Special Courses as demanded - Professional grouping strategies and programmes delivered - Discussion papers delivered as follows: - Consolidating training elements -Apr 10	90-100% 90-100% 90-100% 90-100%	90-100% 90-100% 90-100% 90-100%	0 0 0 0
Location			
Cayman Islands and Overseas	90-100%	90-100%	0
Cost	\$660,078	\$1,007,463	(\$347,385)
Price	\$1,007,463	\$1,007,463	0
Related Broad Outcomes:			
7. Education: The key to growth & development			

Part B

Financial Statements for the Year

Portfolio of the Civil Service

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Portfolio in accordance with the provisions of the *Public Management and Finance Law* (2010 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* (2010 Revision).

As Chief Officer I am 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 Portfolio.

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

The financial statements fairly present the financial position, financial performance and cash flows of the [Name of Ministry/Portfolio] for the financial year ended 30 June 2010.

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

- (a) Completely and reliably reflect the financial transactions of Portfolio for the year ended 30 June 2010;
- (b) fairly reflect the financial position as at 30th June 2010 and performance for the Year ended 30th June 2010;
- (c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where guidance is not available, the financial statements comply with International Accounting Standards issued by the International Accounting Standards Committee or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

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.


Ian Fenton
Acting Chief Officer

Date- 14th February 2012


Matthew Tibbetts
Chief Financial Officer

Date- 14/2/12

AUDITOR GENERAL'S REPORT

To the Members of the Legislative Assembly of the Cayman Islands

I have audited the accompanying financial statements of the Portfolio of the Civil Service which comprise the statement of financial position as at 30 June 2010, and the statement of financial performance, 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 19 to 39 in accordance with the provisions of Section 44(3) of the *Public Management and Finance Law (2010 Revision)*.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 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 qualified audit opinion.

Basis for Qualified Opinion

Revenue

I was unable to satisfy myself as to the completeness of Outputs to Other Government Agencies balance as a result of limitations in the invoice module in IRIS – Oracle Application, which does not allow for the numerical sequencing of invoices generated for the year. I was unable to carry out other satisfactory alternative procedures in order to obtain reasonable assurance for the completeness of the balance as at June 30, 2010.

Accounts Receivable

I was unable to satisfy myself as to the accuracy and existence of the accounts receivable balance as there was a difference of \$143,000 between the General Ledger and the Aged Receivable Report in IRIS. In addition, there were inadequate records to prove that the amounts were recorded on the books of the debtors. As a result, the accuracy of the total for Accounts Receivable in the statement of financial position at 30 June, 2010 is doubtful. I was unable to carry out other satisfactory alternative procedures in order to obtain reasonable assurance for the accuracy and existence of the balance as at June 30, 2010.

Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Portfolio of the Civil Service as of June 30 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.



Alastair Swarbrick, MA (Hons), CPFA
Auditor General

Cayman Islands
16 February 2012

**PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010
(Expressed in Cayman Islands Dollars)**

Prior Year Actual CIS\$000		Note	Current Year Actual CIS\$000	Final/Original Budget CIS\$000	Variance (Original vs. Actual) CIS\$000
	Current Assets				
1,071	Cash and cash equivalents	2	1,061	700	(361)
1,415	Trade receivables	3	1,171	1,093	(78)
29	Other receivables	3	27	22	(5)
2,515	Total Current Assets		2,259	1,815	(444)
	Non-Current Assets				
336	Property, plant and equipment	4	230	568	338
336	Total Non-Current Assets		230	568	338
2,851	Total Assets		2,489	2,383	(106)
	Current Liabilities				
387	Trade payables	5	20	188	168
418	Other payables and accruals	5	302	94	(208)
-	Unearned revenue		-	42	42
42	Employee entitlements	6	(3)	295	298
-	Repayment of surplus	5	1,031	-	(1,031)
847	Total Current Liabilities		1,350	619	(731)
	Non-Current Liabilities				
-	Employee entitlements	6	-	11	11
-	Total Non-Current Liabilities		-	11	11
847	Total Liabilities		1,350	630	(720)
2,004	Net Assets		1,139	1,753	614
	Net Worth				
1,139	Contributed capital		1,139	1,139	-
865	Accumulated surpluses		-	614	614
2,004	Total Net Worth		1,139	1,753	614

The accounting policies and notes on pages 24-39 form an integral part of these financial statements.

**PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2010
(Expressed in Cayman Islands Dollars)**

Prior Year Actual CIS\$000		Note	Current Year Actual CIS\$000	Final Budget CIS\$000	Original Budget CIS\$000	Variance (Original vs. Actual) CIS\$000
Revenue						
3,336	Outputs to Cabinet	7	3,031	3,564	3,953	938
1,234	Output to other government agencies	7	297	6	6	(304)
33	Other revenue		9	12	12	-
4,603	Total Revenue		3,337	3,582	3,971	634
Expenses						
2,376	Personnel costs	8	2,084	2,151	2,329	245
1,755	Supplies and consumables	9	860	1,375	1,586	726
187	Depreciation	4	106	56	56	(50)
1	Extraordinary items		-	-	-	-
29	Other expenses		-	-	-	-
4,348	Total Expenses		3,050	3,582	3,971	921
255	Surplus for the period		287	-	-	(287)

The accounting policies and notes on pages 24-39 form an integral part of these financial statements.

**PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2010
(Expressed in Cayman Islands Dollars)**

Attributable to Cayman Islands Government							
	Contributed Capital	Reserves	Revaluation Reserve	Accumulated Surplus / (deficits)	Total	Final Budget	Variance (Original vs Actual) (608)
Balance at 30 June [2008]	1,064	-	-	610	1,674	1,066	(608)
Changes in accounting policy	-	-	-	-	-	-	-
Prior Year Adjustments	-	-	-	-	-	-	-
Restated balance	1,064	-	-	610	1,674	1,066	(608)
Changes in net worth for [2008/09]							
Gain/(loss) on property revaluation	-	-	-	-	-	-	-
Equity Investment from Cabinet	75	-	-	-	75	200	125
Capital withdrawals by Cabinet	-	-	-	-	-	-	-
Repayment of surplus to Cabinet	-	-	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	255	255	-	-
Surplus/(deficit)for the period (2008/09)	75	-	-	255	330	75	-
Total recognised revenues and expenses for the period	75	-	-	255	330	75	-
Balance at 30 June 2009 carried forward	1,139	-	-	865	2,004	1,141	(483)

**PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2010
(Expressed in Cayman Islands Dollars)**

(continued)

	Contributed Capital	Reserves	Revaluation Reserve	Accumulated Surplus / (deficits)	Total	Final Budget	Original Budget	Variance (Original vs Actual) (483)
Balance at 30 June 2009 brought forward	1,139	-	-	865	2,004	1,141	1,266	(483)
Changes in net worth for 2009/10								
Changes in accounting policy	-	-	-	-	-	-	-	-
Prior Year Adjustments	-	-	-	(121)	(121)	-	-	-
Restated balance	1,139	-	-	744	1,883	1,141	1,266	(483)
Changes in net worth for [2009/10]								
Gain/(loss) on property revaluation	-	-	-	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-	-	-	-
Repayment of surplus to Cabinet	-	-	-	(1,031)	(1,031)	-	-	-
Net revenue / expenses recognised directly in net worth								
Surplus/(deficit) for the (period 2009/10)	-	-	-	287	287	-	-	-
Total recognised revenues and expenses for the period								
Balance at 30 June 2010	1,139	-	-	-	1,139	1,141	1,266	(483)

The accounting policies and notes on pages 24-39 form an integral part of these financial statements.

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010
(Expressed in Cayman Islands Dollars)

Prior Year Actual CIS\$000		Note	Current Year Actual CIS\$000	Final Budget CIS\$000	Original Budget CIS\$000	Variance (Original vs. Actual) CIS\$000
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Receipts</i>						
3,674	Outputs to Cabinet		3,188	3,564	3,953	765
1,325	Outputs to other government agencies		-	206	206	206
33	Sale of goods and services - third party		-	12	12	12
3	Interest received		-	-	-	-
-	Donations / Grants		-	-	-	-
-	Other receipts		-	-	-	-
<i>Payments</i>						
(2,416)	Personnel costs		(2,118)	(2,151)	(2,329)	(211)
(1,873)	Supplies and consumables		(1,080)	(2,000)	(2,211)	(1,130)
-	Interest paid		-	-	-	-
-	Other payments		-	-	-	-
-	Extra-ordinary payments		-	-	-	-
746	Net cash flows from operating activities	10	(10)	(369)	(369)	(358)
CASH FLOWS FROM INVESTING ACTIVITIES						
(20)	Purchase of property, plant and equipment		-	(10)	(10)	(10)
-	Proceeds from sale of property, plant and equipment		-	-	-	-
-	Purchase of sale of investments		-	-	-	-
-	Proceeds from sale of investments		-	-	-	-
-	Cash advances		-	-	-	-
-	Cash receipts from repayment of advances		-	-	-	-
(20)	Net cash flows from investing activities		-	(10)	(10)	(10)
CASH FLOWS FROM FINANCING ACTIVITIES						
75	Equity Investment		-	-	-	-
-	Repayment of Surplus		-	-	-	-
-	Capital withdrawal		-	-	-	-
75	Net cash flows from financing activities		-	-	-	-
801	Net increase/(decrease) in cash and cash equivalents		(10)	(379)	(379)	(368)
270	Cash and cash equivalents at beginning of period		1,071	1,079	1,079	(8)
1,071	Cash and cash equivalents at end of period		1,061	700	700	(360)

The accounting policies and notes on pages 24-39 form an integral part of these financial statements.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Description and principal activities

The Portfolio of the Civil Service ("the Portfolio") is a Government owned entity as defined by section 2 of the Public Management and Finance Law (2010 Revision) and it is domiciled in the Cayman Islands.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Deputy Governor as defined in the Annual Plan and Estimates for the Government of Cayman Islands for the financial year ending 30 June 2010.

In addition, the Portfolio has reported the activities and trust monies that it administers on behalf of Cabinet.

Note 1: Significant Accounting Policies

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

There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will impact these financial statements.

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

(a) Basis of preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis.

Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

The presentation of the prior year financial statements has been changed to include a comparison of actual amounts with amounts in the original and final budget as required by IPSAS 24 including explanations of material difference between original budget and actual amounts.

The details and presentation of the Statement of Changes in Net Worth has been changed to show greater detail and to reflect changes in accounting policies and corrections of errors and omissions.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1: Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

Segment reporting has been included in accordance with IPSAS 18.

(b) Budget amounts

The original budget amounts for the financial year are as presented in the 2009/2010 Annual Budget Statement and approved by the Legislative Assembly on the 14 October 2009. The Final Budget is those budget amounts approved in Supplementary Budget.

(c) Judgments and Estimates

The preparation of financial statements is in conformity with International Public Sector Accounting Standards that requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

(d) Revenue

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

The Portfolio derives its revenue through the provision of services to Cabinet, to other agencies in government and to third parties. Revenue is recognised at fair value of services provided.

(e) Expenses

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

(f) Operating leases

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

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1: Significant Accounting Policies (continued)

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in-transit and bank accounts with a maturity of no more than three months from the date of acquisition.

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

(h) Prepayments

The portion of recognised expenditure paid in advance of receiving services has been recognised as a prepayment and is classified as accounts receivable in these financial statements.

(i) Inventories

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

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

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

Costs are assigned to inventories using specific identification as appropriate.

The write-down from cost to current replacement cost or net realisable value is recognised in the statement of financial performance in the period when the write-down occurs.

(j) Property, Plant and Equipment

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

Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment (other than land); less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated either over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1: Significant Accounting Policies (continued)

(j) Property, Plant and Equipment (continued)

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Buildings and structures	10 – 60 years
• Building fit-out (when accounted for separately)	5 – 25 years
• Leasehold Improvement or	Over the unexpired period of lease the useful life of the improvement
• Computer Equipment	3 – 10 years
• Developed software	4 – 10 years
• Office equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 years
• Boats and marine equipment	3 – 25 years
• Cleaning, refuse and recycling equipment	3 – 15 years
• Construction and other equipment	3 – 25 years
• Telecommunications	5 – 50 years
• Books, Music, manuscripts and works of art	2 – 10 years
• Clothing	0 – 4 years
• Aeroplanes and airport/aviation equipment	8 – 33 years
• Fire fighting plant and equipment	10 – 12 years
• Other equipment	5 – 20 years
• Medical and medical laboratory equipment	1 – 25 years
• Library assets	5 – 10 years
• Scientific and laboratory equipment	4 – 25 years

Disposals

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

(k) Employee Benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the Portfolio are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the “Board”). Contributions of 12% - employer 6% and employee 6% are made to the fund by the Portfolio.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1: Significant Accounting Policies (continued)

(k) Employee Benefits (continued)

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

(l) Financial Instruments

The Portfolio is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognised in the Statement of Financial Position.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and prepayments.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial instruments comprise of accounts payable and accrued expenses.

Recognition

The Portfolio recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the statements of financial performance.

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1: Significant Accounting Policies (continued)

(m) Contingent Liabilities and Assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realised.

De-recognition

A financial asset is de-recognition when the Portfolio realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

(n) Foreign Currency

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

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

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

(o) Comparative Figures

The presentation of the prior year financial statements has been changed to include a comparison of actual amounts with amounts in the original and final budget. Comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand; bank accounts in the name of Portfolio maintained at Royal Bank of Canada; and short term deposits invested with the Cayman Islands Government Treasury. As at 30 June 2009 and 30 June 2010 the Portfolio unrestricted cash balances were as presented below. No restricted cash balances were held by the Portfolio at 30 June 2010.

Actual Prior Year	Description	Actual Current Year
CI\$000		CI\$000
29	Cash on hand	23
7	Cash in transit	23
1,167	CI\$ Operational Current Account	1,000
(131)	Payroll Current Account	15
1,071	TOTAL	1,061

Note 3: Trade receivables and other receivables

At year end all overdue receivables have been assessed and appropriate provisions made.

Actual Prior Year	Trade Receivables	Actual Current Year	Original Budget	Final Budget	Variance (Original vs. Actual)
-	Sale of goods and services	-	-	-	-
782	Outputs to Cabinet	877	530	530	(347)
633	Outputs to other government agencies	294	563	563	269
-	Other	-	-	-	-
-	Less: provision for doubtful debts	-	-	-	-
1,415	Total trade receivables	1,171	1,093	1,093	(78)

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 3: Trade receivables and other receivables (continued)

Actual Year	Prior	Other Receivables	Actual Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
	29	Advances (salary, Official Travel, etc)	27	22	22	(5)
	-	Dishonoured cheques	-	-	-	-
	-	Interest receivable	-	-	-	-
	-	Other	-	-	-	-
	29	Total other receivables	27	22	22	(5)

	Trade Receivables	Prior Year Impairment	Net	Gross amount
Current	533	-	533	533
Past due 1-30 days	-	-	-	-
Past due 31-60 days	-	-	-	-
Past due 61-90 days	7	-	7	7
Past due 90 and above	631	-	631	631
Total	1,171	-	1,171	1,171

As of June 30, 2010, accounts receivable are all due within one year from financial position date.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 4: Property, plant and equipment

	2010					
	Plant and Equipment \$000	Leasehold \$000	Furniture \$000	Computers \$000	Other Assets \$000	Total \$000
<u>Cost</u>						
At July 1, 2009	-	393	284	131	33	841
Additions	-	-	-	-	-	-
Disposals/transfers	-	-	-	-	-	-
At June 30, 2010	-	393	284	131	33	841
<u>Accumulated depreciation</u>						
At July 1, 2009	-	328	61	97	19	505
Depreciation charge for the year	-	65	21	13	7	106
At June 30, 2010	-	393	82	110	26	611
Net book value at June 30, 2010	-	-	202	21	7	230

	2009					
	Plant and Equipment \$000	Leasehold \$000	Furniture \$000	Computers \$000	Other Assets \$000	Total \$000
<u>Cost</u>						
At July 1, 2008	-	393	280	131	17	821
Additions	-	-	4	-	16	20
Disposals/transfers	-	-	-	-	-	-
At June 30, 2009	-	393	284	131	33	841
<u>Accumulated depreciation</u>						
At July 1, 2008	-	197	40	69	12	318
Depreciation charge for the year	-	131	21	28	7	187
At June 30, 2009	-	328	61	97	19	505
Net book value at June 30, 2009	-	65	223	34	14	336

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 5: Trade payables, other payables and accruals

Prior Year CI\$000	Description	Current Year CI\$000	Final/Original Budget CI\$000	Variance (Original vs. Actual CI\$000)
98	Creditors	20	109	89
-	- Creditors Ministries/Portfolios	-	-	-
-	- Creditors other government agencies	-	-	-
-	- Payroll Deductions	1	-	(1)
-	- Surplus payable	1,031	-	(1,031)
42	Employee entitlements	(3)	-	3
289	Accrued Expenses	295	-	(295)
418	Other payables	6	173	167
847	Total trade payables other payables and accruals	1,350	282	(1,068)

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

Surplus Payable

The Portfolio budgeted to break even and therefore did not budget for any change in the surplus payable. The Portfolio experienced surpluses as follows:

Year	Surplus
2004-5 Deficit	-308
2005-6 Deficit	-8
2006-7 Surplus (less prior period adjustments)	329
2007-8 Surplus	597
2008-9 surplus	255
2009-10 surplus (less prior period adjustments)	166
Total	1,031

Therefore, the Portfolio has a surplus payable to the Cayman Islands Government in the amount of \$1,031k as at 30 June 2010; as the Minister of Finance has not confirmed whether the Portfolio can retain any of the surpluses achieved in prior years.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 6: Employee entitlements

Actual Prior Year		Actual Current Year	Final/Original Budget	Variance (Original vs. Actual)
CI\$000		CI\$000	CI\$000	CI\$000
	Current employee entitlements are represented by:			
42	Annual Leave	(3)	295	298
42	Total current portion	(3)	295	298
	Non-current employee entitlements are represented by:			
-	Retirement and long service leave	-	-	-
42	Total employee entitlements	(3)	295	298

The retirement and long-service leave entitlements are calculated based on current salary paid to those employees who are eligible for this benefit.

Note 7: Revenue

Actual Prior Year		Actual Current Year	Original Budget	Final Budget	Variance (Original vs. Actual)
CI\$000	Description	CI\$000	CI\$000	CI\$000	CI\$000
3,336	Outputs to Cabinet	3,031	3,953	3,564	625
1,234	Outputs to other government agencies	297	6	6	6
-	- Fees and charges	-	-	-	-
-	- General sales	-	-	-	-
-	- Rentals	-	-	-	-
33	Other	9	12	12	3
4,603	Total sales of goods and services	3,337	3,971	3,582	634

Outputs to Cabinet

Outputs to Cabinet comprises goods delivered to and services performed on behalf of the Cayman Island Government.

Outputs to other government agencies

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

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 8: Personnel costs

Actual Prior Year CI\$000	Description	Actual Current Year CI\$000	Original Budget CI\$000	Final Budget CI\$000	Variance (Original vs. Actual CI\$000)
1,990	Salaries, wages and allowances	1,748	1,889	1,711	141
191	Health care	169	208	208	39
232	Pension	207	218	218	11
(39)	Leave	(40)	-	-	40
2	Other personnel related costs	-	14	14	14
2,376	Total Personnel Costs	2,084	2,329	2,151	245

Note 9: Supplies and consumables

Actual Prior Year CI\$000	Description	Actual Current Year CI\$000	Original Budget CI\$000	Final Budget CI\$000	Variance (Original vs. Actual CI\$000)
-	Supplies and Materials	15	344	106	330
388	Purchase of services	579	767	794	188
177	Lease of Property and Equipment	150	199	199	49
105	Utilities	80	135	135	55
15	General Insurance	15	27	27	12
1,032	Interdepartmental expenses	3	70	70	67
38	Travel and Subsistence	19	44	44	25
1,755	Total Supplies & Consumables	860	1,586	1,375	726

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 10: Reconciliation of net cash flows from operating activities to surplus/ (deficit)

Actual Prior year CI\$000	Description	Actual Current year CI\$000	Final/Original Budget CI\$000	Variance (Original vs. Actual) CI\$000
255	Surplus/(deficit) from ordinary activities	287	-	(287)
-	Prior Period adjustments	(121)	-	122
	Non-cash movements			
187	Depreciation expense	106	56	(50)
	Changes in current assets and liabilities:			
-	(Increase)/decrease in other current assets	2	-	(1)
115	(Increase)/decrease in receivables	-	200	200
-	(Increase)/decrease in receivables - Cabinet	244	-	(244)
189	Increase/(decrease) in payables	(483)	(625)	(142)
-	Increase/(decrease) in provisions relating to employee costs	(45)	-	44
746	Net cash flows from operating activities	(10)	(369)	(359)

Note 11: Commitments

The Portfolio has an operating lease with Cayman Corporate Centre Ltd. With values as shown below:

	<u><1 year</u>	<u>1-5 years</u>	<u>Total</u>
Operating lease	\$193,805	\$129,204	\$323,009

The leased premise is located at Hospital Road, George Town, Grand Cayman, Block 14C, Parcel 161/5.

The amounts disclosed above as future commitments are based on the current rental rates.

Note 12: Related party and key management personnel disclosures

Related party disclosure

The Portfolio is a wholly owned entity of the government from which it derives a major source of its revenue. The Portfolio, but not its key management personnel, transact with other government entities on a regular basis. These transactions were provided free of cost during the financial year ended 30 June 2010 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

There are six members of staff at the senior management level.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 12: Related party and key management personnel disclosures (continue)

Prior year actual	Description	Current year actual	Number of persons
625,799	Salaries & other short-term employee benefits	578,400	6
	- Past employee benefits	-	-
	- Other long-term benefits	-	-
	- Termination benefits	-	-
	- Loans	-	-
625,799	Total	578,400	6

No loans were granted to key management personnel or their close relatives during the financial year

NOTE 13: Explanation of major variances against budget

Explanations for major variances for the Portfolio of the Civil Service performance against the original budget are as follows:

Statement of financial performance

Cabinet revenue

Revenue from cabinet was \$634K below budget due to significant budget cuts which occurred during 2009-10.

Other Revenue

No revenue from other sources was collected during 2009-10.

Personnel Costs

Personnel costs were \$245K below budget due to significant budget cuts which occurred during 2009-10.

Supplies and consumables

Supplies and consumables were \$726K below budget due to significant budget cuts which occurred during 2009-10.

Depreciation

Depreciation expenses were \$50K above budget due to updating of the fixed asset register which gave us more accurate depreciation figures.

Finance costs

No finance costs were incurred.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 13: Explanation of major variances against budget (continue)

Litigation costs

No litigation costs were incurred.

Extraordinary items

No extraordinary costs were incurred.

Other operating expenses

No other operating expenses were incurred.

Statement of financial position

Cash and cash equivalents

The actual year-end cash balances were \$361K above budget due to delaying payment on trade payables and accruals.

Debtors and other receivables

The actual year-end debtors and other receivables balances were \$78K higher than the original budget as it was originally projected that PoCS would have collected Cabinet revenue earlier in the year.

Fixed assets

Fixed assets were \$338K lower than the original budget due to updating the fixed asset register.

Creditors and other payables

Creditors, accruals and other payables were \$138K higher than the original budget due to late receipt of invoices.

Repayment of surplus

No repayment of surplus planned.

Statement of cash flows

Cash from operating activities

The increase in cash from operating activities is due to delaying payment on expenses.

Cash from investing activities

No cash from investing activities.

Cash from financing activities

No cash from financing activities.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE: 14 Appropriations used

Appropriation Description (including Output number and name)	Amount appropriated	Appropriation Used	Variance
CIV 1 - Policy Advice to the Head of the Civil Service	540,328	537,052	3,276
CIV 2 - Auditing Compliance with HR Policies	386,190	386,190	0
CIV 3 - Management of Public Sector Reform	268,283	268,283	0
CIV 6 - Support & Advice to the Civil Service Appeals Commission	293,168	217,032	76,137
CIV 7 - Workforce Development within the Civil Service- Civil Service College	1,007,463	1,007,463	0
CIV 8 - Human Resource Services	1,068,846	921,712	147,134
TOTAL	3,564,278	3,295,346	268,932