



Cayman Islands
Government

2022

Portfolio of the Civil Service **Annual Report**

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FOREWORD BY

THE DEPUTY GOVERNOR AND HEAD OF THE CIVIL SERVICE



*Hon. Franz Manderson, MBE, JP - Deputy
Governor and Head of the Civil Service*

On 2nd February 2022, I celebrated 10 years as Deputy Governor, and on 7th July I celebrated 40 years as a civil servant. Throughout my career with the Civil Service, I have accumulated countless examples of remarkable outcomes produced by civil servants and Civil Service entities, noting that many of these world-class achievements have been delivered through the work of the Portfolio of the Civil Service (PoCS).

In 2022, PoCS delivered some truly outstanding results, beginning with the introduction of the E-Recruitment platform (www.careers.gov.ky), which went live in February, modernising Civil Service recruitment by introducing an online application process. The new platform created a seamless user experience, allowing applicants to create a user profile, giving them 24-hour access to view vacancies and track application progress, among other benefits. Customer feedback, sought automatically after the submission of every application, has resulted in a customer satisfaction rating of 8.6 out of 10.

For the sixth consecutive year, PoCS facilitated the delivery of the annual Employee Engagement Survey, which, in 2022, yielded responses from 87%, or 3,717 civil servants. The “Engagement Index”, which is a measure of the average level of engagement across all Civil Service entities, increased 1% from 2021, rising to 73%.

A score that I’m particularly keen to see every year is the score in response to the statement “I feel proud to be a civil servant”. In the 2022 survey, 89% of respondents said that they are proud to work for the Civil Service. This score gives me great joy, as I am glad that so many employees share the same pride about working for the Civil Service as I do.

While “Pay and Rewards” still remains the lowest scoring survey category, with a score of 41%, this score has increased by 12% since the inception of the survey in 2017. The steady increase over the years can be credited to a number of pay and rewards initiatives that have been implemented by PoCS, the most recent of which occurred in 2022 and featured distinct components to address the rising cost of living, facilitate pay progression for persons on salary grades E and below, and to gradually reduce the extent of overlap within salary grades. As a result of the implementation of the 2022 pay remedies, the vast majority of civil servants (approximately 94%) saw a permanent increase in their salaries of 4.5%. A number of honourariums were also paid during the year, including three payments, totaling \$450, to staff on salary grades E and below to help offset increased fuel costs, and a special one-time payment, made in December, to those employees who had already achieved the highest pay point on their respective salary grades.

During the year, the Civil Service College (CSC) continued to deliver multiple streams of learning, which resulted in over 200 civil servants achieving internationally recognised City and Guilds ILM qualifications in leadership and management, 45 civil servants graduating with Associate Degrees in Public Administration, and over 32,000 on-demand learning courses, reflecting 7,000 hours of learning, being accessed via LinkedIn Learning.

The Office of Education Standards (OES) continued inspecting schools across the Cayman Islands, including completing 30 thematic visits and 21 full inspections. In carrying out this work, the OES identified significant improvements in Government secondary schools and, notably, saw the elimination of “weak” ratings across all Government schools. These results confirmed that Cayman is making progress in the area of primary and secondary education, which is something that many countries have struggled to achieve over the pandemic period.

In my own office, my capable team led numerous crosscutting and important initiatives in an effort to make the lives of those we serve better. We continued to provide secretariat services that supported the effective operation of a range of Boards and Committees, such as the Expungement Board, helping them to achieve good governance objectives and deliver benefits to some of our most vulnerable citizens. Through the Professional Certification Programme offered by the SRIU, 65 civil servants earned a combined total of 82 certifications in areas such as Business Case Development, Project Management and Change Management.

Much to my delight, the Deputy Governor’s 5K Challenge returned to the annual events calendar of the Cayman Islands Government (CIG), following a brief pause caused by COVID. The event raised a record sum of CI\$96.2K, which was shared equally among the Cayman Islands Cancer Society, the MS Foundation of the Cayman Islands, and the Alzheimer’s and Dementia Association of the Cayman Islands. Since establishing the 5K Challenge in 2014, it has raised almost half a million dollars for various charitable organisations within the Cayman Islands.

For me, 2022 was a memorable year, not only because I celebrated 10 years as Deputy Governor, but also because it was a year in which PoCS delivered world-class outcomes. From the introduction of a user-friendly recruitment platform, which attracted over 12,000 user account registrations in the first eight months, to the marked improvements in our government schools, to our ability to quickly respond to the rising cost of living by implementing pay solutions for our staff, PoCS rose to the challenge and delivered. The year was certainly one that I am very proud of and one that, if replicated in 2023 and beyond, will see even more solutions and successes, all of which will enhance the services we provide and will make the lives of those we serve better.

Franz Manderson

Franz Manderson, MBE, JP

Deputy Governor & Head of the Civil Service

FOREWORD BY

THE CHIEF OFFICER OF THE PORTFOLIO OF THE CIVIL SERVICE



Gloria McField-Nixon, Cert. Hon., JP – Chief Officer, Portfolio of the Civil Service

In 2022, the Portfolio of the Civil Service (PoCS) continued to expand services in our core business areas of Human Resources, Public Sector Reform and Good Governance.

Beginning in February, the PoCS HR Data team began the rollout of the Civil Service's new Human Resources Management System – my-VISTA, providing civil servants and HR professionals with access to key information and self-service options from one convenient online platform. With the introduction of my-VISTA, employees were able to manage leave requests, record time / work

items against government priorities, and agree and document their annual objectives for the year. For Civil Service recruiters, my-VISTA introduced easy access to useful information on applicants, which modernised and simplified recruitment activity, while simultaneously reducing manual, paper based processes.

Between July and November 2022, the Management Support Unit (MSU) undertook important activities to “refresh” the Cayman Islands Government's (CIG) 5-Year Strategic Plan, after losing some implementation time on this critical initiative to the global pandemic. The “refresh” commenced with activity to determine where we are on our journey to achieving our vision to become world-class, followed by ascertaining what actions are left to be completed. The outcome of this activity will shape future implementation plans and provide a revised roadmap to ensure that the CIG remains on track to achieve its vision.

The MSU also continued work in the area of leadership coaching by facilitating the second annual 360 degree leadership review and coaching exercise, which brought 594 Civil Service leaders together with experienced coaches to discuss survey feedback, and develop and implement leadership development plans.

In the area of governance, the Internal Audit Service continued to add value by providing almost 1,200 hours of assistance and advisory services to various Government entities, as well as produced 12 compliance reports and completed a number of special investigations. When implemented, the audit recommendations stemming from the work of the IAS will ensure stronger internal controls and governance practices across the Service.

To commemorate Her Late Majesty the Queen's Platinum Jubilee, the Cayman Islands National Archive (CINA) partnered with Parliament to develop and install a Platinum Jubilee Exhibit. Additionally, CINA collaborated with the Cabinet Office to reproduce items from historical collections, in honour of Her Late Majesty the Queen.

2022 also marked the 50th anniversary of the Parliament building, which led CINA to develop a second special exhibit during the year.

For many years, PoCS has organised the Deputy Governor's Employee of the Year (EOY) Awards Ceremony, and often has nominees in the running for the coveted title. At the ceremony held in November 2022, to recognise the 2021 EOY, I was overjoyed when, for the first time since inception of the awards programme, a PoCS employee, Ms. Lareta Mack, won the prestigious title. Ms. Mack, who is a Strategic HR Officer within PoCS's HR IRIS Data Team, was a crowd favourite and won under the category "Delivering an Outstanding Customer Experience".

In addition to Ms. Mack's victory, two PoCS teams were recognised at the EOY ceremony for creating 'Moments of Magic' while delivering services and world-class outcomes. The first winning PoCS team was the Civil Service College, which was recognised for the roll-out and support of the LinkedIn Learning platform for all employees in the Civil Service, and for piloting the ILM City & Guilds Young Leaders Award programme at Clifton Hunter High School. The second winning PoCS team was the HR Data Team, which was recognised for 'Pursuing Excellence in Talent Development' through the launch of the recruitment portal, careers.gov.ky.

While PoCS achieved many great things in 2022, our focus must now shift to meeting the needs of our customers in 2023. As we look to the next year, PoCS will forge ahead with refreshing the 5-Year Strategic Plan, which will set the agenda for completing our journey to 'world-class'. The HR Data Team will continue to rollout innovative modules within my-VISTA, including migrating the CIG's payroll process to the system, so as to provide civil servants with additional HR tools and conveniences. Our policy team has plans to introduce legislative changes to improve our family leave (i.e. maternity and paternity leave) entitlements, as well as there are plans to revisit, and revamp, the CIG's disciplinary provisions, among other noteworthy projects.

With this full agenda for the year ahead, the PoCS team remains focused on, and committed to, delivering HR, policy, public sector reform and good governance solutions that serve our employees, customers and the wider Cayman community. In line with our Customer Service Pledge – DELIVER - we will continue to deliver the services and solutions that ensure that the Civil Service and its people operate at optimal levels, so that they can continue to provide world-class customer service at every customer touchpoint within the Civil Service.

Gloria McField-Nixon

Gloria McField-Nixon, Cert. Hon., JP
Chief Officer
Portfolio of the Civil Service

Section 1.0

Civil Service Overview

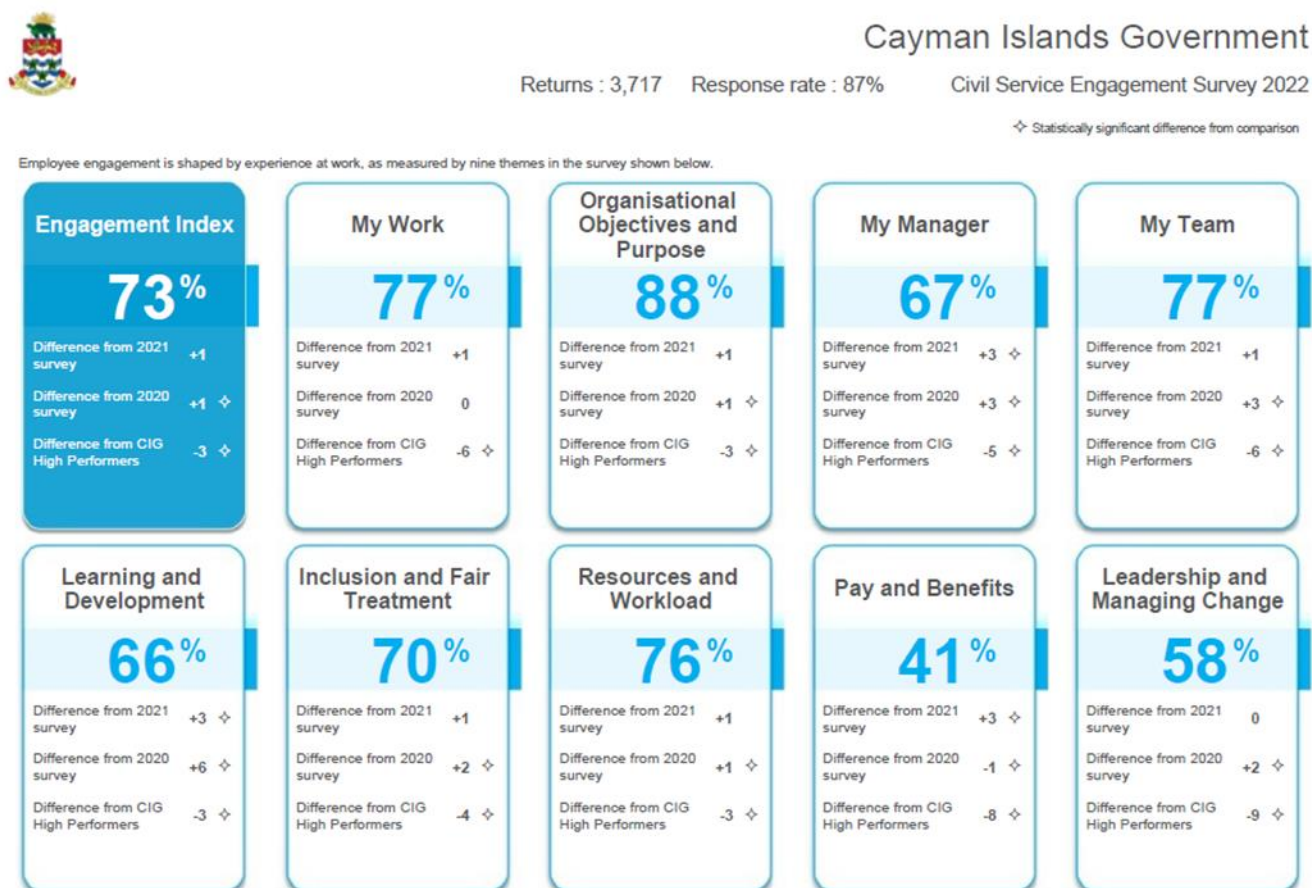


1.1 THE PORTFOLIO'S IMPACT ACROSS THE CIVIL SERVICE

Sections 24 and 25 of the Public Service Management Act (PSMA) prescribe the duties and powers of the Portfolio of the Civil Service (PoCS). The role of PoCS is to provide policy advice and support to His Excellency the Governor and the Deputy Governor in overseeing the operation of the Civil Service. The Portfolio also provides strategic HR advice and operational HR functions to Public Authorities. PoCS has a central role in the diagnosis, design, implementation and evaluation of public sector reforms both within the Cayman Islands and, on occasion, in other overseas territories.

As part of its responsibilities, the Portfolio monitors employee engagement to assess whether the conditions within the Civil Service are conducive to employees giving their best efforts. In 2022, the sixth annual employee engagement survey was conducted and yielded responses from just under 90% of the Service (87%, or 3,717 civil servants).

Figure 1. Cayman Islands Civil Service 2022 Employee Engagement Results



The “Engagement Index”, which is a measure of the average level of engagement across all Civil Service entities, increased 1% from 2021, rising to 73%. Notable gains were realised in three categories, namely “My Manager”, “Learning and Development”, and “Pay and Benefits”, which each increased by 3%.

Five categories experienced a 1% increase during 2022. The categories were “My Work”, “Organisational Objectives and Purpose”, “My Team”, “Inclusion and Fair Treatment” and “Resources and Workload”, which increased to 77%, 88%, 77%, 70% and 76% respectively. Compared to the 2021 survey results, “Leadership and Managing Change” held steady, at 58%.

No survey categories experienced a decline in score in 2022.

While “Pay and Rewards” still remains the lowest scoring survey category, with a score of 41%, this score has increased significantly (12%) since the inception of the survey in 2017, when an initial score of 29% was recorded in this category. The steady increase over the years can be credited to a number of pay and rewards initiatives that have been implemented by PoCS, the most recent of which occurred in 2022 and featured distinct components to:

- Address the rising cost of living;
- Facilitate pay progression for persons on salary grades E and below; and
- Gradually reduce the extent of overlap within salary grades, starting with reserving the lowest pay point on grades E and below, for the hiring of newly qualified talent.

The specific payments made in 2022 were:

- i. Three honorariums, paid in June, July and August 2022, totaling \$450, to offset higher electricity costs linked to sharp increases in fuel prices over the summer months. This honorarium was paid at a flat rate for employees on Grades E and below, thereby offering greatest relative benefit to persons on the lower salary grades;
- ii. A 2% Cost of Living Adjustment (COLA), paid in September 2022, and applicable to all employees, aimed at offsetting inflation and preserving relative purchasing powers; and
- iii. A 1-point within salary grade increment (valued at 2.5%), paid in December 2022 to employees on salary grades E and below who had not already achieved the highest pay point on their respective salary grade.
- iv. For a very small percentage of employees who were already at the top of their individual salary grade, an honorarium of \$700 or six months’ value of the 2.5% increment (whichever was greater) was paid as a one-off lump sum.

The individual survey questions / statements that yielded the highest scores were:



"I am aware of the Civil Service vision to be a World Class Civil Service" - 95%

"I am interested in my work" - 95%

"I have the skills I need to do my job effectively" - 93%

"I understand how my work contributes to helping us become a World Class Civil Service" - 92%

"I am trusted to carry out my job effectively" - 91%

"I feel proud to be a civil servant" - 89%

Implementation of the New Human Resource Management System – my-VISTA

In 2022, PoCS began implementation of the CIG's new Human Resource Management System (HRMS) – my-VISTA.

The first component of the project, the E-Recruitment platform (www.careers.gov.ky), went live in February 2022, modernising CIG recruitment by introducing an online application process. The new platform created a seamless user experience by allowing the creation of a profile to store relevant information about the applicant, and provides 24-hour access to view vacancies and track application progress, among other benefits. For recruitment managers, the platform reduces manual processing and allows the CIG HR Community to deliver a refined recruitment process to all jobseekers.

The new platform formed part of ongoing efforts to improve the customer experience for job applicants, recruitment officers and hiring managers. Within the first eight months of operations, careers.gov.ky had attracted over 12,000 registrants and successfully facilitated hundreds of recruitment campaigns across the Civil Service.

Other components of the HRMS were delivered throughout 2022, as follows:



Launch of Self Service Lite and Leave and Time Workflows (March 2022) – The my-VISTA self-service option allows employees and managers to see their HR information, and, for managers specifically, information relating to the teams they manage.

The leave management module facilitates the processes and policies associated with managing employee requests for time-off, such as vacation, sick leave, and maternity/paternity leave.

The time management module allows individuals, teams and the Government as a whole, to record and track time allocated to government priorities by identifying how much time is being dedicated to specific activities and work items.

Launch of Performance Agreements and Recruitment Dashboard (May 2022) – In May, the performance agreement feature was added in my-VISTA, giving civil servants the ability to record and agree their annual performance, and learning and development objectives. Performance agreements serve as an important written record of performance expectations, and form the basis for which annual performance assessments can occur.

The Recruitment Dashboard offers CIG recruiters easy access to useful information on applicants, such as applicants by disposition and applicant immigration status.

Launch of Performance Check-ins (July 2022) – In July, the ‘Performance Check-in’ feature was introduced in my-VISTA. The feature facilitates at least twice yearly check-ins between line managers and their staff, to review interim performance and allow for feedback to ensure staff remain on track to deliver agreed outputs / outcomes.

Launch of Manager Self-Service (MSS) and Employee Self-Service (ESS) Dashboards (September 2022) – Self-service dashboards were added in my-VISTA for both managers and other employees. These dashboards provide quick access to key information, and allow for quick export of data, data mining and the creation of helpful visuals, such as charts and graphs.

Senior Leadership Events

Senior Leadership Events (SLEs) are designed to engage and inform leaders across the Civil Service and are aimed at the CIG's top 200 leaders. The events are meant to provide access to topical events and world-class speakers who will inspire and challenge leaders.

The first SLE of the year was held online, and was centered around the CIG's employee engagement survey results, with specific focus on 'taking action'. The aim of the SLE was to help CIG leadership understand the survey results, to encourage action and visibility, and to provide practical guidance and ideas to assist leaders with implementing the solutions needed to address the feedback provided in the survey.



By mid-year, the Civil Service College was able to reintroduce in-person SLEs due to the relaxation of numerous COVID-19 restrictions. The first in-person session took place in May 2022, and featured several civil servant speakers, along with two international speakers, Andrew Tarvin and Shawn Ellis, who, in their own unique ways, led CIG leaders through the topic "Thriving in Times of Change".

In November, CIG leaders were guided through the topic "Leading Forward: Future Readiness" by international speaker Anna Liotta. This session, like the two that occurred earlier in the year, attracted over 200 Civil Service leaders and was well received.

Learning, Talent Development and Employee Wellness

During 2022, the Civil Service College facilitated and expanded learning and development (L&D) opportunities across the Civil Service. All L&D offerings continued to support the CIG's 5-Year Strategic Plan, specifically the "Leadership" and "Talent Development" strands.



Growth was experienced in almost all learning categories, of which several notable results are listed below:



Detailed information on the full range of 2022 learning and development offerings and outcomes can be found in section 2.2 of this Annual Report.

In addition to the formal learning and development opportunities offered by the Civil Service College, PoCS supported the CIG's Wellness Committee (WC) in hosting numerous webinars throughout the year. Virtual wellness sessions, on topics such as mental health, nutrition, and stress reduction through mindfulness attracted nearly 1,005 viewers between February and November. The most popular event offered in 2022 was the women's roundtable discussion in March.



Additional wellness offerings and initiatives that were introduced or continued in 2022 included:



Community Outreach Programmes

PoCS hosted several "Dress for a Cause" days in support of local charities / causes, such as Jasmine (hospice care), Meals on Wheels, the Cayman Cancer Society and the "Stood Up" Against Bullying campaign, among other worthy causes. On each occasion, civil servants supported the causes by assisting with fundraising, making donations, and participating in photo opportunities, often wearing brightly coloured branded shirts, on the front steps of the Government Administration Building, Elgin Avenue.



Deputy Governor, the Honourable Franz Manderson (right of Miss World Cayman Islands) is joined by His Excellency the Governor, Mr. Martyn Roper (right of the Deputy Governor), Chief Officer of the Portfolio of the Civil Service, Mrs. Gloria McField-Nixon (right of His Excellency the Governor), and other CIG employees, who all took a stand against bullying on the front steps of the Government Administration Building (October 2022).



His Excellency the Governor, Mr. Martyn Roper (front row, centre) is joined by Meals on Wheels representatives (one on each side of His Excellency), and civil servants from various ministries and departments, to show support for Meals on Wheels, a local charity dedicated to ensuring that vulnerable senior citizens receive at least one hot meal each day.

Honouring Women Month Tea Party

On 31 March 2022, PoCS held an afternoon tea party in honour of women within the Civil Service and the wider community. The party, which was hosted by the Deputy Governor in collaboration with the Seafarers Association, was themed “Honouring the Past, Inspiring the Future”. The event was particularly meaningful, as some of Cayman’s original seafaring women, including some who went to sea alongside their male counterparts, were in attendance, and shared in the festivities. Inspiration for the future was also evident in the room, as young, uniformed female Cayman Islands Coast Guard Officers attended the event, demonstrating that seafaring women continue to serve our community now and into the future.



Throughout the afternoon, attendees were treated to tea and nibbles, and special performances, including a vocal performance by the Cayman Islands Folksingers, and a song and dance ensemble performed by students of the George Town Primary School.



United Civil Service Floral Honour Guard

In September 2022, following the laying of wreaths by the Cabinet Office, PoCS organised a united Civil Service floral honour guard to extend the opportunity for all to pay tribute to Her Late Majesty Queen Elizabeth II. The honour guard facilitated the participation of civil service entities, as well as public and private sector participants, school students and members of the general public.

Over a one-week period, the front steps of the Government Administration Building (GAB) served as the primary location for persons to lay floral arrangements, wreaths, photographs, and pay tribute to Her Late Majesty in a number of ways, including through the use of musical instruments and vocal performances. By the end of the period, the front steps of the GAB had been visited by hundreds of persons in our community and were completely adorned with an array of beautifully coloured arrangements and ornaments.



The Deputy Governor's 5K Challenge

The Deputy Governor's 5K Challenge returned to the CIG's annual events calendar following a two-year pause caused by COVID. The popular event was held on all three Islands between April and May, and drew high numbers of avid runners, joggers and walkers of all ages.

As in previous years, the DG's 5K Challenge brought together civil servants, private sector employees and members of the public to participate in a fitness and fundraising challenge. The 5K is part of the DG's vision to have a healthier, more active and more socially engaged Civil Service, while also benefitting charitable organisations and initiatives in the Cayman Islands.

The 5K Challenge, which raises money through a combination of corporate sponsorship pledges and registration fees, raised a record CI\$96.2K in 2022, which was shared equally among the Cayman Islands Cancer Society, the MS Foundation of the Cayman Islands (which supports persons living with multiple sclerosis), and the Alzheimer's and Dementia Association of the Cayman Islands. Major sponsors of the 5K Challenge were Appleby, Davenport Development, Maples, Ernst and Young, Butterfield Bank, the Cayman Islands Civil Service Association Cooperative Credit Union, and Dart.

Since first being established in 2014, the DG's 5K Challenge has raised almost half a million dollars for various charitable organisations within the Cayman Islands.



His Excellency the Governor, Martyn Roper (right), and the Honourable Deputy Governor, stand at the start of the DG's 5K Challenge in Cayman Brac.



The Cancer Society's Acting Operations Manager Shorline Blanchard (left) and Medical Director Dr Samantha Digby accept the Society's portion of funds raised via the 2022 DG's 5K 2022 run/walk.



1.2 STRUCTURE AND FUNCTION OF THE PORTFOLIO

PoCS Structure and Function

PoCS is responsible for supporting His Excellency the Governor and the Deputy Governor in the fulfillment of their obligations for the Civil Service in the areas of HR policies and compliance, public sector management and reform, and good governance practices.

PoCS is comprised of 12 departments, sections and units, outlined below. PoCS also has oversight of one statutory authority, namely the Cayman Islands Public Service Pensions Board (PSPB). PSPB has issued a separate annual report to document their individual entity performance.

Table 1. PoCS Departments and Areas of Strategic Focus

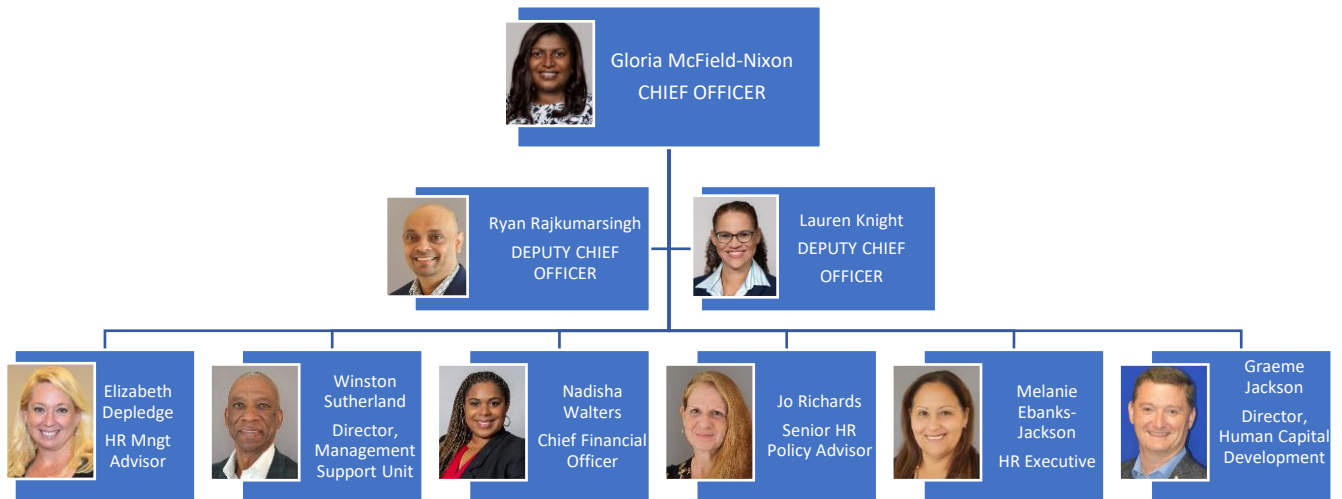
DEPARTMENTS AND AREAS OF STRATEGIC FOCUS 2020/21		
HR Centre of Expertise & Management Practices	Public Sector Reform	Good Governance
• Strategic and Corporate HR Unit • Finance and Administration Section • Civil Service College • Cayman Islands National Archive	• Management Support Unit (MSU)	• Elections Office • Office of HE the Governor • Office of the Deputy Governor • Internal Audit Service • Commissions Secretariat • Office of Education Standards • Passport and Corporate Services Office

Vision and Mission for the Portfolio of the Civil Service

Table 2. Our Vision & Mission

Our Vision	Our Mission
<i>To be a valued partner in achieving performance excellence across the Cayman Islands Government.</i>	<i>To promote democracy, good governance, and the realization of a World-Class Civil Service, by delivering innovative, efficient and effective Human Resource policies, public sector reform, and management practices across the Cayman Islands Government.</i>

The Portfolio's Senior Management Team



Celebrating Our Employee of the Year Winner

In November 2022, Lareta Mack, Strategic HR Officer within PoCS's HR IRIS Data Team, won the coveted title of Employee of the Year for 2021, marking the first time a PoCS employee has won the prestigious award.

Amidst a large gathering of elected leaders, senior government officials, fellow civil servants and invited guests, Ms. Mack was selected from an impressive group of 12 Employee of the Month (EOM) finalists, winning under the category "Delivering an Outstanding Customer Experience".



The Deputy Governor, Mr. Franz Manderson, and PoCS Chief Officer, Gloria McField-Nixon, present Lareta Mack with her Employee of the Year plaque at the Deputy Governor's Employee of the Year Ceremony (November 2022).



Left: During the awards ceremony, Ms. Mack was supported by her enthusiastic Data Team colleagues, who came to the event with cardboard cutouts of the nominee, in hopes she would take home the title of 2021 Employee of the Year.

**2021
Employee of
the Year**

Lareta Mack



PoCS Deputy Chief Officer, Lauren Knight, hosts the 2021 Employee of the Year Awards ceremony.

Ms. Mack shared, in a pre-recorded video produced for the ceremony, that she is driven by the knowledge that what she does affects the lives of each employee and their ability to manage their affairs and that of their dependents. “It doesn’t matter where I am, whether I’m sick, on vacation, or at the dentist,” she said. “If I can stop to help, I’m going to stop. If it’s something that I can action then, I’m going to do it.”

The ceremony, which was held at the Kimpton Seafire Resort, drew an audience of approximately 200 people, and was also streamed live on YouTube. PoCS Deputy Chief Officer, Lauren Knight, served as Master of Ceremonies and led the audience through a full programme, which showcased each of the 12 finalists, the 2021 Chief Officer’s Choice recipients, CIG’s top Employee of the Month nominators, and four ‘Moments of Magic’ recipients.

A full list of the 2021 Employee of the Year Nominees follows:

- Sharelle Clarke, Ministry of Education, Youth, Sports, Agriculture and Lands (January 2021 EOM);
- Lareta Mack, Strategic HR Officer, PoCS (February 2021 EOM and Employee of the Year Winner);
- Lenford Wilks, Department of Communications (March 2021 EOM);
- Michael Ebanks, Workforce Opportunities and Residency Cayman (WORC) (April 2021 EOM);
- Denise Anderson, Royal Cayman Islands Police Service (May 2021 EOM);
- Erika Bodden, Department of Customs and Border Control (June 2021 EOM);
- Kim Berry, Department of Tourism (July 2021 EOM);
- Ileana Marin, WORC (August 2021 EOM);
- Estina Hamil, Department of Customs and Border Control (September 2021 EOM);
- Hugh Bush, Cayman Islands Coast Guard (October 2021 EOM);
- Kacey Mobley, Ministry of Home Affairs (November 2021 EOM); and
- Olsie Jackson, WORC (December 2021 EOM).

Celebrating Our Winning Teams

Two PoCS teams were recognised at the 2021 Employee of the Year ceremony for creating ‘Moments of Magic’ while delivering services and world-class outcomes. The first winning PoCS team was the Civil Service College, which was recognised for the roll-out and support of the LinkedIn Learning platform for all employees in the Civil Service, and for piloting the ILM City & Guilds Young Leaders Award programme at Clifton Hunter High School.

The second winning PoCS team was the HR Data Team, which was recognised for 'Pursuing Excellence in Talent Development' through the launch of the recruitment portal, careers.gov.ky. The portal streamlined the Civil Service recruitment process and attracted over 12,000 registrants in the first eight months of operations.



Above: The Deputy Governor presents the Civil Service College team with their Moments of Magic award.

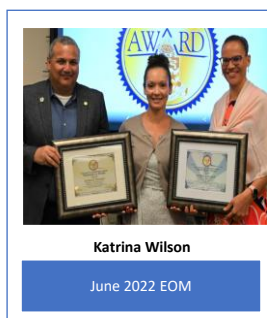


Left: The Deputy Governor hands over a Moments of Magic Award to PoCS's HR Data Team.

Celebrating Our 2022 Employee of the Month and Chief Officer's Choice Recipients

In 2022, PoCS also celebrated EOM and Chief Officer's Choice winners throughout the year. Our 2022 winners were:

- Katrina Wilson, HR Executive – June 2022 Employee of the Month
- Ana Lester, Passport Officer – July 2022 Chief Officer's Choice
- Karen Christian, Senior Internal Auditor – October 2022 Chief Officer's Choice
- Joanna Bond, Senior Learning and Development Administrator – November 2022 Chief Officer's Choice



Internal Promotions

In 2022, two PoCS employees were promoted to more senior posts within the Portfolio following their participation in recruitment campaigns.

The first of the two promotions occurred on 1st June, when Ms. Zhane Rambaran was promoted from Accounts Officer I to Financial Administrator within the PoCS Finance team.

Ms. Rambaran joined PoCS in April 2020 and quickly demonstrated her aptitude and positive approach to work. Having consistently exhibited commendable qualities, whilst also demonstrating her desire to advance, Zhane was selected for the more senior role just over two years after first joining the team.



*Ms. Zhane Rambaran, Financial
Administrator, PoCS*

In her new role, Zhane is now responsible for collating the monthly billing statistics for each PoCS department for invoicing to Cabinet, the review and approval of purchase orders and invoices, preparing vendor payments, overseeing the preparation of Cabinet invoices and posting related journal entries, and supervising two Accounts Officers in the performance of their duties.

The second promotion took effect on 1st October, and saw long serving employee, Mrs. Charisse Morrison, promoted to Director of the Cayman Islands National Archive (CINA). At the time of her promotion, Mrs. Morrison had been with CINA, and a dedicated qualified professional within the Civil Service in the field of archival management and records and information management, for over 26 years.



*Mrs. Charisse Morrison, Director,
Cayman Islands National Archive*

Charisse started with CINA part-time for 5 years before her full-time role as an Archivist within CINA. In 2017, she became the Senior Archive and Information Officer / Deputy Information Manager.

As the Director of CINA, Mrs. Morrison will now take on a leadership role focusing on improving internal staff communication and overseeing the responsibilities of CINA as the regulatory agency for records and information management. She will also ensure that CINA fulfills a leadership role within the Government by providing policy development and implementation to ensure that a capable infrastructure is in place. Additionally, Mrs. Morrison will continue to oversee the entity's activities to preserve the nation's history by acquiring historical collections / items of historical significance, and providing access to documentation in various media.

1.3 FINANCIAL PERFORMANCE

The complete financial statements, notes and disclosures are presented in Section 3.0 of this report.

The table below summarises the financial performance of PoCS over the past five fiscal years. For the period ended December 31, 2022, the Portfolio recognised revenues of \$18.9 million, an increase of 15% over the previous fiscal year. During the year, there was a steady drive to fill vacancies, resulting in additional staff joining the Portfolio. This in turn increased output delivery and, in some cases, led to budgeted targets being exceeded. In addition, PoCS recognised a full year of third-party revenues from the Passport Office, instead of just six (6) months of the prior year when the entity joined the Portfolio following the 2021 General Elections.

Expenses during the same period were \$15 million, representing a 4% increase over 2021. The increase in expenses was mainly driven by growth in personnel costs resulting from recruitment activity throughout the Portfolio. This caused increases in basic salary and other related personnel cost accounts, such as pension and health insurance. Supplies and consumables maintained prior year expenditure levels with only a slight increase (less than 1%) compared to 2021.

As shown in Table 3, the Portfolio has ended each of the past five financial years in a surplus position, with the 2022 surplus being \$3.8 million.

Table 3. Statement of Financial Performance

STATEMENT OF FINANCIAL PERFORMANCE (in thousands)					
Revenue	2018	2019	2020	2021	2022
Cabinet Revenue	10,630	11,203	14,219	14,398	14,962
IAC Revenue	8	6	84	7	218
3 rd Party Revenue	662	1,011	798	2,018	3,686
Total Revenue	11,300	12,220	15,101	16,423	18,866
Expenses					
Personnel Cost	7,435	8,282	10,228	10,883	11,424
Supplies & Consumables	2,340	2,842	2,524	3,358	3,389
Depreciation	140	143	170	159	206
Total Expenses	9,915	11,267	12,922	14,400	15,019
Net Surplus for the period	1,385	953	2,179	2,023	3,847

Statement of Executive Financial Transactions

Entity Financial Transactions are the financial transactions that result from the conduct of business or the delivery of outputs by a Ministry, Portfolio or Office.

Executive Financial Transactions, unlike Entity Financial Transactions, do not directly relate to the operations of a Ministry, Portfolio or Office. Executive Financial Transactions are any financial transaction relating to executive revenues, executive expenses, executive liabilities and executive assets of the Government. Executive revenue is any coercive revenue for the benefit of Cabinet's use, and includes revenues from import and motor vehicle duties, garbage fees, work permit fees etc. Executive revenue is utilised by the Cabinet to pay executive expenses, such as the purchase of outputs from Ministries, Portfolios and Offices, transfer payments, interest payments or similar finance costs. Executive liabilities of the Cabinet include the unfunded pension liability for civil servants and borrowings. Finally, executive assets comprise assets such as the House of Parliament (physical structure) and the Governor's residence.

Executive Financial Transactions are audited at the level of the entire public sector rather than Portfolio level, and hence, they do not appear in the PoCS's audited Financial Statements. At the request of the Office of the Auditor General, details of executive expenses related to the Portfolio of the Civil Service have been provided. Following is the Statement of Executive Financial Transactions:

STATEMENT OF EXECUTIVE FINANCIAL TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2022				
Executive Expenses (in thousands)	Actuals	Original Budget	Revised Budget	Variance (Actuals vs. Revised Budget)
CIV 1 - Policy Advice to the Head of the Civil Service	2,131	2,542	2,542	411
CIV 12 - Preservation and Management of Records	1,291	1,406	1,406	115
CIV 13 - Maintenance of the Electoral Register	519	671	671	152
CIV 15 - Policy Advice and Administrative Support Provided to the Deputy Governor	1,679	1,751	1,751	72
CIN 2 - Health Insurance for Civil Service Pensioners	38,870	35,632	35,632	(3,238)
OE 2 - Personal Emoluments for H.E. the Governor and Official Members of Cabinet	793	850	850	57
OE 19 - Ex-Gratia Recipients Plan Payments	2,237	1,358	2,393	156
OE 107 - Project Future	415	170	170	(245)
OE 116 - Pension Uplift	2,124	2,619	2,619	495
OE 119 - Second Chances Programme	54	196	196	142
OE 120 - Repairs and Maintenance of Executive Buildings	0	50	50	50
OE 126 - Anti-Gang and Child Safeguarding Support	0	230	230	230
OE 141 - Emerging Talent Development	59	400	400	341
EI 35 - Portfolio of the Civil Service	596	734	734	138

Discussion of Executive Expense Variances

CIV 1 - Policy Advice to the Head of the Civil Service: Under budget by \$411K. This underspend was driven by a number of vacancies, as well as the fact that one of PoCS's Deputy Chief Officers was reassigned to another area of programme delivery for nine months of the year.

CIV 12 - Preservation and Management of Records: Under Budget by \$115K due to the production of less master images than budgeted.

CIV 13 - Maintenance of the Electoral Register: Under Budget by \$152K as a result of budgeted training being deferred to 2023.

CIV 15 - Policy Advice and Administrative Support Provided to the Deputy Governor: Under Budget by \$72K due to reassignment of resources to other areas of programme delivery.

CIN 2 - Health Insurance for Civil Service Pensioners: Over budget by \$3.2M due to insufficient funding being granted during the budget period to cover approved premium increases, coupled with the actual number of retirees exceeding the forecasted amount (2,451 actual vs. 2,374 budgeted).

OE 2 - Personal Emoluments for H.E. the Governor and Official Members of Cabinet: Under budget by \$57K.

OE 19 - Ex-Gratia Recipient Grant Payments: Under budget by \$156K. In July 2022, Cabinet approved a one-off Ex-Gratia payment to each Public Service pensioner based upon an estimate. The actual payment came in below the approved budget for the one-off payment, allowing for savings in this account.

OE 107 – Major Governance Projects: Over budget by \$245K due to projects under this OE being delivered earlier than scheduled (i.e. certain projects scheduled for 2023, commenced or were completed in 2022).

OE 116 - Pension Uplift: Under budget by \$495K due to refined forecasting received from PSPB following the implementation of its improved Pension Administration Management System.

OE 119 - Second Chances Programme: Under budget by \$142K. In part, this variance came about as a result of a number of existing candidates being successfully transferred to full-time employment within the CIG.

OE 120 - Repairs and Maintenance of Executive Buildings: Under budget by \$50K.

OE 126 - Anti-Gang and Child Safeguarding Support: Under budget by \$230K. Resources for this initiative were diverted to focus on the Government's continued emphasis on achieving good public health outcomes.

OE 141 - Emerging Talent Fund (ETF): Under budget by \$341K. In part, this variance came about as a result of a number of Emerging Talent candidates being successfully transferred to full-time employment, which resulted in less funds within the ETF being utilised. Additionally, there were delays in onboarding new cohorts. The savings realised in 2022 will roll forward to create better / more opportunities in 2023.

EI 35 - Portfolio of the Civil Service: Under budget by \$138K due to timing lags in active capital projects, which are scheduled for completion in 2023.

Section 2.0

Departmental Performance



2.1 STRATEGIC AND CORPORATE HR (SCHR)

ENTITY OVERVIEW

The Strategic and Corporate HR Unit provides a variety of HR services and technical HR support to entities across the core Civil Service, as well as to Statutory Authorities and Government-Owned Companies (SAGCs). These services include:

- Implementation of HR reform projects, and the provision of guidance and advice on CIG-wide human resource policies and practices.
- Development and delivery of Civil Service wide programmes that support individuals reaching their potential, such as the Emerging Talent and Second Chances Programmes.
- Monitoring trends and developments in HR matters across the Service, including reports on service-wide trends and data.
- Development and management of the Human Resources Management System (HRMS), as a tool to support the strategic decision-making capability of the CIG, including provision of user support and training.
- Implementation of reward recommendations and management of corporate compensation and benefits, including delivery of job evaluation and job design services, and management of data relating to payroll and medical eligibility of dependents.
- Provision of a variety of HR services and technical HR support, from recruitment and orientation, to employee relations and discipline.

The services provided mainly contribute to Cabinet's fourth Broad Strategic Outcome – “Strengthening Good Governance for More Effective Government”.

SUMMARY OF 2022 ACHIEVEMENTS AND CONTRIBUTIONS

Implementation of the new HR Management System (my-VISTA)

2022 saw the start of a phased approach to implement the new HR and Payroll system, my-VISTA, for the Civil Service. The system, when fully implemented, will support strategic priorities by:

- Streamlining processes
- Improving governance
- Improving the user experience

my-VISTA

User ID:

Password:

Login

[Forgot My Password](#) | [Privacy Notice](#) | [Contact Us](#)



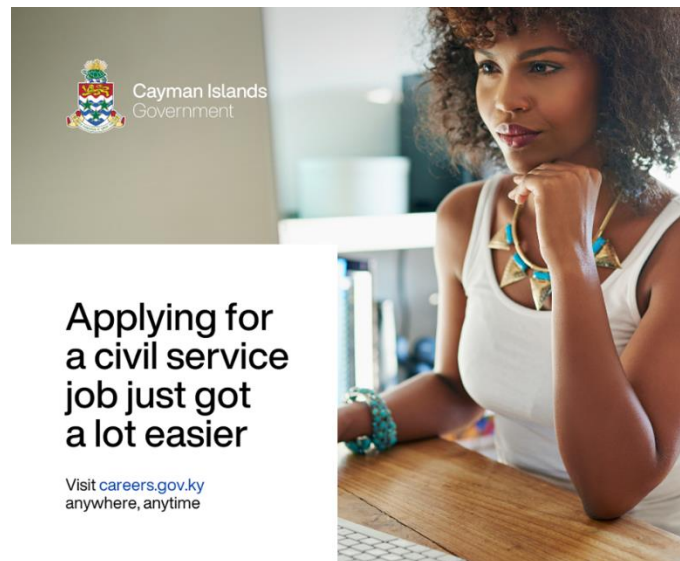
**MAKING
LIVES
BETTER.**

passion. integrity. professionalism.

- Leveraging technology to automate repetitive tasks and standardise workflows
- Delivering enhanced KPI and data forecasting capabilities
- Supporting the talent strategy by promoting CIG as an employer of choice and laying the foundation for workforce planning

Implementation began in February 2022 with the launch of the Civil Service Careers Portal and e-recruitment system, which allowed candidates to submit and manage CIG job applications electronically, through a one-time user profile.

Since its launch, over 15,000 individuals have registered to use the portal, and over 480 roles have been advertised. Customer feedback, which is sought automatically after submission of every application, has resulted in a user satisfaction rating of 8.6 out of 10.



During the remainder of the year, implementation focused on internal system replacement and upgrade, including the launch of employee and manager self-service options, which provide individuals access to view employment information relating to themselves, and the teams they manage. These convenient self-service options allow employees to view and manage personal data, enter work time and leave requests, and participate in performance management processes. Also added during the year were features such as workflows, team calendars, and employee, manager and HR dashboards, which allow tracking of critical management information in real time.

Remuneration and Reward

During 2022, work continued on implementing the Pay and Rewards “Blueprint” initiative, and embedding and promoting the principles of “Transparent”, “Fair”, and “Enabling” within pay and rewards practices.

By mid-year, reports issued by the Economics and Statistics Office (ESO) indicated a higher than usual inflation rate, necessitating action by the Civil Service to assist employees with maintaining purchasing power amid rising prices. The approved pay solutions that were quickly implemented featured distinct components to:

- Address the rising cost of living;
- Facilitate pay progression for persons on salary grades E and below; and
- Gradually reduce the extent of overlap within salary grades, starting with reserving the lowest pay point on grades E and below, for the hiring of newly qualified talent.

The specific payments made in 2022 were:

- i. Three honorariums, paid in June, July and August 2022, totaling \$450, to offset higher electricity costs linked to sharp increases in fuel prices over the summer months. This honorarium was paid at a flat rate for employees on Grades E and below, thereby offering greatest relative benefit to persons on the lower salary grades;
- ii. A 2% Cost of Living Adjustment (COLA), paid in September 2022, and applicable to all employees, aimed at offsetting inflation and preserving relative purchasing powers; and
- iii. A 1-pt within salary grade increment (valued at 2.5%), paid in December 2022 to employees on salary grades E and below who had not already achieved the highest pay point on their respective salary grade.
- iv. For a very small percentage of employees who were already at the top of their individual salary grade, an honorarium of \$700 or six months' value of the 2.5% increment (whichever was greater) was paid as a one-off lump sum.

Job Evaluation

Demand for job evaluation (JE) services reached a record high in 2022, with the team delivering 540 evaluations, an increase in demand of over 300% since 2016 (when 166 evaluations were conducted). Additionally, during the year, the JE team implemented efficiencies, which resulted in improved turnaround time for JE processing of approximately 75%.

The team also welcomed an Organisational Design and Pay and Rewards Specialist, ensuring that work in the area of organisational design can be advanced.

Policy

PoCS provides advice and implementation support on CIG-wide human resource policies and practices, with the aim of ensuring that the frameworks used to manage its most critical resource, people, are fit for purpose and support the business to deliver the Government's objectives.

In 2022, PoCS delivered the following key policies to support the operations of the Civil Service:

- Paid Student Intern Policy
- Continuity of Operations Plans – Hurricanes and Other Hazards
- Pay Remedy – Employees at Top of Pay Grade
- 2022 Performance Management
- Implementation of Grade Point Increment Increase

Supporting Talent Management / Development

During 2022, one additional candidate joined the Second Chances Programme (SCP), which is a programme designed to provide ex-offenders, who meet certain criteria, access to employment

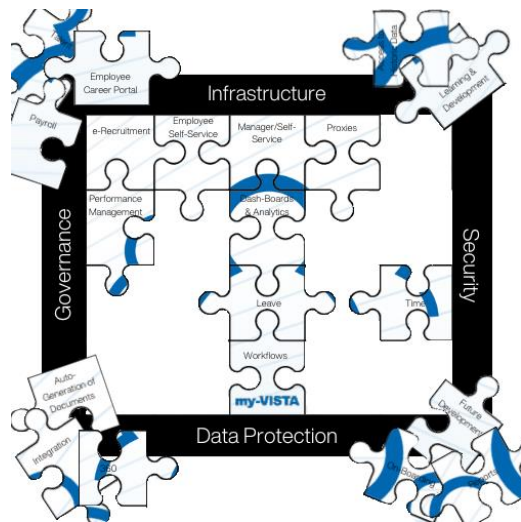
opportunities within the Civil Service. This brought the total number of SCP candidates who were successfully matched to jobs in the Civil Service to 11. Of special note is that, of the three individuals who joined the programme in 2021, two successfully transitioned to full time employment within their respective placement departments. Another talent management programme within the CIG is the Emerging Talent Programme, which provides opportunities for persons to gain the practical experience necessary for permanent appointment, as well as facilitates talent mobility within the Civil Service. In 2022, four Caymanians, including one returning graduate, were recruited or seconded to gain experience in the fields of communications, disaster management and planning inspections. These placements proved to be mutually beneficial, as the individuals gained invaluable experience, and the CIG benefitted from their contributions.

SUMMARY OF SPECIAL ACHIEVEMENTS AND CONTRIBUTIONS

The team was delighted to celebrate Lareta Mack, Strategic HR Officer within the Portfolio, after she was selected by the Deputy Governor as Employee of the Year 2021, for her outstanding customer service and dedication to making the lives of those she serves better.



FORWARD LOOK – 2023 STRATEGIC FOCUS



2023 will see the continuation of a number of initiatives that commenced in 2022, including:

- Continued implementation of my-VISTA modules, with a focus on replacing the CIG's payroll system, and adding additional modules, to ensure that the system is able to deliver its full range of benefits.
- A revamp and relaunch of the performance management cycle, to better track performance delivery across the service, and to gradually link performance / delivery to performance-based remuneration.
- Continuation of the transformation of the HR profession, to allow value added contributions that support the business and deliver organisation objectives through modern robust HR practices.
- Enhancements to family leave (i.e. maternity and paternity) provisions.
- Changes to the CIG's disciplinary provisions.
- JE methodology (i.e. HAY), and job description analysis and drafting training for CIG and SAGC HR Practitioners.

2.2 THE CIVIL SERVICE COLLEGE

ENTITY OVERVIEW

The Civil Service College (CSC) provides learning and development opportunities with the aim of building capability across the Civil Service. Our delivery is in areas that are common to the whole Civil Service, and courses are typically provided at no direct charge to individuals or departments. Our three areas of primary focus include:

- Leadership and management training (to international standards)
- Core competency development (available to every civil servant)
- Education opportunities (focused on removing barriers to progression and promotion)

These primary focus areas are directly linked to two of the Government's Strategic Broad Outcomes, namely "Promoting Lifelong Learning; Helping People Achieve Their Full Potential" and "Strengthening Good Governance for More Effective Government".

SUMMARY OF 2022 ACHIEVEMENTS

During 2022, the CSC continued work within the three areas of primary focus, aligned to the priorities set out in the Civil Service's 5-Year Strategic Plan. For the third consecutive year, the CSC saw an increase in outputs. Specifically, 2022 marked the year of highest achievement and success since the college was established in 2007.

Significant achievements during the year included:

- 200 civil servants achieved internationally recognised City and Guilds ILM qualifications in leadership and management.
- 45 civil servants graduated with their Associate Degrees in Public Administration.
- Nine managers completed CSC's first offering of the ILM Level 7 certificate programme in leadership and management.
- CSC's 'Skills for Life' programmes can now lead to recognised academic qualifications.
- Over 32,000 on-demand learning courses were undertaken by employees, reflecting over 7,000 hours of learning through the CSC's learning portal, LinkedIn Learning.
- Launched and completed the first cohort of accredited training for aspiring managers within the Civil Service.



- The first cohort of the City and Guilds Level 4 Diploma (Professional Administration) successfully completed their studies, opening the door for them to progress to Bachelor's degrees.
- Delivered three development events for senior leaders within the Civil Service, each with over 200 participants.
- Delivered the first development event for all managers and leaders in Cayman Brac, which attracted 50 participants.

As a community support project leveraging our expertise in leadership and management training, we partnered with Clifton Hunter High School (CHHS) to offer the City and Guilds ILM Level 2 Award in Youth Leadership, which resulted in 28 students graduating from the programme. CHHS is now self-sufficient in future delivery of this programme, which has also been extended to students at the Cayman Islands Further Education Centre (CIFEC).



Students from Clifton Hunter receive their City & Guilds certificates

The 2022 Annual Civil Service Engagement Survey revealed that civil servants recognise that there are increasing opportunities for their learning and development, with this category increasing by a statistically significant +3% in each of the last two years. Additionally, the focus on management training is starting to show impact, as the “My Manager” score also increased by 3%.



During the Deputy Governor's Employee of the Year ceremony held in November, the CSC team received a “Moments of Magic” award under the categories of “Developing Exceptional Leadership” and “Delivering Excellence in Learning and Development”. The award was specifically given in recognition of the CSC's roll-out and support of the LinkedIn Learning platform, and for piloting the ILM City and Guilds Young Leaders Award programme at CHHS.

FORWARD LOOK – 2023 STRATEGIC FOCUS

The CSC team is viewed by the wider Civil Service as a hub of excellence for all learning and development activities. In 2023, a new role will be filled to bring improved focus to compliance and education programmes, and to ensure the continued introduction / development of accredited learning programmes.

The training provided by the CSC is making a positive impact on the delivery of efficient and effective public services. In the coming year, the CSC will explore a methodology to evaluate and quantify the “social impact” of the learning provided, recognising that there is a greater economic impact for the wider community when people achieve their full potential.

Beginning in 2023, the CSC will be supporting the RCIPS as they align their leadership programmes to City and Guilds ILM. This will open the door for alignment of the leadership and management methodology, and interoperability across all civilian and uniformed services within the CIG.

The College will also continue to look at ways to develop additional pathways to support the transition to Bachelor's and Master's degree programmes, and post graduate studies.

2.3 MANAGEMENT SUPPORT UNIT (MSU)

ENTITY OVERVIEW

The Management Support Unit (MSU) is responsible for the facilitation and monitoring of Civil Service reform, based on the priorities of the Deputy Governor, across all Civil Service entities, and provides advice, support and capability development to Ministries and Portfolios to improve overall performance and effectiveness within the Civil Service.

SUMMARY OF 2022 ACHIEVEMENTS AND CONTRIBUTIONS

The 5-Year Strategic Plan for the Civil Service, which includes a vision “To be a world-class Civil Service”, was launched in January 2018, and came to the end of the five year period at the close of 2022.

Even before the year commenced, it was acknowledged that a portion of critical implementation time was lost during the COVID-19 pandemic, as the CIG's focus shifted from Strategic Plan implementation to protecting and preserving lives. As a result of this acknowledgment, discussions of a time extension to the Plan occurred, and concluded with agreement that the Plan required revisiting and refreshing.

Between July and November 2022, a 5-Year Strategic Plan “Refresh” was conducted. The research questions that drove the activity were:

- “Where are we on the journey to achieving the vision of becoming a world-class civil service?”
- “What are our successes and how do we reinforce them?”, and
- “What are the issues that may be impeding our journey and what do we do about them?”

This work culminated with a special report, which was submitted to the Deputy Governor and Chief Officers for consideration, following which an agreed implementation plan will be actioned.

Also during 2022, work to support the various Strategic Plan goals continued, including:

- Assistance / guidance with the implementation of the ‘Happy or Not’ metrics, including support with the continued rollout of digital ‘smileys’, which help to record comments from customers who interact with CIG agencies online.

- Ongoing provision of support to ministries and departments, by way of a DIY toolkit, explanatory webinar and post webinar materials, to help entities develop suitable action plans in response to the 2022 Employee Engagement Survey results.
- Facilitation of the second annual 360 degree review and coaching exercise, which saw the participation of 594 Civil Service leaders and senior managers, up from 323 in 2021.
- Assistance with the development of a competency framework for the policy profession, as requested and sponsored by the Community of Practice for the Policy Profession. At the end of 2022, the framework was being reviewed by policy professionals prior to being rolled out more widely.

SUMMARY OF SPECIAL ACHIEVEMENTS AND CONTRIBUTIONS

During 2022, staff of the MSU were deployed to support a number of non-core areas of work in order to help improve operations and advance wider CIG objectives. Such deployments included:

- Management of the Continuity of Operations cluster within the National Emergency Operations Centre (NEOC).
- Provision of support and consulting services to the Commissions Secretariat, the Passport and Corporate Services Office, and the Office of the Director of Public Prosecutions.
- Provision of additional resources to core POCS to assist with auditing hurricane and disaster response plans, as submitted by CIG ministries / portfolios/ departments / agencies / units.

FORWARD LOOK – 2023

During 2023, the MSU will continue to provide advice and support to individuals, teams and entities. Emphasis will be placed on, and resources dedicated to, any agreed “refresh plan” for the 5-Year Strategic Plan, including continuing or undertaking work to advance the implementation of any original or new strategic goals, so as to ensure that the Civil Service continues on the journey to world-class.

2.4 CAYMAN ISLANDS NATIONAL ARCHIVE (CINA)

ENTITY OVERVIEW

The Cayman Islands National Archive is responsible for establishing the records and information management (RIM) infrastructure for the entire Public Sector to facilitate compliance with the National Archive and Public Records Act (2015 Revision) (NA&PRA). Additionally, the National Archive preserves, promotes, and facilitates ease of access to the national historical collections.

SUMMARY OF 2022 ACHIEVEMENTS AND CONTRIBUTIONS

In 2022, CINA made the following contributions to the CIG:

- Provision of RIM advice and guidance to public agencies on general recordkeeping issues, digitisation of records, and disposal schedule development, ensuring compliance with the NA&PRA.
- Facilitated 'Introduction to Records and Information Management' training for 131 employees, via the CSC website.
- Audited and witnessed the approved destruction of records past retention periods for nine public agencies (a total of 508 boxes), ensuring compliance with the NA&PRA.
- Digitisation and microfilming of historical records to provide accessibility and safeguard long-term sustainability.
- Acquisition of items for the Historical Collections, including Reference Library and Oral History Collections, to enhance the corporate memory.
- Issued a series of [Facebook](#) posts highlighting the Historical Collections and celebrating historically significant persons, organisations, anniversaries and events.

SUMMARY OF SPECIAL ACHIEVEMENTS AND CONTRIBUTIONS

2022 also saw CINA make special contributions, as there were a number of significant events during the year that necessitated special activities / recognition. Following are the special projects undertaken during the year:

- Distributed a survey to Information Managers to monitor the status of RIM across the Public Sector. The survey received 62 responses, compared to 28 when the survey was last deployed in 2016.
- Partnered with Parliament for the development and installation of two significant exhibitions, namely Her Late Majesty The Queen's Platinum Jubilee Exhibit, and the 50th Anniversary of the Parliament Building exhibit.



Above: The 50th Anniversary of the Parliament Building Exhibit.

Left: Her Late Majesty The Queen's Platinum Jubilee Exhibit.

- Enhanced access to historical records by digitisation and access (view-only and purchased for download) via CITRIX ShareFile (primarily client driven).
- Partnered with the Cabinet Office to reproduce items from the Historical Collections to commemorate Her Late Majesty the Queen.
- Assisted Elmslie Memorial Church with photographs and research for the 100th Anniversary of the Church.
- Initiated Oral History interview project to capture the governance functions of managing COVID-19, beginning with an initial interview with His Excellency the Governor, Martyn Roper. This work continued with interviews to capture the impact of COVID-19 on the community, starting with the tourism and hospitality industry, most notably including interviews with the President and members of the Cayman Islands Tourism Association.
- Initiated the capture of in-person Oral History interviews via both audio and video recordings.

FORWARD LOOK – 2023 STRATEGIC FOCUS

In 2023, CINA will focus on the following initiatives, to advance the very important of the Archives:

- Strengthen RIM practices across the public sector, in support of good governance, through the increased visibility and uptake of records and information management tools and guidance.
- Provide ongoing support and training for public sector agencies on records and information management, particularly as it pertains to the development and implementation of disposal schedules and electronic records management.
- Ongoing promotion, provision and accessibility of the Historical Collections, including ongoing expansion of the Oral History and outreach programme, via digital platforms.

2.5 COMMISSIONS SECRETARIAT

ENTITY OVERVIEW

The Commissions Secretariat (“the Secretariat”) is responsible for providing administrative, research, policy, strategic, operational, and investigative support to the Anti-Corruption Commission, the Civil Service Appeals Commission, the Commission for Standards in Public Life, the Constitutional Commission, the Human Rights Commission and the Judicial and Legal Services Commission in order for each to fulfil their respective constitutional and/or legal mandates in an autonomous manner.

In addition, the Secretariat performs recruitment functions on behalf of His Excellency the Governor for those posts listed in S.106(4) of the Cayman Islands Constitution Order (2009) (i.e. Judges of the Court of Appeal and Grand Court, Magistrates, Attorney General, Director of Public Prosecutions, and any other legal posts as prescribed by law).

The Secretariat also maintains the Register of Interests in accordance with the Standards in Public Life Act.

SUMMARY OF 2022 ACHIEVEMENTS AND CONTRIBUTIONS

During the year, the Secretariat undertook / completed the following activities:

- Continued to enhance the public profile of the Commissions through increased education and communication opportunities promoting compliance with the Constitution, good governance, and provided opportunities to learn about the constitution through the distribution of a 'Children's Constitutional Comic Book'.
- Contributed to the achievement of Caribbean Financial Action Task Force (C-FATF) recommendations relating to the Anti-Corruption Commission (ACC), as a result of an ACC investigation into a complex and protracted corruption and money laundering case, which culminated in a successful conviction at the Grand Court.
- Continued work to modernise relevant legislation (specifically the Anti-Corruption Act and the Standards in Public Life Act) to strengthen the work of the Commissions.
- Continued to improve the electronic portal for the Register of Interests to ensure compliance with the Standards in Public Life Act.
- Facilitated a presentation by the Anti-Corruption Commission for Customs and Border Control recruits. The presentation outlined anti-corruption efforts, standards for public officers, and promoted compliance with the Anti-Corruption Act and Public Service rules.
- Received six appeals, and heard and dispensed of two via the Civil Service Appeals Commission (a quasi-judicial tribunal).
- Undertook recruitment functions for the Judicial and Legal Services Commission for the post of Chief Justice.
- Held several all-staff interactive team development sessions to strengthen individual relationships, the overall team dynamic, and bolster a positive work environment.

SUMMARY OF SPECIAL ACHIEVEMENTS AND CONTRIBUTIONS

The Secretariat successfully moved premises under conditions required for the movement of secure data. Transitioning at the end of April, staffers worked over the weekend so that services could quickly be restored post-move. The Governor and Deputy Governor formally opened the office during a visit.



His Excellency the Governor, Martyn Roper (right), the Honourable Deputy Governor, Franz Manderson (left), and Commissions Secretariat Manager, Marilyn Conolly at the opening of the Secretariat's new office in George Town.

FORWARD LOOK – 2023 STRATEGIC FOCUS

As the Secretariat looks to the next year, the following deliverables and outcomes are planned:

- Continued enhancement of the public profile of the Commissions, through increased education and communication opportunities.
- Continued modernisation of relevant legislation, specifically the Standards in Public Life Act, to strengthen the work of the Commissions.
- Further improve the electronic portal for the Register of Interests to ensure good governance, promote transparency, and to ensure compliance with the Standards in Public Life Act.
- Undertake recruitment functions for the Judicial and Legal Services Commission for several vacancies.
- Continue a systemic and strategic review of the Secretariat in order to increase productivity and efficiency to better support the diverse legislative and constitutional remits of the six Commissions supported by the Secretariat.

2.6 INTERNAL AUDIT SERVICE (IAS)

ENTITY OVERVIEW

The Internal Audit Service (IAS) delivers a systematic and disciplined approach to evaluating, safeguarding and improving the effectiveness of the CIG's governance, risk management and control processes. This is accomplished by following internationally recognised standards for the professional practice of internal auditing, thus providing the CIG with independent and objective assurance and advice.

SUMMARY OF 2022 ACHIEVEMENTS AND CONTRIBUTIONS

During 2022, the IAS delivered a combination of Assistance and Advisory Services (AAS), scheduled audits, special investigations and statutory compliance reports. Specifically, the IAS completed:

- 1,138 hours of AAS;
- Five special investigations;
- 12 compliance reports, to monitor adherence to the Public Service Management Act (PSMA);
- One PSMA special investigation;
- Four Audit and Risk Assurance Committee meetings (as participants, to provide updates).

In addition, the IAS completed 10 assurance projects (i.e. audits) during the year, which included a mix of system reviews, operational assessments and process control reviews.

The IAS was able to demonstrate its ability to quickly adapt and adopt an agile audit programme to address emerging risks by pivoting to take on special investigations, as the need arose, whilst still delivering audits as per the approved audit plan.

The IAS recognises the importance of learning and development for its team and, in 2022, was proud to make continued investment in staff development to enhance their professional qualifications. During the year, two staff members passed exams towards becoming a Certified Internal Auditor (CIA), with other employees well on their way in terms of preparing for the same. Additionally, one staff member also completed their ACAMS (Association of Certified Anti-Money Laundering Specialists) designation.

FORWARD LOOK – 2023 STRATEGIC FOCUS

In 2023, the IAS plans to embark on a path to strengthen its management cadre through the recruitment of a Director of Internal Audit and an additional Deputy Director. Filling these key posts will help continue the advancement of the Civil Service’s goal to become world-class, through the delivery of assurance and advisory projects on an ongoing basis, all with the aim of strengthening overall governance within the CIG.

The IAS will continue its investment in the development of its staff, by encouraging and facilitating continued study towards the CIA and other relevant qualifications that are internationally recognised designations for internal auditors.

In addition to the assurance and advisory services to be provided to core CIG in 2023, the IAS will also provide professional Internal Audit services, on a contract basis, to two Statutory Authorities and Government-Owned Companies (SAGCs). The IAS will also explore other opportunities to address the changing needs of its clients in response to increasing regulatory requirements.

2.7 ELECTIONS OFFICE

ENTITY OVERVIEW

The Elections Office (“the Office”) is an independent Government agency which is responsible for the maintenance of the Register of Electors (Voter’s List). The Office is charged with delivering General Elections, By-Elections and Referendums in accordance with the Cayman Islands Constitution, and relevant laws of the Cayman Islands.

SUMMARY OF 2022 ACHIEVEMENTS AND CONTRIBUTIONS

In 2022, work was carried out to update the Voter’s List, namely the processing of applications for new voters, removal of deceased and otherwise ineligible voters, and updates to the details of existing voter information. This work resulted in a revised Voter’s List of 23,494 registered voters as at 31 December 2022. This year-end total represents an increase of 115 voters over the 23,609 persons who were registered at the time of the 2021 General Election.

Additionally, during the 2022 fiscal year, Registering Officers, assisted by the Elections Office admin staff, published four revised list of electors, and four official Register of Electors.

SUMMARY OF SPECIAL ACHIEVEMENTS AND CONTRIBUTIONS

In addition to normal duties, the Elections Office staff worked with the Ministry of Investment, Innovation and Social Development on the National ID project, including participating in technical training with the National ID Enrolment, Issuance and Personalisation software and hardware.

FORWARD LOOK – 2023 STRATEGIC FOCUS

During 2023, the Elections Office team will:

- Work to provide logistical and administrative support to the 2023 Electoral Boundaries Commissioners.
- Deliver a national referendum following the passage of the Government's motion on a referendum to decriminalise the possession of small amounts of marijuana and the introduction of a national lottery.
- Conduct voter registration drives in advance of the referendum.
- Provide policy advice and support to the Deputy Governor in relation to preparing and submitting amendments to the Elections Act.

2.8 OFFICE OF EDUCATION STANDARDS (OES)

ENTITY OVERVIEW

The Office of Education Standards (OES) is established as a department of Government and has responsibility for assessment and monitoring of provision in educational institutions. The role of the OES is defined in the Education Law (2016), and further requirements regarding the work of the OES are defined within the Education Regulations (2017).

SUMMARY OF 2022 ACHIEVEMENTS AND CONTRIBUTIONS

During the 2022 financial year, the OES made the following contributions:

- Conducted a thematic visit programme, between January and April 2022, to review school education following COVID-19 and during the Omicron period. 30 schools were visited, resulting in 30 reports.
- Completed a comprehensive engagement process regarding the creation and inception of a new Early Years Foundation Stage (EYFS) inspection framework, including planning pilot runs for the second quarter of 2023.

- Began training for 10 new Cayman Associate Inspectors (CAI) in April 2022. Most went on to take part in the full inspections during September and October, gaining valuable experience working alongside the international inspectors.
- Completed the National Thematic Report on Leadership and Wellbeing in schools.
- Completed 21 'Full' School Inspections, which concluded cycle 2 inspections.
- Issued the Annual Schools Full Inspection Report for 2022.
- Developed a new, user-friendly OES website to better support stakeholders with finding reports. Following the launch of the website, a significant increase in visitor traffic was noted.

All OES reports are available at www.oes.gov.ky.

In addition to the contributions and achievements outlined above, one staff member within the OES completed the APMG International 'Change Management' registered practitioner qualification, bringing additional skills and insights into the team.

SUMMARY OF SPECIAL ACHIEVEMENTS AND CONTRIBUTIONS

In addition to the significant contributions made during 2023, the OES, at the request of the Minister of Education, prepared a 'Review of Weak Schools', which was presented to Cabinet in December 2022.

FORWARD LOOK – 2023 STRATEGIC FOCUS

The OES has the following planned activities for 2023:

- Issuance of the National Schools Progress Report (2019 – 2022)
- Staff recruitment
- Continued exploration into the use of electronic tools to enhance the analysis and sharing of data/information
- Complete cycle 2 'Full Inspections' for Early Years Centers by April 2023 (11 planned)
- Produce the National Report for Early Years (2019 – 2023)
- Provide advanced CAI training
- Introduce a feedback programme to schools following publication of the National Progress Report.
- Create a new monitoring tool to monitor 'Weak' schools
- Start cycle 3 'Full' School Inspections (17 schools planned for October 2023)
- Develop a risk-based inspection approach
- Review the full inspection process for all stakeholders

2.9 OFFICE OF THE DEPUTY GOVERNOR

ENTITY OVERVIEW

The Office of the Deputy Governor (ODG) provides policy advice and strategic and administrative support to the Deputy Governor, in relation to his responsibilities for ensuring the effective operation of the Civil Service, and for providing the highest level of support to His Excellency, the Governor. The Office also processes applications for British Overseas Territories Citizenship (BOTC) Naturalisation and Registration, and for British Registration, and provides comprehensive Secretariat Services to a number of Boards and Committees. Additionally, the ODG provides strategic support and facilitates training to drive innovation and efficiencies across the Civil Service. Through services provided by its Strategic Reforms Implementation Unit (SRIU), the ODG also coordinates and delivers priority projects, and provides training and guidance for civil servants in project-related disciplines, such as business case development, project management and change management.

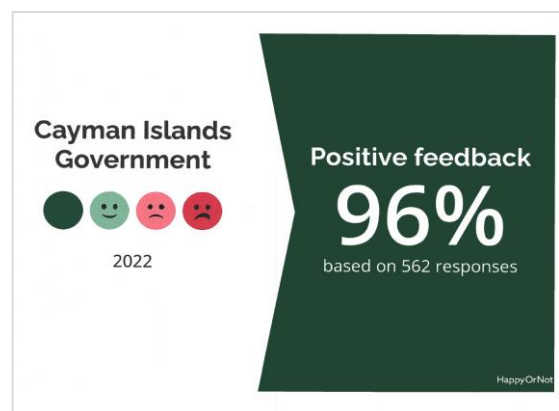


Prisca Smith and Jason Ricketts, the ODG's primary Customer Service Representatives for the BOTC service.

SUMMARY OF 2022 ACHIEVEMENTS AND CONTRIBUTIONS

In 2022, the ODG:

- Significantly exceeded the number of BOTC Naturalisation and Registration applications processed (974) compared to budgeted targets (500-700), with consistently high levels of customer satisfaction reported. Additionally, the ODG exceeded targets set for the number of British Registrations processed (173 actual compared to 70 - 150 budgeted).
- Provided secretariat services that supported the effective operation of a range of Boards and Committees, helping them to achieve good governance objectives and deliver benefits to some of our most vulnerable citizens. Following are the Boards and Committees that were supported by the ODG in 2022:
 - **The Expungement Board:** 100 applications processed, 70 applications approved;
 - **The Advisory Committee for the Prerogative of Mercy (ACPM):** 21 applications processed, four meetings held;
 - **The Conditional Release Board:** 76 applications processed, 34 granted;



2022 'Happy or Not' customer responses for the BOTC Naturalisation and Proof of Nationality processes.

- **The CI Independent Monitoring Board (CIIMB):** 2021 Annual Report published, new monitoring programme introduced for Customs and Border Control Detention Centres, 11 Board Meetings and four Key Stakeholder Quarterly meetings held.
 - **The Audit and Risk Assurance Committee:** Four meetings held, providing advice to the DG on key governance, risk and control matters across the Civil Service;
 - **The Child Safeguarding Board:** Four meetings held, providing challenge and accountability for Government agencies jointly responsible for safeguarding Cayman's children.
- Developed the first CIG Framework to guide decisions on the remuneration of members appointed to public bodies, which was approved by Cabinet, and is to be piloted until March 2023.
- From the seven courses provided in the SRIU Professional Certification Programme, 65 civil servants earned a combined total of 82 certifications across the following areas: Business Case Development (BBC), Project Management (PMQ and Agile PM), and Change Management. Senior leaders also completed Master Classes in project leadership, benefits realisation and risk management.



Members of the ODG team with participants from the 2022 SRIU Professional Certification Programme

- Implemented an expanded secretariat service to the Cayman Islands Child Safeguarding Board (CICSB), which delivered implementation of a revised CICSB Framework; establishing and operationalising a new Strategic Partnership Group to provide data and reports to support the work of the Board; and developing a data dashboard to coordinate essential child protection data from a range of agencies.
- Facilitated the delivery of a range of CICSB projects, including the development of a new policy, protocols, processes and templates for carrying out Safeguarding Practice Reviews; coordination of a Child Safeguarding Practice Review; update and finalisation of the Multi Agency Safeguarding Hub (M.A.S.H) Information Sharing Agreement; and review and renewal of the existing M.A.S.H Memorandum of Understanding (MOU).

SUMMARY OF SPECIAL ACHIEVEMENTS AND CONTRIBUTIONS

In 2022, the ODG made the following special contributions:

- Developed policy guidance relating to the way in which civil servants conduct government business during a “Period of Election Sensitivity” (the period after Parliament is dissolved and until a new Government is sworn in), which was issued in December 2022, and formally supported by Cabinet.
- Facilitated development of a new Deputy Governor series of Governance and Management Circulars, to provide guidance on mergers, legal advice on contracts, and E-Services projects.
- Developed a new “Monitoring Framework: Persons Detained under the Cayman Islands Border Control Laws”, and provided training, and guidance to the CIIMB for implementation.
- Coordinated cross-ministry collaborations for the preparation and tabling of Government Minutes, and introduced a new quality assurance mechanism for CIG Management Responses to OAG reports.
- Conducted a review of local and international legislation relating to marriages and civil partnerships of convenience, and prepared a discussion paper for key stakeholders’ considerations.
- Developed draft amendments to the PSMA to support the DG in promoting the adherence to the Public Service Values on the part of civil servants.
- Provided assistance to the Ministry of Home Affairs to develop draft amendments to the Prison Act, to underpin the work of the Cayman Islands Independent Monitoring Board.
- Completed a situational analysis, governance assessment, legislative review and assessment, and initiation and planning for a business case for enhancing national public health services, on behalf of the Ministry of Health and Wellness.



His Excellency the Governor (centre), Deputy Governor (far right), and the SRIU team, at the Cert. Hon. Awards Ceremony in May 2022, where they received awards for their services to the national COVID-19 response and recovery programme.



Members of the SRIU with the Deputy Governor (fourth from left) and other award nominees during the Deputy Governor's Team Awards Ceremony in April 2022.

FORWARD LOOK – 2023 STRATEGIC FOCUS

In 2023, the ODG has plans to:

- Implement an enhanced ODG organisational structure and build upon the outstanding ODG staff Engagement Index of 84%.
- Appoint a Chief Risk Officer and establish a new Risk Management Unit within the ODG.
- Continue to provide strategic support to the Ministry of Health and Wellness to develop a business case for enhancing national public health services in the Cayman Islands.
- Support the Deputy Governor with the development of guidance and tools to monitor and support, across the Civil Service, the effective and timely delivery of Government priority projects.

2.10 PASSPORT AND CORPORATE SERVICES OFFICE (PCSO)

ENTITY OVERVIEW

PCSO has responsibility for the approval and issuance of British Overseas Territories Citizen (BOTC) Cayman Islands (CI) passports, accepting and couriering US Visitor Visa applications to the US Embassy in Jamaica, and issuing US Visa Waivers, identity/travel documents, refugee travel documents and emergency passports for British Citizens.



PCSO also provides Corporate Services, including the legalisation of public documents for companies and individuals. Legalisation includes affixing an apostille, or authenticating the document, and sealing and signing by an authorised signatory on behalf of His Excellency the Governor.

Additionally, PCSO manages special marriage licenses granted by the Governor's Office for visitors who have decided to make the Cayman Islands the location of their destination wedding.

SUMMARY OF 2022 ACHIEVEMENTS AND CONTRIBUTIONS

In 2022, PCSO successfully processed a backlog of passport applications, noting an increase of 2,211 applications compared to 2021. The backlog that was managed in 2022 came about primarily as a result of an influx of new and renewal applications that were submitted after Cayman reopened its borders almost a year and half after closing them in an effort to protect citizens from the effects of the global pandemic.

Also in 2022, PCSO introduced or began work on the following efficiencies and customer conveniences:

- In partnership with the Cayman Islands Postal Service, PCSO introduced convenient passport pick-up and delivery options, including pick-up from district post offices and secure delivery to work or residential addresses for a small fee.
- Began development of an electronic system to support the processing of applications for corporate services and the issuance of marriage licenses, which is scheduled to go live in early 2023. This system will introduce major efficiencies for both customers and PCSO staff, as documents will be processed electronically resulting in faster turnaround times.
- Undertook significant activities to develop a system that will facilitate verification of the authenticity of documents apostilled online. The implementation of such a system is in line with other countries that are members of the Hauge Convention, and the system is due to go live in 2023.
- Launched the PCSO website.

FORWARD LOOK – 2023 STRATEGIC FOCUS

In the year ahead, PCSO will focus on the continued provision of passport and corporate services, but will also seek to:

- Implement electronic tools for processing applications for corporate services and the issuance of marriage licenses;
- Expand the Corporate section;
- Operationalise electronic tools to verify the authenticity of documents that were apostilled online; and
- Continue work to improve the file management system.

Section 3.0

Financial Statements

AT 31 DEC 2022





GOVERNMENT OF THE CAYMAN ISLANDS

Portfolio of the Civil Service

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Portfolio of the Civil Service

Financial Statements for the year ended 31 December 2022

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2nd Floor, Government Administration Building
Elgin Avenue
Grand Cayman KY1-9000
Cayman Islands
Tel: (345) 244-2305
Email: gloria.mcfield@gov.ky

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Portfolio of the Civil Service in accordance with the provisions of the *Public Management and Finance Act (2020 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 Act (2020 Revision)*.

As Chief Officer I am responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly recorded the financial transactions of the Portfolio of the Civil Service.

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

The financial statements fairly present the financial position, financial performance and cash flows of the Portfolio of the Civil Service for the financial year ended 31 December 2022.

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

- (a) completely and reliably reflect the financial transactions of the Portfolio of the Civil Service for the year ended 31 December 2022;
- (b) fairly reflect the financial position as at 31 December 2022 and performance for the year ended 31 December 2022;
- (c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

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 on Auditing.

Gloria McField-Nixon
Chief Officer
30th April 2023

Nadisha Walters
Chief Financial Officer
30th April 2023

AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of the Portfolio of the Civil Service

Opinion

I have audited the financial statements of the Portfolio of the Civil Service (the "Portfolio"), which comprise the statement of financial position as at 31 December 2022 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year ended 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 10 to 37.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Portfolio as at 31 December 2022 and its financial performance and its cash flows for the year ended 31 December 2022 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Portfolio in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Portfolio's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Portfolio or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Portfolio's financial reporting process.

AUDITOR GENERAL'S REPORT

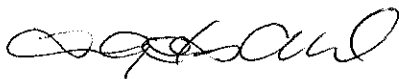
Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Portfolio's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Portfolio's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Portfolio to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of section 60(1)(a) of the *Public Management and Finance Act (2020 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Angela Cullen, CPFA
Acting Auditor General

30 April 2023
Cayman Islands

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF FINANCIAL POSITION
AS AT 31 December 2022
(Expressed in Cayman Islands Dollars)

Prior Year Actual		Note	Current Year Actual	Original Budget	Final Budget	Variance (Original vs Actual)
CI\$000			CI\$000	CI\$000	CI\$000	CI\$000
	Current Assets					
6,902	Cash and cash equivalents	2	4,178	7,397	7,397	3,219
5,966	Trade Receivables	3	1,639	4,758	4,758	3,119
246	Other Receivables	3	395	129	129	(266)
44	Inventories	4	41	37	37	(4)
79	Prepayments	5	305	37	37	(268)
13,237	Total Current Assets		6,558	12,358	12,358	5,800
	Non-Current Assets					
88	Trade Receivables	3	58	97	97	39
820	Property, plant and equipment	6	823	968	968	145
504	Intangible Assets	6b	714	716	716	2
1,412	Total Non-Current Assets		1,595	1,781	1,781	186
14,649	Total Assets		8,153	14,139	14,139	5,986
	Current Liabilities					
5	Trade Payables	7	32	41	41	9
627	Accruals and other liabilities	7	854	662	662	(192)
565	Unearned revenue	8	417	220	220	(197)
314	Employee entitlements	9	378	435	435	57
11,120	Repayment of surplus	10	3,853	10,045	10,045	6,192
12,631	Total Current Liabilities		5,534	11,403	11,403	5,869
12,631	Total Liabilities		5,534	11,403	11,403	5,869
2,018	Net Assets		2,619	2,736	2,736	117
	Equity					
439	Revaluation reserve		439	398	398	(41)
1,579	Contributed capital		2,180	3,836	3,836	1,656
-	Accumulated surpluses/(deficits)		-	(1,498)	(1,498)	(1,498)
2,018	Total net assets/equity		2,619	2,736	2,736	117

The accounting policies and notes on pages 10-37 form an integral part of these financial statements.

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Prior Year Actual		Note	Current Year Actual	Original Budget	Final Budget	Variance (Original vs Actual)
CI\$000			CI\$000	CI\$000	CI\$000	CI\$000
	Revenue					
16,423	Sales of goods & services	11	18,866	19,418	19,418	552
16,423	Total Revenue		18,866	19,418	19,418	552
	Expenses					
10,883	Personnel costs	12	11,424	13,500	13,500	2,076
2,926	Supplies and consumables	13	2,734	3,451	3,451	717
420	Leases	14	590	630	630	40
159	Depreciation	6	206	362	362	156
-	Litigation costs	15	44	31	31	(13)
14,388	Total Expenses		14,998	17,974	17,974	2,976
	Other Gains/(Losses)					
(28)	Loss on derecognition of financial assets	16	-	-	-	-
16	Gains on foreign exchange transactions	16	(21)	-	-	21
(12)	Total Other Gains/(Losses)		(21)	-	-	21
2,023	Surplus for the year		3,847	1,444	1,444	(2,403)

The accounting policies and notes on pages 10-37 form an integral part of these financial statements.

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

	Contributed Capital	Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2020	2,549	-	398	-	2,947	3,046	3,046	99
Prior Year Adjustments	-	-	-	(41)	(41)	(98)	(98)	(57)
Restated balance	2,549	-	398	(41)	2,906	2,947	2,947	42
Changes in net worth for 2021								
Gain/(loss) on property revaluation		-	41	-	41	-	-	(41)
Equity Investment from Cabinet	444	-	-	-	444	450	450	7
Transfer from departments	60	-	-	-	60	-	-	(60)
Capital withdrawals by Cabinet	(1,474)	-	-	-	(1,474)	(1,396)	(1,396)	78
Repayment of surplus to Cabinet	-	-	-	(1,982)	(1,982)	(846)	(846)	1,135
Net revenue / expenses recognised directly in net worth	(970)	-	41	(1,982)	(2,911)	(1,792)	(1,792)	1,119
Surplus/(deficit)for the year 2021	-	-	-	2,023	2,023	846	846	(1,176)
Total recognised revenues and expenses for the year	(970)	-	41	41	(888)	(946)	(946)	(57)
Balance at 31 December 2021	1,579	-	439	-	2,018	2,002	2,002	(16)
	Contributed Capital	Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2021	1,579	-	439	-	2,018	2,002	2,002	(16)
Prior Year Adjustments	-	-	-	6	6	-	-	(6)
Restated balance	1,579	-	439	6	2,024	2,002	2,002	(22)
Changes in net worth for 2022								
Equity Investment from Cabinet	601	-	-	-	601	734	734	133
Repayment of surplus to Cabinet	-	-	-	(3,853)	(3,853)	(1,444)	(1,444)	2,409
Net revenue / expenses recognised directly in net worth	601	-	-	(3,853)	(3,252)	(710)	(710)	2,542
Surplus/(deficit)for the year 2022	-	-	-	3,847	3,847	1,444	1,444	(2,403)
Total recognised revenues and expenses for the year	601	-	-	(6)	595	734	734	139
Balance at 31 December 2022	2,180	-	439	-	2,619	2,736	2,736	117

The accounting policies and notes on pages 10-37 form an integral part of these financial statements.

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Prior Period Actual		Current Year Actual	Original Budget	Final Budget	Variance
CI \$'000		CI \$'000	CI \$'000	CI \$'000	CI \$'000
	CASH FLOW FROM OPERATING ACTIVITIES				
	Cash received				
922	Sale of goods and services - third party	3,673	3,585	3,585	(88)
14,370	Sales to Cabinet	19,267	15,714	15,714	(3,553)
-	Other receipts	217	119	119	(98)
15,292	Total cash received	23,157	19,418	19,418	(3,739)
	Cash used				
(10,302)	Personnel costs	(11,516)	(13,500)	(13,500)	(1,984)
(3,640)	Supplies and consumables	(3,611)	(4,081)	(4,081)	(470)
(11)	Financing/interest expense	(11)	-	-	11
20	Other payments	188	(31)	(31)	(219)
(13,933)	Total cash used	(14,950)	(17,612)	(17,612)	(2,662)
1,359	Net cash flows used by operating activities (Note 18)	8,207	1,806	1,806	(6,401)
	CASH FLOW FROM INVESTING ACTIVITIES				
	Cash used				
(368)	Purchase of property, plant and equipment	(419)	(734)	(734)	(315)
(368)	Total cash used	(419)	(734)	(734)	(315)
(368)	Net cash flow used by investing activities	(419)	(734)	(734)	(315)
	CASH FLOW FROM FINANCING ACTIVITIES				
443	Equity injections from Cabinet	607	734	734	127
(1,385)	Capital withdrawals from ministries and portfolios	-	-	-	-
(942)	Total cash received	607	734	734	127
-	Repayment of surplus	(11,120)	-	-	11,120
-	Total cash used	(11,120)	-	-	11,120
(942)	Net cash flows from financing activities	(10,513)	734	734	11,247
					-
49	Net increase/(decrease) in cash and cash equivalents	(2,724)	1,806	1,806	4,530
6,853	Cash and cash equivalents at beginning of year	6,902	5,591	5,591	(1,311)
6,902	Cash and cash equivalents at the end of the year	4,178	7,397	7,397	3,219

The accounting policies and notes on pages 10-37 form an integral part of these financial statements.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)**

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 Act (2020 Revision)* (“PMFA”) 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 the Cayman Islands for the financial year ending 31 December 2022.

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

(a) Basis of preparation

The financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented. The financial statements are presented in Cayman Islands dollars using the historical cost basis of accounting, except the revaluation method adopted for buildings. The figures used in the presentation has been rounded to the nearest thousand.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2020 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2022 reporting period and have not been early adopted by the Portfolio. The assessment of the impact of these new standards are set out below.

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in *IPSAS 29, Financial Instruments: Recognition and Measurement*.

It is anticipated that IPSAS 41 will not have a significant impact on the Portfolio’s financial statements. This will be assessed more fully in the next financial year.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements. Covering periods beginning on or after 1 January 2023. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is anticipated that IPSAS 42 will not have an impact on the Portfolio's financial statements, but this will be assessed more fully in the next financial year.

IPSAS 43, *Leases* was issued in January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. Inter alia, IPSAS 43 requires lessees to measure and account for the right-of-use asset and the lease liability; exemptions apply to short-term leases what will continue to be accounted for in the same manner that operating leases are accounted for under IPSAS 13. It is anticipated that IPSAS 43 will not have a significant impact on the POCS' financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 44, *Non-current Assets Held for Sale and Discontinued Operations* was issued in May 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 44 provides guidance on how to account for non-current assets when they are made available for sale on commercial terms; no such guidance existed prior to IPSAS 44. It is anticipated that IPSAS 44 will not have a significant impact on the POCS' financial statements, but this will be assessed more fully closer to the effective date of adoption.

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 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.

Segment reporting has been included in accordance with IPSAS 18.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(b) Reporting Period

The 2022 financial statements are being reported for a period of 12 months commencing 1 January 2022 and ending 31 December 2022 per Section 2 of the *Public Management and Finance Act (2020 Revision)*.

(c) Budget amounts

The original budget amounts for the 12-month financial period are as presented in the 2022-2023 Budget Statement and the amounts are rolled up into the Annual Plan and Estimates document which was presented to the Parliament. There were no changes to the original budget. As required by the PMFA, budgets are presented on the same basis as the annual financial statements.

The budget period is understood to be a two-year period; and in the case of these financials, extends from January 1, 2022 to December 31, 2023. It is understood that any appropriation remaining at the end of fiscal year 2022, can be carried forward to be used in the 2023 financial period. These appropriations will lapse at December 31, 2023. This is in accordance with the Public Management and Finance Act (2020 Revision) ("PMFA"); "an appropriation lapses at the end of budget period to which the law by which the appropriation is granted relates".

(d) Judgments and Estimates

The preparation of financial statements, in conformity with International Public Sector Accounting Standards 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.

(e) 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 at the date of acquisition.

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

(f) Prepayments

The portion of recognised expenditure paid in advance of receiving goods and services is recognised as a prepayment.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment

Buildings and structures

Property were revalued as at January 1, 2021 by in-house professionals with the exception of specialized buildings which were contracted to independent evaluators and is stated at revalued amounts less accumulated depreciation. 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 period in which the asset is acquired.

In accordance with IPSAS 17, when an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Assets under construction

Assets under construction or development are carried at cost, less any recognized impairment loss. Such assets are classified to the appropriate category of property, plant and equipment when completed and ready for intended use. The depreciation of these assets commences when the assets are ready for their intended uses

Valuation methods

The property valuations have been prepared in accordance with the Standards and the guidance notes provided by the Royal Institute of Chartered Surveyors (RICS). Particular regard should be paid to the following definitions and methodology having been adopted in the assessment of value:

- Fair Value (Market Value) defined in accordance with IFRS 13 Fair Value Measurement as follows: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

Fair Value (Existing Use Value) extends the definition of Fair Value (Market Value) in "assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost."

- Specialized Assets: specialized assets are those for which no market exists for the current use. Specialized assets are valued using the Depreciated Replacement Cost method (DRC valuation). The definition of 'Depreciated Replacement Cost', as contained in The Standards, is as follows: "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment (continued)

Valuation assumptions

Plant and machinery have only been included in the valuation of building assets where these form an integral part of the fabric of the building (e.g. lifts or air conditioning equipment) or where they perform a task crucial to the continuation of the existing use (e.g. swimming pools). Unless specifically stated otherwise, it is assumed that such items are reflected in the unit building cost.

It is assumed that all properties have the required planning consents and certificates for use and construction. Where Fair Value (or land value in a DRC valuation) relies on obtaining an alternative planning consent the alternative use has been derived from consideration of prevailing land uses in the immediate area and Local Planning Policies and practice.

Where an asset has been valued by Depreciated Replacement Cost (DRC) it is subject to the prospect and viability of the asset continuing to be used for the existing use. These valuations do not take into account any form of selling or purchase costs, tax (including Stamp Duty), inflation or finance costs. In Cayman, there is no tax on property except for Stamp Duty which is ordinarily required to be paid by a purchaser.

Valuations of each 'specialized building' state their total asset value and the (depreciated) value of the respective building. Those with a depreciated building value greater than \$500,000 also state figures for their 'component' parts. Buildings valued by the investment or comparison methods of valuation also state figures for their respective land values. These do not compute to reflect actual building values but indicate the inherent value attributing to the land only.

Where applicable, the remaining economic life of the building and/or building components has been indicated. This is the period during which the building element is anticipated to have a future useful economic life for its existing purpose.

In preparing the valuations, information has been obtained from the following sources:

- Cayman Islands Government 2020 Asset Register.
- Cayman Islands Government Land Registry Database
- Cayman land Info System (Mapping, aerial photography, evidence of comparable sales and lettings).
- Copies of and extracts from leases.
- Architect scaled floor plans.
- Ministries and users / occupiers of operational property assets.

Land areas (where stated) are provided for guidance only and are quoted from the Land Registers or otherwise from Caymanlandinfo database. Any building floor areas supplied have been obtained from one of the following sources:

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment (continued)

- Measurements taken on site.
- Measurements extracted from Cayman Islands Government property records.

Land and Buildings were revalued as entire classes of asset.

Depreciation

Depreciation is expensed on a straight-line basis over the estimated useful life stipulated below 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.

<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	Over the unexpired period of lease or 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
• Construction and other equipment	3 – 25 years
• Telecommunications	5 – 50 years
• Other equipment	5 - 20 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 period are included in the Statement of Financial Performance.

(h) Inventory

Inventory 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 realizable 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.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(i) 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 the 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 (the "Fund") and administered by the Public Service Pension Board (the "Board"). Contributions of 12% - employer 6% and employee 6% on basic salary, acting allowance or duty allowance are made to the fund by the Portfolio.

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 the employees. Obligations for defined benefit retirement plans are centralized in the government and therefore, reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

(j) 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.

(k) Expenses

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

(l) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases are recognised as expenses on a straight-line basis over the lease term.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(m) 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 receivables. 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 liabilities comprise of accounts payables, accrued expenses and surplus repayments.

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.

De-recognition

A financial asset is de-recognized 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 de-recognized when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

(n) 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.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(o) 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 at period-end date;
- 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.

(p) Comparative Figures

Comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

The 2021 amounts are not entirely comparable because the Passport Office was transferred to the Portfolio on 1 July 2021 subsequent to the general elections.

(q) Revenue from Non-Exchange Transactions

The Portfolio receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include accommodation in the central government building, computer repairs and software maintenance by the computer services department. The Portfolio has designated these non-exchange transactions as Services in-Kind as defined under *IPSAS 23- Revenue from non-exchange Transactions*. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of a fixed asset, such service in-kind is recognized in the cost of the fixed asset.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank accounts in the name of Portfolio maintained at Royal Bank of Canada. As at 31 December 2022, the Portfolio unrestricted cash balances were as presented below. No restricted cash balances were held by the Portfolio at 31 December 2022.

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
-	Cash on hand /Petty Cash	6	2	(4)
6,712	Operational Current Account - KYD	4,000	7,000	3,000
5	Cash in Transit	3	31	28
154	Payroll Current Account	26	40	14
31	Operational Current Account - USD	143	324	181
6,902	Cash and cash equivalents	4,178	7,397	3,219

Note 3: Trade receivables and other receivables

Prior Year Actual CI \$'000	Trade Receivables	Current Year Actual CI \$'000	Budget CI\$'000	Variance CI\$'000
747	Sale of Good and Services	192	145	(47)
5,295	Outputs to Cabinet	1,536	4,677	3,141
12	Reimbursable Expenditure from Exec	-	-	-
-	Outputs to other government agencies	22	33	11
6,054	Total Trade receivables	1,750	4,855	3,105
-	Less: provision for doubtful debts	(53)	-	53
6,054	Net Trade receivables	1,697	4,855	3,158
Prior Year Actual CI \$'000	Maturity Profile	Current Year Actual CI \$'000	Budget CI\$'000	Variance CI\$'000
6,054	Trade Receipts due in one year	1,639	4,758	3,119
-	Trade Receipts due after one year	58	97	39
6,054	Net Trade receivables	1,697	4,855	3,158

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 3: Trade receivables and other receivables (continued)

Prior Year Actual CI \$'000	Other Receivables	Current Year Actual CI \$'000	Budget CI\$'000	Variance CI\$'000
13	Advances	18	13	(5)
2	Dishonoured cheques	3	2	(1)
231	Reimbursable from government entities	374	114	(260)
246	Total Other Receivables	395	129	(266)
-	Less: provision for doubtful debts	-	-	-
246	Net Total Other Receivables	395	129	(266)

Prior Year Actual CI \$'000	Maturity Profile	Current Year Actual CI \$'000	Budget CI\$'000	Variance CI\$'000
85	Trade Receipts due in one year	131	129	(2)
161	Trade Receipts due after one year	264	-	(264)
246	Net Total Other Receivables	395	129	(266)

At the end of the year, all overdue receivables have been assessed accordingly. The non-current portion of trade receivables are amounts due from other government agencies and has a low risk of default.

Note 4: Inventories

Prior Year Actual CI \$'000	Description	Current Year Actual CI \$'000	Budget CI\$'000	Variance CI\$'000
8	Raw Materials (includes consumable stores)	8	-	(8)
36	Other Inventories for use within one year	33	37	4
44	Total Inventories	41	37	(4)

Note 5: Prepayments

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
79	Other Prepayments	305	37	(268)
79	Total Prepayments	305	37	(268)

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 6: Property, plant and equipment

<i>Cost of Property, plant & equipment</i>	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total Property Plant and Equipment</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 01 January 2021	628	593	447	361	555	43	36	242	4	2,909	2,912	3
Additions	5	5	2	62	14	-	-	-	-	88	50	(38)
Revaluations	-	(88)	-	-	-	-	-	-	-	(88)	-	88
Adjustments	-	-	-	-	-	-	-	-	(4)	(4)	-	4
Transfers	(158)	(18)	(75)	39	(111)	178	(13)	(9)	-	(167)	(216)	(49)
Balance as at 31 December 2021	475	492	374	462	458	221	23	233	-	2,738	2,746	8

<i>Cost of Property, plant & equipment</i>	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total Property Plant and Equipment</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 01 January 2022	475	492	374	462	458	221	23	233	-	2,738	2,746	8
Additions	24	13	19	36	12	76	-	-	-	180	434	254
Disposal/ Derecognition	(16)	-	(2)	(14)	(5)	-	-	-	-	(37)	-	37
Balance as at 31 December 2022	483	505	391	484	465	297	23	233	-	2,881	3,180	299

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 6: Property, plant and equipment (continued)

<i>Accumulated Depreciation and impairment losses</i>	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 01 January 2021	577	132	302	289	454	7	28	186	-	1,975	1,977	2
Adjustment	-	(121)	-	(4)	6	-	-	3	-	(116)	-	116
Transfers	(119)	(3)	(72)	26	(74)	178	(8)	(5)	-	(77)	(97)	(20)
Depreciation Expense	3	16	20	49	21	4	2	21	-	136	90	(46)
Balance as at 31 December 2021	461	24	250	360	407	189	22	205	-	1,918	1,971	53
	17145	17035	17105	17115	17135	17143	17065	17075				
<i>Accumulated Depreciation and impairment losses</i>	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 01 January 2022	461	24	250	360	407	189	22	205	-	1,918	1,971	53
Eliminate on Disposal/Derecognition	(16)	-	(2)	(14)	(5)	-	-	-	-	(37)	-	37
Adjustment	1		(2)		1	3	1	1		5	-	(5)
Depreciation Expense	4	31	20	67	22	13	-	15	-	172	241	69
Balance as at 31 December 2022	450	55	266	413	425	205	23	221	-	2,058	2,212	154
Net Book value 31 December 2021	14	468	124	102	51	32	1	29	-	820	775	(45)
Net Book value 31 December 2022	33	450	125	71	40	92	-	12	-	823	968	145

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 6b: Intangible Assets

<i>Cost of Intangible Asset</i>	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 01 January 2021	234	-	234	235	1
Additions	24	321	345	400	55
Adjustments	-	5	5	-	(5)
Transfers	38	-	38	38	-
Balance as at 31 December 2021	296	326	622	673	51

<i>Cost of Intangible Asset</i>	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 01 January 2022	296	326	622	673	51
Additions	20	243	263	300	37
Adjustments	-	(19)	(19)	-	19
Balance as at 31 December 2022	316	550	866	973	107

<i>Accumulated Depreciation and impairment losses</i>	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 01 January 2021	54	-	54	53	-
Transfers	38	-	38	38	-
Amortisation Expense	26	-	26	45	19
Balance as at 31 December 2021	118	-	118	136	19

<i>Accumulated Depreciation and impairment losses</i>	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>	<i>Budget CI\$'000</i>	<i>Variance CI\$'000</i>
Balance as at 01 January 2022	118	-	118	136	18
Amortisation Expense	34	-	34	121	87
Balance as at 31 December 2022	152	-	152	257	105
Net Book value 31 December 2021	178	326	504	537	33
Net Book value 31 December 2022	164	550	714	716	2

The Portfolio has purchased a new software for an HR Management System that is currently under development. It is scheduled to be completed by the end of 2023.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 7: Trade payables, accruals and other liabilities

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
5	Trade Payables	32	41	9
5	Trade Payables	32	41	9
627	Accruals and Other Liabilities	854	662	(192)
5	Payroll Deductions	94	1	(93)
475	Accruals	394	606	212
(1)	Transfers payable	(3)	-	3
63	Core government trade with other public entities	104	-	(104)
85	Other	265	55	(210)
632	Total Trade Payables, Accruals and Other Liabilities	886	703	(182)

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

Note 8: Unearned Revenue

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
565	Unearned Revenue	417	220	(197)
565	Total unearned revenue	417	220	(197)

The Deputy Governor's office collects fees for Naturalization and British Overseas Territories Applications that are not recognized as revenue until the application is approved.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 9: Employee entitlements

Prior Year Actual CI\$'000	Details	Current Year Actual CI\$'000	Budget CI\$'000	Variance CI\$'000
	<i>Employee entitlements are represented by:</i>			
282	Annual leave	316	297	(19)
-	Pension	-	114	114
32	Comp Time Liability	62	24	(38)
314	Total employee entitlements	378	435	57

The annual leave entitlements and comp time liability are calculated based on current salary paid to those employees who are eligible for this benefit.

Note 10: Surplus Payable

The Portfolio budgeted to break even and therefore did not budget for any change in the surplus payable. The Portfolio made a surplus of \$3.8M. Accumulated Surpluses of \$11.1M has been repaid during the 2022 fiscal year. The Portfolio intends to engage the Ministry of Finance to repay the surplus after the end of the 2022-23 two-year budget cycle.

Note 11: Revenue

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
2,002	Fees and charges	3,678	3,580	3,580	(98)
16	General sales	8	5	5	(3)
14,398	Outputs to Cabinet	14,962	15,714	15,714	752
7	Other	218	119	119	(99)
16,423	Total Sale of Goods & Services	18,866	19,418	19,418	552

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 11: Revenue (continued)

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

Fees & charges and General sales includes administrative fees and user charges levied on the public for the delivery of government services. Certain respective rates and fee structures are gazetted and governed by the relevant revenue laws and regulations.

Other includes trade between the Portfolio of the Civil Service and government bodies. These are arm length transactions governed by Service Level Agreements (SLAs) between the contracting parties.

Note 12: Personnel costs

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
9,021	Salaries, wages and allowances	9,132	10,785	10,785	1,653
1,390	Health care	1,692	2,072	2,072	380
422	Pension	458	570	570	112
3	Leave	67	9	9	(58)
47	Other Personnel related costs	75	64	64	(11)
10,883	Total Personnel Cost	11,424	13,500	13,500	2,076

Note 13: Supplies and consumables

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
431	Supplies and Materials	303	380	380	77
1,939	Purchase of services	1,756	2,209	2,209	453
277	Utilities	314	331	331	17
-	General Insurance	-	2	2	2
61	Travel and Subsistence	28	135	135	107
142	Recruitment & Training	199	327	327	128
67	Interdepartmental expenses	76	65	65	(11)
10	Other	58	2	2	(56)
2,926	Total Supplies & Consumables	2,734	3,451	3,451	717

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 14: Leases

Prior Year Actual CI\$'000	Type of Lease	Current Year Actual CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
420	Lease and Rent of Property and Sites	590	630	630	40
420	Total Leases	590	630	630	40

Note 15: Litigation Costs

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
-	Legal Fees	44	31	31	(13)
-	Total Litigation costs	44	31	31	(13)

Note 16: Gains and Losses on Disposal and Foreign Exchange Transactions

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
16	Gains on Foreign Exchange Transactions	(21)	-	-	21
(28)	Loss on derecognition of financial assets	-	-	-	-
(12)		(21)	-	-	21

Note 17: Revenue from Non- Exchange Transactions

During the year ended 31 December 2022, the Portfolio received services in-kind in the form of accommodation in the central government building, computer repairs and software maintenance by the computer services department. The fair value of these services cannot be determined and therefore no expense has been recognized in these financial statements.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
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Note 18: Reconciliation of net cash flows from operating activities to surplus

Prior Year Actual		Current Year Actual	Original Budget	Variance
CI \$'000		CI \$'000	CI \$'000	CI \$'000
2,023	Surplus/(deficit) from ordinary activities	3,847	1,444	(2,403)
(41)	Prior Period Adjustment	6	-	(6)
	Non-cash movements			
159	Depreciation	206	362	156
(16)	(Gain)/losses on Foreign Exchange	21	-	(21)
28	(Gain)/losses on derognition of Assets	-	-	-
	Increase in provision for bad debt	(53)	-	53
	Changes in current assets and liabilities:			
(727)	(Increase)/decrease in receivable	4,233	-	(4,233)
(44)	(Increase)/decrease in inventories	2	-	(2)
(18)	(Increase)/decrease in prepayments	(226)	-	226
(295)	Increase/(decrease) in payables and other accruals	254	-	(254)
345	Increase/(decrease) in other current liabilities	(148)	-	148
(55)	Increase/(decrease) in provisions relating to employee costs	65	-	(65)
1,359	Net cash flows from operating activities	8,207	1,806	(6,400)

Note 19: Related party and key management personnel disclosures

Related party

The Portfolio is a wholly owned entity of the government of the Cayman Islands from which it derives a major source of its revenue. The Portfolio and 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 31 December 2022 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

Key management personnel, are also considered to be related parties. No loans were granted to key management personnel or their close relatives during the financial year.

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000
2,358	Salaries & other short term employee benefits	2,530
2,358	Total Remuneration	2,530
17	Number of Key Management Personnel	18

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 20: 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:

Revenues

Total Revenues were \$552K below budget. This equates to just 3% of the budget. The major contributor is the Cabinet Billings for the fiscal year that came in \$752K under budget. Outputs to Cabinet are the primary revenue source for the Portfolio making up 81% of the budget. The Portfolio performed well against budget targets with 95% billed out by end of the year. All departments, with the exception of four (4), met or exceeded their budget targets and was able to bill out their cabinet allocation. It is the unbilled 5% that totals to \$752K. Contributing factors included staff members going on secondments to other departments; or diverted to new projects and/or initiatives that reduced the department's ability to meet, and therefore bill for all of its original budget targets. In addition, Elections Office had allocation to prepare for a referendum that did not occur and was therefore not utilised.

The Passport Office is not funded by Cabinet and ended the year with significant profit. Still it trailed behind third party revenue targets for Authentication/Apostille of documents by 10% and Passport Fees by 3%. This was mainly due to limited staffing resources to keep up with the demand.

However, the reductions were offset by third party revenues from the Deputy Governor's Office collects for Naturalization and Registration Fees surpassed budget expectation by 84%. This is aided by their online application process that also allowed for receiving credit card transactions as well as their continued partnership with the Post Offices as collection agents. In addition, Internal Audit Service completed engagements with additional Statutory Authorities earning \$100K over its budgeted Interagency Revenues.

Personnel Costs

Personnel Costs were \$2.1M below budget. These savings were largely driven by \$1.7M savings in Salaries, Wages and Allowances. This followed into savings in Health Care of \$380K and \$110K savings in Pension. This was mainly due to delays in the recruitment timelines and posts remained vacant longer than budgeted.

Supplies and Consumables

Supplies and Consumables were under budget by \$717K. This stems from limited staffing resources, from unfilled vacancies and various secondments to other departments that delayed a number of projects moving for as planned reducing overall spend.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 20: Explanation of major variances against budget (continued)

Leases

Leases were under budget by \$40K. Elections Office was the main department with significant savings over their budgeted lease costs as they no longer required additional space and storage if a referendum was called.

Depreciation

Depreciation is under budget by \$156K. This is mainly from the Human Resources Management System (HRMS) “my-Vista” still being in the Work-In-progress – Intangibles account and not accruing depreciation as yet. In addition, there were delays in other budgeted capital purchases such as assets paid for, but not delivered before year-end.

Cash and cash equivalents

The year-end cash balance was \$3.2M below budget. There were material variances in various categories, but the primary reason was from the “Cash Flow from Finance Activities.” The Portfolio repaid \$11.2M in accumulated surpluses that was not budgeted for in the 2022 fiscal year. As well, the opening cash and cash equivalents at the beginning of the year was \$1.3M over its expected budget.

However, this was netted by increases within the “Net cash flow in Operating activities” of \$6.6M. The main contribution to the cash inflows was from Cabinet billings which was \$3.6M over its budget. There was a concerted effort in collection that significantly reduced outstanding collecting and enforced stricter collection practices with new invoices.

In addition, DGO’s office collected \$380K over its original budget but was netted by Passport Office coming under its budget. Internal Audit Services had near \$100K over its budget for revenue from the audit and assurance services. In addition, net cash outflows from operating activities was under budget by \$2.8M. Personnel Costs category contributed \$2M due to delayed recruitment; followed by Supplies and Consumables with \$470K in savings.

As well, there \$194K savings from other payments for amounts held for projects funded by the Major governance fund and proceeds from the DG5K annual charitable event that was subsequently paid to receiving charities in February 2023.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 20: Explanation of major variances against budget (continued)

Trade Receivable and Other Receivables

Trade Receivables was \$3.9M lower than budget. There was a concerted effort in collections that significantly reduced outstanding collecting and enforced stricter collection practices on the current year invoices. As well, the new arrangement with Passport Office to collect DGO's revenues meant that the held the funds on our behalf until after each month-end is was paid over. In addition, the Portfolio did not invoice Cabinet for its equity injection draw-down until the end of the financial year.

Prepayments

Prepayments were over budget by \$268K due to assets paid for but not delivered at year end thus could not be capitalized. These deposits were recorded as prepayments. It also includes costs for the HRMS system. Other departments entered into contracts for subscriptions such as LinkedIn Learning; Smart sheets. Also included are deposits for lease costs for some of our departments.

Property, Plant and Equipment

Property, Plant and Equipment came in budget under \$145K. This is mainly due to assets paid for, but not delivered by year end. Their costs are still in prepayment.

Accruals and Other Liabilities

Accruals and Other Liabilities were \$192K above budget expectations. Payroll deductions contributed to \$93K of this balance as it is customary to pay over Pension Deductions in the subsequent month. As well, Other Payables was \$210K over budget. There was no budget for "Payables to core government" in which \$104K payables was incurred. These were netted by the business as usual accruals that came in \$211K due to continued efforts to ensure invoices are settled timely with our vendors.

Repayment of Surplus/Surplus Payables

Surplus payables was \$6.2M under budget expectations. The departments under the Portfolio normally prepare their budget on a breakeven basis each year. This has been the case historically, with an exception of the Passport Office that is fully funded by third party revenues and have a budgeted surplus. The Portfolio generated 11.1M in accumulated surpluses in prior years that was paid into the Ministry of Finance during the fiscal year. As well, it generated an additional \$3.8M in the current fiscal year that will be repaid after the end of the 2022-23 two-year budget cycle. Both events were unbudgeted in the current fiscal year.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 20: Explanation of major variances against budget (continued)

Unearned Revenue

Unearned revenues were \$197K greater than the amount budgeted. Most all of it is from the Deputy Governor's office Naturalization and British Overseas Territory applications. The result is from increased options for customers to now complete and submit their applications online and to also pay via credit card transaction that was not previously available. As well, customers have more access to payment locations as the office has partnered with the various district post offices for application fees to be paid at more convenient locations. Application and fees are being submitted with more ease and frequency.

Contributed Capital

Contributed Capital is under budget by \$1.7M. The main reason is that budgeted opening balance was overstated by \$1.5M during budget preparations. In addition the actual equity Injection came under budget by \$133K due to not all capital being purchased before year end.

Cash from operating activities

Variance explanations are included under the "Cash and Cash Equivalents" section above.

Cash from investing activities

The actual cash used for the purchase of property, plant and equipment was \$315K under budget. There are assets paid for but not delivered at year end amounting to \$184k recorded as prepayments. As well, there were several smaller projects within the Portfolio that did not go through by year-end.

Cash from financing activities

"Cash Flow from Finance Activities" was \$11.3 M over budget. This is primarily from the Portfolio paying over accumulated surpluses of \$11.1M that was not budgeted for in the 2022 fiscal year.

As well, the equity injection drawdown was also not fully utilised and was \$133K under budget. The Portfolio only draws down on what is needed to fund actual capital purchases during the year. As some of the smaller projects did not materialize there was no need to draw down on the full budget.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 21: Financial instrument risks

The Portfolio is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, advances, accounts receivable, debtor-Cabinet and creditors and other payables. The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Credit risk

In the normal course of its business the Portfolio is subject to credit risk from debtors other than the Cabinet. The Portfolio does not have significant concentrations of credit risk for its other financial instruments. The Portfolio is exposed to potential loss that would be incurred if the counterparty to the bank balances fails to discharge its obligation to repay. All bank balances are with one financial institution located in the Cayman Islands which management considers to be financially secure and well managed.

Currency and interest rate risk

The Portfolio has no significant exposure to currency exchange loss risk and interest rate risk.

Liquidity risk

In meeting its liquidity requirements, the Portfolio closely monitors its forecast cash requirements with expected cash drawdowns from Cabinet and receipts from third parties. The Portfolio maintains a target level of available cash to meet liquidity requirements.

Note 22: Commitments

Type	One Year or Less CI\$000	One to Five Years CI\$000	Over Five Years CI\$000	31 December 2022 CI\$000
Capital Commitments				
Software: Human Resources Management System	39	40	-	79
Total Capital Commitment	39	40	-	79
Operating Commitments				
Non-Cancellable Accommodation Leases				
Accommodation leases (6)	508	718	-	1,226
Other Operating Commitments				
Software Subscription Services	47	-	-	47
Consultancy Services	2	-	-	2
Inspection Services	141	-	-	141
Training Services	147	-	-	147
Terminal Subscription	3	-	-	3
Total Operating Commitment	848	718	-	1,566
Total Commitment	887	758	-	1,645

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
(Expressed in Cayman Islands Dollars)

Note 23: Segment reporting

Policy Advice and Support for the Governor and the Deputy Governor

- Includes services provided by the Governor's Office, the Deputy Governor's Office and the PoCS.

Operational Human Resource Services

- Technical and administrative support to the Head of Civil Service (and where relevant the Governor) in relation to the Chief Officer. Human Resources services for the Ministries and Portfolio as required including recruitment, job analysis and the preparation of job descriptions, records management, succession planning and advice on specific HR matters.

H.E. Governor's Office

- The office is responsible for servicing and supporting Her Excellency the Governor including managing the Government House; coordinating engagement programmes and providing support including administrative and accommodations, for the Foreign and Commonwealth Office (FCO) staff in the Governor's Office.

Deputy Governor's Office

- The office is responsible for servicing and supporting the Deputy Governor including the provision of policy advice on public administration, naturalization and other matters.

Strategic Human Resource Services

- Policy advice and support relating to service-wide, human resource policies and practices for the civil service and the personnel functions of the Governor and the Head of the Civil Service.

Management Support of Civil Service Agencies

- Provision of free internal consultancy support to Government Agencies to enhance and improve performance in their strategic, financial or HR management functions.

Public Sector Reform

- Monitor and support the effective implementation of the 5 Year Strategic Plan, Project Future and other public sector management reform initiatives.

Office of Educational Standards

- Complete inspections and monitor performance of all educational institutions in accordance with the law and directives from the Minister of Education and the Educational council.

Passport Office

- Approves and issues British Overseas Territories Citizen Cayman Islands passports, issues US visa Waivers, and provides a range of corporate services including the legalisation of public documents.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
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Note 23: Segment reporting (continued)

Elections Office

The office maintains the electoral register involving addition of eligible voters and deletion of deceased or ineligible voters. Also, it is responsible for administering and holding general elections as well as the planning and execution of referendums.

Commission Secretariat

Provision of research, analytical, operational, policy, strategic and administrative support services to the Human Rights Commission, the Constitutional Commission, the Commission for Standards in Public Life, the Judicial and Legal Services Commission, the Civil Service Appeals Commission and the Anti-Corruption Commission.

Civil Service College

Learning and Development Opportunities within the Civil Service

- Identification of priorities for human capital development within the civil service.
- Implementation of learning and development interventions to meet the identified needs.
- Strategic development and management of a Civil Service College, to provide learning and development opportunities for all civil servants.

Internal Audit Services

- Evaluation of management systems in order to determine whether financial and operating information is accurate and reliable; risks to government agencies are being identified and minimized; regulations, policies and procedures are followed; assets are adequately safeguarded; resources are used efficiently and economically; agencies are operating efficiently and effectively.
- Audits of Civil Service entity HR systems, to establish the extent of compliance with the Public Service Management Act; Personnel Regulations and relevant legislative requirements.

Cayman National Archives

- Identification and acquisition of archives and historical records and access to archives and Historical information of various media through the Reading Room service. Preservation and recovery of historical archives and government records.
- Monitor and evaluate records and information management gaps within the public service and develop practical recordkeeping tools for improvement.
- Policy development, advice and guidance on records and information management to promote efficient administration, ease of access to information, accountability and transparency.
- Promotion of the historical and cultural holdings through outreach programmes.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
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Note 23: Segment reporting (continued)

	Policy Advice and Support for the Governor & Deputy		Elections Office		Commissions Secretariat		Internal Audit		Cayman National Archives		Civil Service College		GRAND TOTAL	
	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual
Total Revenue	9,538	12,558	1,774	519	1,323	1,728	1,378	1,668	1,432	1,298	978	1,094	16,423	18,866
Outputs to Cabinet	7,535	8,879	1,762	519	1,323	1,728	1,378	1,451	1,422	1,291	978	1,094	14,398	14,962
Sale of Goods and Services	2,003	3,679	13	1	-	-	-	217	10	7	-	-	2,025	3,904
Total Gain/(Losses) on Financial and Non-Financial Instruments	12	20	-	-	-	-	-	-	-	-	-	-	12	20
Gain/Losses on non-financial instruments	12	20	-	-	-	-	-	-	-	-	-	-	12	20
Total Expenses	8,306	9,356	1,669	564	1,174	1,659	1,269	1,358	1,015	959	955	1,103	14,388	14,999
Personnel Costs	6,376	7,356	988	244	1,008	1,271	1,100	1,180	860	791	551	581	10,883	11,424
Supplies and Consumables	1,866	1,921	664	305	152	346	153	162	113	120	398	515	3,346	3,369
Depreciation	63	80	17	15	14	41	16	16	42	47	6	7	159	206
Surplus/(Deficit)	1,220	3,181	105	(45)	149	69	109	310	417	339	23	(9)	2,023	3,846
Total Assets	13,948	7,395	11	11	56	40	88	96	471	536	74	75	14,650	8,154
Current Assets	13,104	6,333	11	11	56	40	-	96	2	4	64	75	13,237	6,558
Non-current Assets	845	1,063	-	-	-	-	88	-	470	532	10	-	1,412	1,595
Total Liabilities	12,229	5,270	27	31	79	100	185	64	20	27	90	41	12,632	5,534
	Policy Advice and Support for the Governor & Deputy Governor		Elections Office		Commissions Secretariat		Internal Audit		Cayman National Archives		Civil Service College		GRAND TOTAL	
	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual
Capital Purchases	352	264	9	-	62	110	1	2	9	63	10	-	443	439
Entity Assets	352	264	9	-	62	110	1	2	9	63	10	-	443	439

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2022
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Note 24: Financial Instruments – Fair Values

As at 31 December 2022, the forecasted carrying value of cash and cash equivalents, trade and other receivable, trade and other payable and employee entitlements approximate their fair values due to their relative short-term maturities. Fair values estimates are made at a specific point in time, based on market conditions and the information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

Note 25: Contingent Liabilities

As at 31 December 2022, there are no quantifiable and non-quantifiable contingent liabilities and therefore no contingent liabilities have been provided for within these financial statements.

Note 26: Events Occurring After Reporting Date

Management is not aware of any other occurrences subsequent to the reporting date which will have an impact on the financial statements at 31 December 2022.