



**Ministry of Investment,
Innovation & Social
Development**

Cayman Islands Government

ANNUAL REPORT 2021

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Ministry of Investment, Innovation & Social Development

Cayman Islands Government

ANNUAL REPORT JULY - DECEMBER 2021

The Ministry of Investment, Innovation and Social Development is responsible for providing policy advice, administrative and governance support, and the delivery of a range of programmes and services to the public, to enable the Minister to achieve the strategic goals for investment, innovation and social development.

The main goals of the Ministry are to elevate the Cayman Islands and advance the economic, social and political interests of Government, people and businesses, for a prosperous and sustainable future.

In pursuit of these goals, the Ministry will seek suitable inward investment to grow the economy, and facilitate a smooth and efficient delivery of Government services to both new investors and current residents with the innovative use of technology and the fostering of modern business processes across Government.

To assist and uplift vulnerable and disadvantaged Caymanians, the Ministry has been given the responsibility of reimagining and reforming social development, through meaningful, measurable, efficient and effective changes to Government's policies and programs of social assistance. At the same time, the Ministry will identify synergies between all of its divisions, with a particular focus on the benefits that innovation and investment can yield for improving people's lives within the realm of Cayman's social development.

This Annual Report is for the Ministry of Investment, Innovation and Social Development (the "Office"), of the Cayman Islands Government.

The report outlines the Office's performance during the period from July 1st, 2021 to December 31, 2021 in comparison to that which was outlined in the Office's budget for the corresponding period.

The requirement for an Annual Report is prescribed under section 44 of the Public Management and Finance Law (2018 Revision) ("PMFL").

Foreword

Annual Report 2021 for the Ministry of Investment, Innovation and Social Development

Hon. Minister André Ebanks MP

The Ministry for Investment, Innovation & Social Development (MIISD) is a Cayman Islands Government Ministry created in May 2021. It is entrusted with setting and driving the Cayman Islands' investment, innovation and social development agenda within the broader governance structure of the Government.

MIISD will play a critical role in supporting Government by developing strategic initiatives, creating new legislation and policy, and undertaking robust reform to delivery of Government services, across these three distinct yet intricately linked divisions.

Working synergistically, these divisions housed within one Ministry provide a real opportunity to enable all segments of society to benefit from prosperity and economic growth that is globally competitive and diverse, and driven by tangible improvements. This Ministry has the potential to be a powerful engine that can propel the country forward.

A key component of delivering on this vision will be to ensure that the Ministry, its departments and units are aligned in benefitting and empowering all people in the Cayman Islands. It is imperative that we support and uplift Cayman's most vulnerable people as well as Government's assistance entities as a top priority. In particular, the Ministry's social development division will benefit immensely from meaningful, measurable reforms and advances that result from being adjacent to both investment and innovation.

In 2021, highlights of the new Ministry's work outlined in this Annual Report include:

- Establishing the strategic objectives of each Ministry division and its respective departments, underpinned by the Government's priorities as expressed in its broad outcomes
- Delivering a modern digital infrastructure (online) for the Needs Assessment Unit, to serve its clients more efficiently
- Securing a centrally located, interim premises for Sunrise Adult Training Centre, and working to improve and enhance the client area at the Needs Assessment Unit's offices in 2022
- Supporting micro and small businesses with KYD \$3.6 million in grants and stipends to aid in their survival in the absence of tourism during the Covid-19 pandemic
- Leading a national cyber risk assessment for the Cayman Islands
- Identifying savings within the FY 2021 budget that enabled critical financial support to be given to a number of non-profit entities working to improve the lives of vulnerable people in the community
- Undertaking a partnership with Cayman Finance that will enable the Ministry to carry out strategic promotional work in 2022 and 2023.

Ministry Departments & Directors – Investment

- **InvestCayman** - Invest Cayman's vision is to make Cayman the most attractive jurisdiction in which to invest. It will serve as the government "single-front-door" case management service for significant investment in the Cayman Islands. The goal of this service is to increase the ease with which investment and business is conducted.
Director: Jane Scaletta
- **Intellectual Property Office** – Fosters innovation and creativity through a structure that utilizes efficient systems for the registration of intellectual property, and aligns legislation, policies and practices with global industry standards and best practices.
Acting Director: Candace Westby
- **Centre for Business Development** – Provides business advisory, business development and technical assistance services to entrepreneurs and business owners in order to support local micro, small and medium sized businesses.
Director: Althea West-Myers

Ministry Departments & Directors – Innovation

- **eGovernment Unit** – Implements, improves and promotes Government's digital infrastructure platforms and digital service solutions to enhance people's lives and enable business in a digital society.
Director: Ian Tibbetts
- **Computer Services Department** – Provides strategic solutions and acts as an internal business partner to serve the whole of core Government and select Statutory Authorities/Government Companies, to achieve their digital and technological objectives and deliver a world class experience.
Director: Simon Spiers
- **Cybersecurity Unit** – Protects, defends and strengthens the Cayman Islands Government's cyber security capability, its online services and digital assets. Maintains and promotes trust and confidence in the jurisdiction globally, and increases awareness and understanding of cybersecurity in the community.
Director: Pamela Greene

Ministry Departments & Directors – Social Development

- **Sunrise Adult Training Centre** – Empowers and advocates for adults with different abilities and a range of special needs, through therapeutic and recreational programmes, and vocational training including supervision of employment in the community as well as wider inclusion.
Director: Kim Voaden
- **Department of Children and Family Services** – Delivers best practice social work services to care for and protect children, families and the elderly.
Director: Paulinda Mendoza-Williams
- **Needs Assessment Unit** – Improves quality of life by providing financial assistance to Caymanians on a temporary or permanent basis, including assessments.
Director: Tamara Hurlston

SAGCs

Children and Youth Services
Foundation (CAYS)

Boards and Committees

Adoption Board

Copyright Tribunal

Film Exhibition (Control) Board

Housing Repairs Committee

Trade Marks Appeals Tribunal

Design Rights Tribunal

MINISTER AND PARLIAMENTARY SECRETARY

Hon. André Ebanks MP, Minister for Investment, Innovation and Social Development

Heather Bodden MP, Parliamentary Secretary for Social Development

MINISTRY STAFF

Eric Bush, JP, Cert.Hon. Chief Officer	Evana Martinez PA to Chief Officer
Andrea Fa'amoe, Cert.Hon. Deputy Chief Officer	Angela Mowbray PA to Hon. Minister Ebanks
Vinton Chinsee Chief Financial Officer	Shushan O'Connor Deputy Chief Finance Officer
Joanna Virtue-Markman Chief HR Officer	Kendra Okonski Senior Policy Advisor, Global Communications
Tracey Anniford Office Support Assistant	Shennique Seales Acting Policy Advisor - Investment
Destini Bush Office Support Assistant	Stacie Sybersma Senior Policy Advisor, Innovation
Tristaca Ebanks, Cert.Hon. Special Events Coordinator	Deborah Webb-Sibblies Strategic Policy Advisor, Older Persons
Trevor Gibbs Senior Policy Advisor, Investment	Sean Whewell Acting Policy Advisor - Innovation
Ashlyn Goubault-Ebanks Policy Advisor, Social Development	Victoria Whittaker Finance Administrator
Cory Hunter Office Support Assistant	Secondments Rayle Roberts (DCFS)
Deondra Kelly Finance Administrator	

Staff Development / Training

In September 2021, Policy staff completed a one-week professional course facilitated by the International Centre for Parliamentary Studies, and earned a Professional Certificate in Strategic Policy Planning.

Introduction 2021 Annual Report

Ministry of Investment, Innovation and Social Development

Eric Bush
Chief Officer, JP, Cert.Hon.

The main goals of the Ministry of Investment, Innovation and Social Development are to elevate the Cayman Islands and advance the economic, social and political interests of Government, people and businesses, for a prosperous and sustainable future.

In pursuit of these goals, the Ministry will seek suitable inward investment to grow the economy, and facilitate a smooth and efficient delivery of Government services to both new investors and current residents with the innovative use of technology and the fostering of modern business processes across Government.

To assist and uplift vulnerable and Caymanians, we will reimagine social development by creating meaningful, measurable, and effective reform to Government's policies and programs of social assistance for Cayman's least fortunate, and ensuring that the fruits of innovation and investment raise and improve the lives of all members of our society.

This is the forward-looking vision and mission of the Ministry of Investment, Innovation and Social Development, and the mindset and work ethic with which we will deliver on Government's strategic priorities, from the outset in 2021 and over the next four years.

The work of the Ministry will contribute towards creating innovative and cost-effective solutions to modernise and streamline the delivery of Government services to people and businesses, and foster accountability.

In pursuit of enhanced and improved delivery of services to clients, the Ministry's work will identify necessary reforms to capabilities, systems, and resources, and foster change through upskilling of current employees and prudent investment in new infrastructure. It will also rely on developing strategic partnerships with a wide array of public and private sector stakeholders in the Cayman Islands.

Between July and December 2021, the Ministry pursued material additions, changes and revisions to foster a high quality legal, regulatory, and policy framework for its three divisions. The objective of this work is to modernise and update the system of financial assistance, protect vulnerable people of all ages, create a robust intellectual property regime, and support the creation and development of a digital society and economy.

Transition between MITIAMA and MIISD

Between May and June 2021, Ministry staff transitioned from the previous Ministry (of International Trade, Investment, Aviation and Maritime Affairs) into the Ministry of Investment, Innovation and Social Development.

Core Ministry staff toured new departments along with Minister Ebanks and PS Bodden. They were provided with handover briefings and also provided their own handovers internally in Government (where relevant).

To align the Ministry and each entity in its three respective divisions of investment, innovation and social development, the Ministry hosted a three day offsite strategy session at the new EY wavespace™ on June 9, 10 and 11, 2021. Using a combination of facilitated discussions, "out of the box" thinking and interactive digital technology, the sessions were structured to gather detailed

input from each department and unit, as well as core Ministry staff. This led to the identification and creation of strategic priorities and operational plans, adjacent to other Ministry pillars and aligned with Government's priorities.

The high level takeaways from this work were presented to Minister Ebanks on June 30, and in line with the Government's Strategic Policy Statement in mid-July, have formed the strategic priorities of the Ministry, its units and departments.

After the FY 2022/23 budget was agreed by Parliament and the Finance Committee, these strategic sessions were repeated over three days in December 2021, to align the budget to each department's strategic objectives, key performance indicators, and key outputs.

This in-depth process resulted in a "roadmap" for each Ministry division and department, with key performance indicators linked to the Government's priorities, desired outcomes and the accompanying budget outputs in 2022 and 2023.

The Ministry's work in its three divisions and that of its numerous departments and units during 2021 reflects the priorities of the PACT Government as expressed in its Broad outcomes:

Broad Outcome 1: Improving Education to Promote Lifelong Learning and Greater Economic Mobility

Sunrise Adult Training Centre

Broad Outcome 2: Ensure an Equitable, Sustainable and Successful Healthcare System

Department of Children and Family Services, Needs Assessment Unit

Broad Outcome 3: Providing Solutions to Improve the Well-Being of our People so they can achieve their Full Potential

InvestCayman, Centre for Business Development, eGovernment Unit
Sunrise Adult Training Centre, Department of Children and Family Services, Needs Assessment Unit

Broad Outcome 4. Strengthening good governance for more effective government

Intellectual Property Office, eGovernment Unit, Cybersecurity Unit, Computer Services Department

Broad Outcome 6. Increasing social justice in the workforce

Department of Children and Family Services, Sunrise Adult Training Centre

Broad Outcome 8. Building a modern infrastructure to ensure a successful future for our Islands

eGovernment Unit, Cybersecurity Unit, Computer Services Department

Broad Outcome 9. Improve our financial services as an industry, product and economic driver for our islands.

InvestCayman, Intellectual Property Office, eGovernment Unit, Cybersecurity Unit

INVESTMENT

Investment Departments

InvestCayman - Invest Cayman's vision is to make Cayman the most attractive jurisdiction in which to invest. It will serve as the government "single-front-door" case management service for significant investment in the Cayman Islands. The goal of this service is to increase the ease with which investment and business is conducted.

Intellectual Property Office - Fosters innovation and creativity through a structure that utilizes efficient systems for the registration of intellectual property, and aligns legislation, policies and practices with global industry standards and best practices.

Centre for Business Development – Provides business advisory, business development and technical assistance services to entrepreneurs and business owners in order to support local micro, small and medium sized businesses.

Ministry Highlights & Achievements

June – December 2021

Trevor Gibbs, Senior Policy Advisor for Investment, joined the Ministry on June 1, 2021.

Strategy sessions at EY wavespace™

June 2021

Three days of offsite strategic sessions were held during June 9-11, 2021 for the entire Ministry – one for each division of investment, innovation and social development – with Minister Ebanks, core Ministry staff, and senior department staff.

Designed to identify strategic priorities and create operational plans, these exercises were repeated over three days in December 2021 after the FY 2022/23 Budget was agreed by Parliament and the Finance Committee. From this in-depth activity, the Ministry, each division and its departments have created a "roadmap" for the next two years against budget outputs for 2022 and 2023, and aligned with Government's priorities.

For the strategic day dedicated to Investment, Minister Ebanks, core Ministry staff, the investment team, key staff from the Cayman Islands Centre for Business Development and Cayman Islands Intellectual Property Office participated. This full day session enabled the team to identify strategic priorities for the next four years adjacent to other Ministry pillars and in line with Government's priorities.

A core component utilised to guide and inform of all of the strategic sessions across the Ministry's three divisions is a report entitled "**Investment, Innovation and Social Development Strategy for the Cayman Islands**".

The *IISD Strategy* was commissioned by the predecessor Ministry to MIISD (the Ministry of International Trade, Investment, Aviation and Maritime Affairs) and is a product of 18 months of work including the Strategic Economic Advisory Committee (May-June 2020).

The report provides a comprehensive evaluation of economic, social and environmental priorities, based on extensive stakeholder consultation within Cayman's industries. It recommends a strategy, comprising of a comprehensive 'roadmap' and short/medium/long term strategy for policymakers that aligns Cayman's priorities with the UN Sustainable Development Goals.

The *IISD Strategy* identifies priority areas – including institutions, infrastructure, skills, the labor market, business dynamism and innovation capability – that will enable Cayman to increase its competitiveness relative to other leading jurisdictions, while improving economic diversification, resilience and sustainability.

Global Marketing and Reputation Strategy for the Cayman Islands

May 2021

This is a strategy which was developed following an audit of communications materials (“How Cayman is presented to the world”), public perceptions (“How the world sees Cayman”), data/research, combined with insights drawn from 17 focus groups conducted in the Cayman Islands between January and April 2021.

In May 2021, the final deliverables from the project were presented to Minister Ebanks, Chief Officer Eric Bush and members of the Steering Group. The work is being developed across the Ministry’s departments for strategic rollout in 2022 and 2023, with supporting content, marketing collateral, and bespoke messaging to promote Cayman’s culture, civic and philanthropic sectors, businesses and industries.

Launch of InvestCayman

September 2021

InvestCayman was launched in 2021 to be the Government’s “single-front-door” case management service for significant investment in the Cayman Islands. As a global facing entity, it will work collaboratively across Government and with a variety of private and civic sector entities in the Cayman Islands who are trusted partners.

Commonwealth Climate Growth Fund

September 2021

Government announced a commitment of seed capital to be a catalyst for the establishment of the Commonwealth Climate Growth Fund (Cayman) LP, based in the Cayman Islands, and sponsored by the Commonwealth Enterprise and Investment Council (CWEIC). This new investment fund that will be focused on businesses and technologies that deliver climate mitigation and adaptation throughout the 54 member countries of the Commonwealth.

“An array of compelling attributes distinguish and define our jurisdiction, including our legal institutions and good governance, our Constitutional link to the United Kingdom, our diversity and our caring community.

Within that context, InvestCayman will elevate the Cayman Islands by promoting the wide variety of opportunities that exist here – among them technology, education, infrastructure and energy transformation.”

--- Hon. Minister André Ebanks,
Launch of InvestCayman

Partnership with Cayman Finance

The Ministry created a strategic partnership with Cayman Finance, the industry body which represents the Cayman Islands’ financial services industry. Separate from work through the Ministry of Financial Services and Commerce, this will entail strategic promotional work to bolster the reputation of the Cayman Islands as a globally respected financial services centre of excellence, while also reinforcing the financial services industry’s brand messaging. For the partnership that will begin in 2022, the Ministry has supported Cayman Finance with \$350,000 in FY 2021.

Department Highlights/Achievements

Intellectual Property Office

- The Ministry has identified legislation, policy and regulation priorities for 2022/23 to support work of the Intellectual Property Office
- Ministry completed an organisational structure review, and began the recruitment process for hiring a new Director and Deputy Director.
- Ministry obtained Cabinet approval for leased premises for CIPO offices in 2022/23.

InvestCayman

- Jane Scaletta began work with the Ministry as Director of InvestCayman on July 1, 2021.
- InvestCayman began to develop strategic local partnerships and global memberships, as well as targeted promotion to local and global audiences.
- Ministry obtained Cabinet approval for leased premises for InvestCayman's offices in 2022/23.

Centre for Business Development

- Celebrated its one year anniversary in October 2021.
- Assisted 1802 small and micro businesses during Covid-19 border closure.
- Launched incubator program for 16 Caymanian businesses in April 2021, which will have a duration of two years.
- A total of \$3,621,948 was given in stipends and grants to local businesses from July to December 2021.

Ministry grants

In September 2021, a new phase of government financial support was given to local businesses involved in watersports and land tours, whose finances were affected dramatically by the prolonged border closure and absence of tourism. Asset preservation grants and a monthly business stipend were given to eligible Caymanian-owned businesses, initially over three months. These grants were intended to aid in maintenance and retention of assets, including but not limited to loan repayment, insurance, repairs, and servicing fees.

In November 2021, additional financial support to small and micro business owners was offered in the form of a single stipend to support business expenses, for eligible transport businesses and restaurants.

The Centre for Business Development administered these grants for MIISD in 2021.

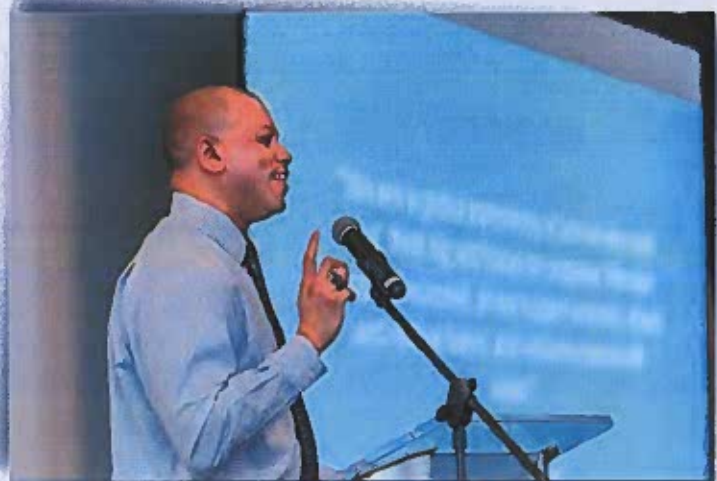
“Entrepreneurship is a tool that can have a widespread, long lasting impact in its ability to empower people. The Centre's work focuses on creating an enabling environment for small business in the Cayman Islands. It uses a particular combination of advocacy, guidance, mentoring and structured training to nurture small businesses in their vulnerable early phases, so that they can truly reach their potential – here and globally. – Althea West-Myers, Director, Centre for Business Development

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Investment
Strategy
Session at
EY wavespace™
June 2021





**Launch of InvestCayman
September 2021**



**CO Eric Bush, InvestCayman Director Jane Scaletta,
Hon. Minister**



**CIGTV Announcement of
Commonwealth Climate Growth Fund,
September 2021**



**Discussing Ministry's Investment Division,
including Centre for Business
Development, on RadioCayman,
October 2021**



INNOVATION

This is a new division within Government, and brings together three of Government's core entities:

eGovernment Unit - Implements, improves and promotes Government's digital infrastructure platforms and digital service solutions to enhance people's lives and enable business in a digital society.

Computer Services Department – Provides strategic solutions and acts as an internal business partner to serve the whole of core Government and select Statutory Authorities/Government Companies, to achieve their digital and technological objectives and deliver a world class experience.

Cybersecurity Unit – Protects, defends and strengthens the Cayman Islands Government's cyber security capability, its online services and digital assets. Maintains and promotes trust and confidence in the jurisdiction globally, and increases awareness and understanding of cybersecurity in the community.

Ministry Activity and Highlights

Stacie Sybersma became the Ministry's Senior Policy Advisor for Innovation in October 2021.

June – December 2021

Legislation, policy and regulation priorities have been identified, in particular to support the work of eGovernment, and work has commenced in each of these areas. The Ministry and eGov are preparing legislation for the Electronic Identification Card known as the "Cayman Islands Identification Card", and when fully implemented will provide numerous economic and social benefits across the Cayman Islands.

The system will provide a safe and secure means for citizens to verify their identity online, to access government services and perform other digital transactions external to government. A main feature is that it provides internationally recognized digital signatures.

Budget work was conducted with all department and units, including the FY 2022-23 budget.

Strategy session at EY wavespace™

June 2021

The Ministry arranged a one day strategic session for the innovation division, with Minister Ebanks, the e-Government Unit, Computer Services Department and Cybersecurity Unit participating along with core Ministry staff.

This full day session enabled the teams collaboratively to identify strategic priorities for the next four years adjacent to other Ministry divisions, and aligned with Government's broad outcomes. A number of priorities to support innovative capability and competitiveness, relative to other jurisdictions, were identified in the IISD Strategy for the Cayman Islands (more detail available in the Investment portion of this Annual Report).

CYDEC

June 2021

Minister Ebanks delivered introductory remarks at the Cayman Islands Digital Economy Conference, and Ian Tibbetts (Director of e-Government Unit) presented to the conference.

Momentum

December 2021

Hon. Minister André Ebanks delivered the key note address and Cybersecurity Director Pamela Greene spoke at "Momentum", a conference organised by the Cayman Islands Institute of Professional Accountants.

Department Highlights

eGOV

The eGovernment Unit has been working hard to implement a national identification solution which can be obtained by any legal resident of the Cayman Islands. The currently proposed multifaceted solution has three key components.

- Part one is a sophisticated back end system which facilitates data sharing between Government Agencies, while improving personal data protection for the individual.
- Part two is a physical ID card, which will have basic information such as name and date of birth, and will be equipped with digital certificates that allow the card holder to perform digital activities such as authenticating the card owner's identity and adding signatures to documents.
- Part three is a customer portal which will enable the card-owner to control their own personal data.

Funds have been dedicated for the implementation of this project, along with key performance indicators, in the Financial Years 2022-2023 Government Budget. Equipment needed to print and issue cards has been obtained and is ready to use. The first round of training for this equipment was conducted in December 2021, with further trainings scheduled to take place closer to the product launch.

Significant effort was made by the Ministry during 2021 to advance draft legislation and develop supporting policy that will create the legal framework to define the processes and operations required for the backend system, and for the identification cards. Once drafting is complete, the legislation will be shared for public consultation, in conjunction with comprehensive educational materials and communications to facilitate public understanding of this new Government product among all members of the public.

There are members of our community who are unable to attain identification documents, even in the year 2021. By creating a national identification card, with supporting backend infrastructure, the Government is providing all residents with the ability to access a nationally accredited identification document to prove their identity. Furthermore, by equipping the card with digital certificates the Cayman Islands is taking a giant step forward into creating the foundations of a digital economy, as cardholders will be able to authenticate themselves electronically and increase the number of activities and functions they can carry out online.

Between June and December 2021, eGovernment worked collaboratively with relevant Ministry staff to develop branding and communications for both internal and public-facing education campaigns that will accompany the legislation. In the final quarter of 2021, this was presented to numerous internal (Civil Service) audiences and refined based on feedback.

eGovernment worked collaboratively with the Needs Assessment Unit (NAU) in the Ministry's social development division, and Ministry staff, to develop and launch new digital infrastructure for the NAU including new website (August) and new online application form (December).

eGOV & Computer Services Department Collaboration

In July 2021 the eGovernment Unit and Computer Services Department launched a new online user authentication platform, which went live with its first Government eService. The new secure platform provides several enhancements to the authentication, ease-of-use, and log-in procedures currently used on the websites and web applications of various Government entities. The solution is a key foundational component in the eGovernment strategy of enhancing the Cayman Islands' digital infrastructure in order to securely access Government services.

Computer Services Department

The Computer Services Department (CSD) offers application and web development, enterprise IT infrastructure services, an IT Service Desk (including call center), IT procurement, and technical support services (including remote and mobile services). Security and IT Governance are layered across all services.

Additionally, the CSD delivers a wide range of online services used by the local and global community to interface with the Cayman Islands Government. With strategic solutions and as an “information systems” business partner within Government, the CSD enhances the ease of use for citizens and businesses to access and utilize Government information systems.

Throughout the Covid-19 pandemic, the CSD’s eleven teams minimized the effect of staff illness by following the Government’s Covid-19 guidelines, ensuring remote services remained online and implementing a 50-50 office/remote work approach to each team to ensure continuity of operations. These safety measures enabled CSD to continue meeting its primary objective of ensuring the Cayman Islands Government’s (CIG) IT systems remained fully operational. CSD also worked assiduously to secure and maintain CIG’s Enterprise Core Infrastructure while supporting and enabling CIG’s Departments to achieve their business objectives.

In spite of significant challenges related to the pandemic, CSD was still able to complete the following innovative projects while making major progress on others.

- Border Management Arrivals Kiosks
- WORC Jobs Cayman Portal
- Police Clearance On-Line
- Business Licensing On-Line
- E-Government’s Identity and Access Management
- Lands & Survey – Chatbot
- Shipping Registry QR Codes
- CIG’s new HRMS.

In December 2021, the Cayman Islands Government switched to a Universal License Agreement with Oracle, a change that will deliver significant cost savings to Government through one (single) subscription fee that covers every application and user.

Cybersecurity

In Summer 2021 - The department offered internships to nine young people (recent graduates). Besides the work experience they gained as interns within the department, the summer interns were also involved in a cyber safety educational “roadshow” in which these young people promoted cyber safety awareness to children during the summer school holidays. These informative sessions involved engaging questions and the distribution of themed “cyber safe” merchandise that fosters awareness, encourages safe use of digital technology and devices, and also promotes future careers in cybersecurity. The Director and interns produced a video about cybersafety, intended to reach young people.

In September 2021, the Government announced National Cyber Risk Assessment (NCRA) for the Cayman Islands Jurisdiction, led by the Ministry of Investment, Innovation and Social Development, with support from H.E. the Governor Martyn Roper and resources from the Government of the United Kingdom.

In October 2021, Director Pamela Greene provided in-depth interview to Cayman Compass during cybersafety month. The Unit worked collaboratively with the Ministry to create and promote educational content during the Department of Children and Family Services’ Older Persons Month, themed around “Digital equity for all ages”.

In this communications campaign, five educational videos were produced that promote cybersafety to an audience of older persons. The videos featured H.E. the Governor Martyn Roper, Deputy Governor Franz Manderson and DCFS Director Paulinda Mendoza-Williams. In addition, two members of the Older Persons Council and two of the summer 2021 interns were involved in two “role playing” videos that explain common tactics that scammers use.



**Innovation Strategy
Session at
EY wavespace™
June 2021**

**CYDEC
Cayman Islands
Digital Economy
Conference
June 2021**



**Needs Assessment Unit
receives and processes first
online application
December 2021**

SOCIAL DEVELOPMENT

Departments

Sunrise Adult Training Centre – Empowers and advocates for adults with different abilities and a range of special needs, through therapeutic and recreational programmes, and vocational training including supervision of employment in the community as well as wider inclusion.

Department of Children and Family Services – Delivers best practice social work services to care for and protect children, families and the elderly.

Needs Assessment Unit – Improves quality of life by providing financial assistance to Caymanians on a temporary or permanent basis, including assessments.

Ministry Highlights/Achievements

June – December 2021

Reforming Social Development

- The Ministry consolidated multiple reports about Cayman's social development programs, to inform overall strategy. A broad review and audit identified the need for comprehensive updating and/or creation of a swathe of legislation, regulation and policy to improve social services for Cayman's most vulnerable people – including children, families, older persons and those with disabilities.
- The Ministry conducted ongoing budget work, including developing the 2022-23 financial year budget for each department and entity, to ensure that sufficient financial resources are allocated to support continuous and improved services for vulnerable and disadvantaged people who rely on Government's service delivery.
- In August 2021, Strategic Policy Advisor for Older Persons Deborah Webb-Sibbles joined the Ministry. Together with Minister Ebanks and Ministry colleagues, a Social Development Strategic Planning Advisory Committee was formulated and launched in September 2021.
- The purpose of this SDSPAC is to effectively develop and implement a strategic plan for social development for the Cayman Islands, with a focus on the strategic overview for service delivery by the Needs Assessment Unit, Department of Children & Family Services, and the Sunrise Adult Training Centre.

Social Development Strategic Planning Advisory Committee

Core Membership

Chair Hon. Minister André Ebanks, MIISD

Deputy Chair Ms. Heather Bodden, PS for Social Development

Eric Bush, Chief Officer for MIISD

Deborah Webb-Sibbles, Strategic Policy Advisor, Older Persons, MIISD

Ashlyn Goubault-Ebanks, Policy Advisor, Social Development, MIISD

Ian Tibbetts, Director e-Government

Other Ministry staff and external representatives as needed

Notable achievements

- Completed the United Nations Convention on Rights of the Child (UNCRC) report and submitted to Governor's Office, which works with the UK Foreign Commonwealth and Development Office to aggregate all data for British Overseas Territories.
- Relocated the Seafarers' and Veterans' Ex-Gratia Payments to the Needs Assessment Unit, in partnership with the Seafarers Association.
- Secured a new lease for larger, more centrally located interim premises for Sunrise Adult Training Centre,

as well as a new bus [partially funded by donation] designed for wheelchair transport.

- Work continues to progress a dedicated, purpose-built Sunrise Adult Training Center.

Operational improvements

- Initial meetings with each department and unit to understand challenges and desired improvements, as well as site visits to key residential care facilities, taking immediate action where possible and embarking on longer term planning where needed.
- Reviewing and reforming HR processes and policies across departments, with the objective of transforming these areas to support staff and address key personnel concerns — ultimately to improve service delivery to clients, and the continuum of care.
- Reappointed the Housing Repairs Assistance Committee which had been expired since 31 December 2019. Following Tropical Storm Grace in mid-August 2021, the Committee conducted over 40 housing repairs for Caymanians.

Ministerial visits to departments & units

May-June 2021

Minister Ebanks and Parliamentary Secretary Heather Bodden were accompanied by core Ministry policy staff, Chief Officer Eric Bush, and Deputy Chief Officer Andrea Fa'amoe to visit all the departments, units and facilities associated with the Ministry's social development division.

May 2021

Visited the Department of Children and Family Services in Grand Cayman, and also in Cayman Brac at the conclusion of May 2021 "Child Month".

Visited Needs Assessment Unit in Grand Cayman.

Visited Sunrise Adult Training Center.

June 2021

Second visit to Sunrise Adult Training Center.

Accompanied by DCFS Director Paulinda Mendoza Williams and Deputy Director Rayle Roberts, visited DCFS facilities:

- Golden Age Home (residential care facility for older persons and disabled adults):
- Maple House (residential care facility for adults with significant disabilities)
- Habakkuk House (residential care facility for children with significant disabilities)

Strategic Planning for Social Development

June 2021

A full day session was held with Minister Ebanks, Ministry and Department staff at the EY wavespace™ in June 2021. This session enabled a high level focus on 'social development' to create strategic priorities and alignment across the Ministry for the next four years. Minister Ebanks participated along with core Ministry staff and social development team, senior staff from the Needs Assessment Unit, Department for Children and Family Services, and the Sunrise Adult Training Center.

A further session was held in December 2021, to align the 2022-23 financial budget to each department's strategic objectives, key performance indicators, and key outputs. This process resulted in a "roadmap" for each department within the social development division, and for the Ministry, with key performance indicators

linked to the desired outcomes and the accompanying budget.

This full day session enabled the team to identify strategic priorities and create operational plans, adjacent to other Ministry pillars and aligned with Government's priorities. These exercises were repeated over three days in December 2021 after the FY 2022/23 budget was agreed by Parliament and the Finance Committee.

From this in-depth activity, the Ministry, division and departments have created a "roadmap" for the next two years against budget outputs for 2022 and 2023, and aligned with Government's priorities for the next four years.

Digital infrastructure for the Needs Assessment Unit

June – December 2021

Between June and December, the Ministry's Innovation and Social Development divisions worked together closely to digitize the Needs Assessment Unit's (NAU) application process, making it easier for clients to obtain information, apply for services, and to enhance transparency and efficiency. A plan was proposed and agreed with Minister Ebanks to create and launch a dedicated NAU website for clients to obtain necessary information and use a digital application for applying for financial assistance.

During June and July, the Ministry's eGovernment Unit spent extensive time working internally alongside the Needs Assessment Unit staff to analyse internal processes. eGovernment created a series of recommendations for improving their workflow processes and interactions with members of the public who seek assistance.

In August, a new website optimised for a variety of devices (including mobile phones and tablets) was launched for the NAU – enabling clients to access information, forms and eligibility criteria.

In mid-December, eGovernment deployed an online application form for NAU clients, available via the NAU website.

LFTs for Residential Care Homes

October 2021

With the Cayman Islands experiencing community spread of Covid-19 beginning in August 2021, the Ministry procured a significant quantity of Lateral Flow Tests (LFTs) and provided these to residential care homes (operated by the Department of Children and Family Services) with an supporting policy/testing regime based on best practices from the United Kingdom.

In November, the Ministry also provided these LFTs to The Pines Retirement Home, a private home which provides residential care to a number of older persons who cannot be accommodated in Government's homes due to personnel and space constraints.

“The use of a lateral flow testing regime in Cayman's residential care homes will aid us greatly in preventing outbreaks and protecting those who are most susceptible to the deadly virus. We are entrusted with the care of residents of the Cayman Islands' care homes including the elderly, disabled and those with special needs. As such, we must do all we can to prevent a repeat of the tragic scenes of 2020 when Covid-19 ran uncontrollably through residential care homes around the world.”

-- Paulinda Mendoza Williams,
Director, DCFS

Donations to non-profit organisations

December 2021

The Ministry made extraordinary financial support in the form of grants derived from identified savings in the FY 2020/2021 budget, to non-profit organisations that serve and assist vulnerable community members.

- The National Council of Voluntary Organisations received \$177,379 to fund security measures and urgent repairs to its foster home, for the benefit of the home's residents.
- The Cayman Islands Crisis Center received \$325,000 to fund the construction of an enhanced emergency shelter for its clients, who are women and children in dire situations and potential victims of domestic abuse.
- The Hope for Today Foundation (HTF) received \$90,000 to fund operating expenses. HTF operates a sober living facility for those recovering from substance abuse/addiction, and supports these individuals in their return to being sober and active participants in society. Previously, HTF has received solely private funding, but now is taking on an increased number of clients (some of whom are directed by the Courts).
- Meals on Wheels (MOW) provides hot, nutritious meals to older persons, and others who are homebound in the community, from Monday to Friday, throughout the 52 weeks of the year. To meet current and growing demand for MoW's services, an extraordinary grant of \$50,000 has been distributed to MOW to support its relocation to a new facility and the purchase of new equipment.

I am pleased to announce extraordinary financial support, derived from identified savings, from the Ministry, for a number of non-profit entities in our community that are aligned with the Ministry's social development division.

These NPOs play a crucial role in our community, providing vital services and assistance to a diverse array of vulnerable people in the Cayman Islands, including children, victims of domestic abuse as well as substance abuse/addiction, and older persons."

-- Hon. Minister André Ebanks

Donation to R3 Cayman Foundation

December 2021

The Ministry donated \$1.5 million to the R3 Cayman Foundation, which will be used to carry out identified housing repairs following specific eligibility criteria – including priority given to Caymanians over age 60, disabled, vulnerable and/or low income families with children.

Chief Officer Bush noted that in the aftermath of Tropical Storm Grace in mid-August 2021, Government's Housing Repair Programme received hundreds of requests for homes to be repaired after severe damages. Notably, home insurance coverage is not available to cover these repairs. This programme benefitted over 40 homes since August, and in 2022 will continue to carry out this urgently needed work adjacent to the housing repairs funded through the donation to R3 Cayman Foundation.

Commenting on the Ministry's donation to R3, Bush said, "The Ministry is delighted to undertake this strategic partnership with R3 Cayman Foundation, with our mutual goals of aiding vulnerable people in the Cayman Islands and building long term resilience in our community."

Social Development Department Highlights

- The Needs Assessment Unit (NAU) hosted “NAU In Our District” visits throughout the year. These have enabled NAU clients to be assessed in more convenient locations throughout Grand Cayman.
- The Department of Children and Family Services (DCFS) arranged a series of engagements and activities for Child Month in May 2021, and Older Persons Month in October 2021.
- Child Month included a well-attended Talent Show in May, and a variety of community events across Grand Cayman and Cayman Brac.
- DCFS Older Persons Month in October 2021 was themed around “Digital Equity for All Ages”, and a variety of events were held throughout Grand Cayman, Cayman Brac and Little Cayman.
- On June 17, Sunrise Adult Training Center held its annual musical production at the Harquail Theatre. This year’s show was “The Wizard of Oz”.
- Sunrise ATC observed its 35th Anniversary in November 2021.
- At the end of the year, Sunrise ATC received new transportation through the Ministry.

**Child Month - May 2021
Church Service**



**Ministerial visit to
Needs Assessment Unit**



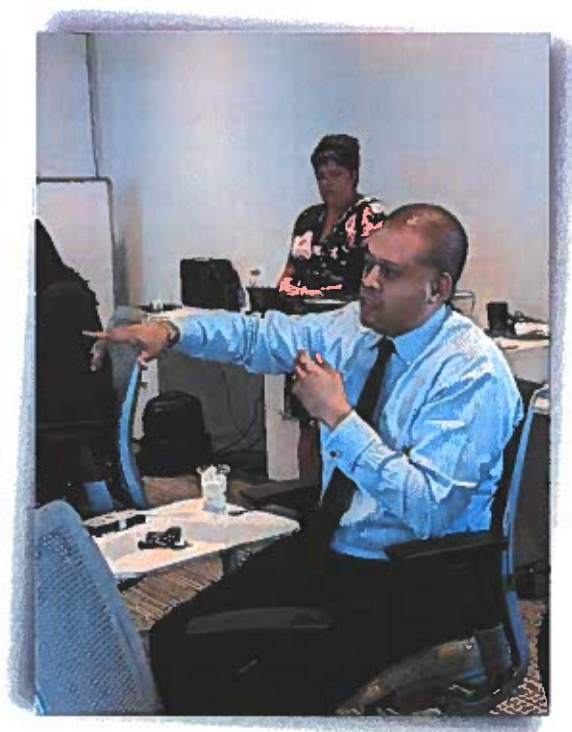
**Ministry visit to
Sunrise Adult Training Centre**





Ministry visit to
Habakkuk House

Social Development
Strategy
Session at
EY wavespace™
June 2021





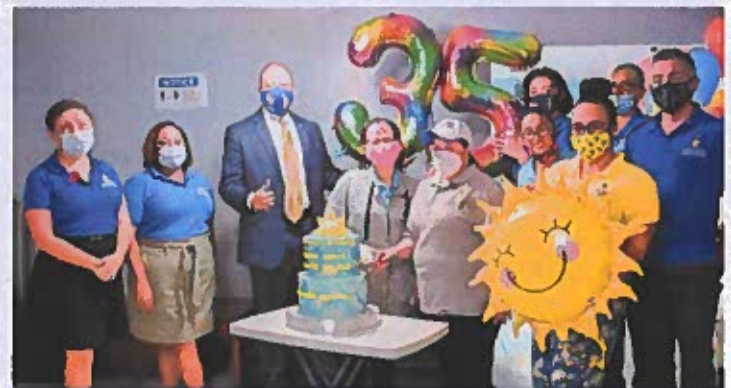
**Sunrise Adult Training Centre
Wizard of Oz performance (June 2021)
and 35th Anniversary (November 2021)**

Sunrise Adult Training Centre

Empowerment, employment,
independence & inclusion.



We are celebrating
35 journeys around the sun.
Let's all continue to shine!



Sunrise Adult
Training Centre
Empowering people to shine

35th Anniversary | 1986 - 2021
sunrise.gov.uk



**Older Persons
Month
October
2021**



**Grants to NGOs
December 2021**



GOVERNMENT OF THE CAYMAN ISLANDS

Ministry of Investment, Innovation and Social Development

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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Ministry of Investment, Innovation and Social Development
Cayman Islands Government
Government Administration Building
Grand Cayman, Cayman Islands, BWI
TEL: 949-7900 FAX: 949-7544

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Investment, Innovation and Social Development 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 record the financial transactions of the Ministry of Investment, Innovation and Social Development.

As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Ministry of Investment, Innovation and Social Development financial statements, representation and judgements made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows of the Ministry of Investment, Innovation and Social Development for the financial period ended 31 December 2021.

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

- (a) Completely and reliably reflect the financial transactions of the Ministry of Investment, Innovation and Social Development for the period ended 31 December 2021;
- (b) fairly reflect the financial position as at 31 December 2021 and performance for the period ended 31 December 2021;
- (c) Comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. 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.

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.

Tamara Ebanks
Acting Chief Officer


February 9, 2023

Vinton Chinsee
Chief Financial Officer


February 9, 2023

AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of the Ministry of Investment, Innovation and Social Development

Opinion

I have audited the financial statements of the Ministry of Investment, Innovation and Social Development (the "Ministry"), which comprise the statement of financial position as at 31 December 2021 and the statement of financial performance, statement of changes in net worth and cash flow statement for the six months period ended 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 to 29.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2021 and its financial performance and its cash flows for the six months period ended 31 December 2021 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 Ministry 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.

Emphasis of Matter

As outlined in note 1b of the financial statements, the Cabinet of Ministers authorised supplementary funding of \$149,334 to pay for participation in the Dubai Expo. The funding was authorised under section 11(5) of the Public Management and Finance Act (2020 Revision) ("PMFA"). The Cabinet of Ministers also authorised a reallocation of \$1,141,713 of the Ministry's appropriations for equity injections under the same section of the PMFA. The funding was reallocated to fund Executive expenditure on social development and investment grants. The Cabinet of Ministers and Parliament's Finance Committee authorised a further \$140,000 in supplementary appropriations for the Ministry under sections 12(1) and 12(2) of the PMFA. The additional funding was authorised to pay for the administration of payments to residents and businesses for housing repairs after Tropical Storm Grace.

A supplementary Appropriation Bill for the supplementary funding and the funding reallocations was not introduced in Parliament by 31 March 2022 as required by sections 11(6) and 12(3) of the PMFA. My opinion is not qualified with respect to this matter.

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 and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In preparing the financial statements, management is responsible for assessing the Ministry'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 Ministry or to cease operations, or has no realistic alternative but to do so.

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

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 Ministry'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 Ministry'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 Ministry 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.



Sue Winspear, CPFA
Auditor General

9 February 2023
Cayman Islands

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
STATEMENT OF FINANCIAL POSITION AS AT 31 December 2021

		Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	Note	\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash and cash equivalents	2	3,960	-	-	(3,960)
Trade receivables	3	7,538	-	-	(7,538)
Other receivables	3	1,112	-	-	(1,112)
Inventories	4	194	-	-	(194)
Prepayments	5	1,614	-	-	(1,614)
Total Current Assets		14,418	-	-	(14,418)
Intangible assets	7	1,436	-	-	(1,436)
Property, plant and equipment	6	8,681	-	-	(8,681)
Total Non-Current Assets		10,117	-	-	(10,117)
Total Assets		24,535	-	-	(24,535)
Current Liabilities					
Trade payables	8	3,039	-	-	(3,039)
Other payables and accruals	8	94	-	-	(94)
Unearned revenue		227	-	-	(227)
Employee entitlements	9	275	-	-	(275)
Surplus payable	27	2,407	-	-	(2,407)
Total Current Liabilities		6,042	-	-	(6,042)
Total Liabilities		6,042	-	-	(6,042)
Net Assets		18,493	-	-	(18,493)
NET WORTH					
Contributed capital		18,493	-	-	(18,493)
Total Net Worth		18,493	-	-	(18,493)

The Notes to the Financial Statements on pages 9 to 29 form part of these financial statements.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 December 2021

		Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	Note	\$'000	\$'000	\$'000	\$'000
Revenue					
Sale of goods and services	11	17,362	18,737	19,026	1,375
Donations	11	8	15	15	7
Other revenue		11	-	-	(11)
Total Revenue		17,381	18,752	19,041	1,371
Expenses					
Personnel costs	12	11,775	13,707	13,847	1,932
Supplies and consumables	13	4,170	4,477	4,626	307
Depreciation	6	714	985	985	271
Amortisation of Intangible Assets	7	182	-	-	(182)
Revaluation legal liability provisions	15	40	-	-	(40)
Other Gains	16	(7)	(33)	(33)	(26)
Losses from derecognition of assets	16	243	-	-	(243)
Total Expenses		17,117	19,136	19,425	2,019
Surplus for the period		264	(384)	(384)	(648)

The Notes to the Financial Statements on pages 9 to 29 form part of these financial statements.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
STATEMENT OF CHANGES IN NET WORTH FOR THE PERIOD ENDED 31 December 2021

	Contributed Capital	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Variance (Orig vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000
Ministry Reorganisation	13,947	-	13,947	-	(13,947)
Equity Investment from Cabinet	4,546	-	4,546	-	(4,546)
Surplus payable to Cabinet	-	(264)	(264)	-	264
Net revenue / expenses recognised directly in net worth	18,493	(264)	18,229	-	(18,229)
Surplus/(deficit) for the period 2021	-	264	264	-	(264)
Total recognised revenues and expenses for the period	18,493	-	18,493	-	(18,493)
Balance at 31 December 2021 carried forward	18,493	-	18,493	-	(18,493)

The Notes to the Financial Statements on pages 9 to 29 form part of these financial statements.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 December 2021

Description		Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	Note	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Receipts</i>					
Outputs to Cabinet		9,901	-	-	(9,901)
Outputs to other government agencies		97	-	-	(97)
Sale of goods and services - third party		(11)	-	-	11
Donations / Grants		8	-	-	(8)
Other receipts		11	-	-	(11)
<i>Payments</i>					
Personnel costs		(11,740)	-	-	11,740
Supplies and consumables		(1,290)	-	-	1,290
Other payments		(432)	-	-	432
Net cash flows from operating activities	18	(3,456)	-	-	3,456
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(911)	-	-	911
Net cash flows from investing activities		(911)	-	-	911
CASH FLOWS FROM FINANCING ACTIVITIES					
Equity Investment from Org 40		3,863	-	-	(3,863)
Ministry Reorganisation		4,464	-	-	(4,464)
Net cash flows from financing activities		8,327	-	-	(8,327)
Net increase/(decrease) in cash and equivalent		3,960	-	-	(3,960)
Cash and cash equivalents at beginning of period		-	-	-	-
Cash and cash equivalents at end of period		3,960	-	-	(3,960)

The Notes to the Financial Statements on pages 9 to 29 form part of these financial statements.

Note 1: Description and principal activities

The Ministry of Investment, Innovation and Social Development (MIISD or the Ministry) is a Government owned entity as defined by section 2 of the *Public Management Finance Act (2020 Revision)* and it is domiciled in the Cayman Islands. The Ministry commenced operations on July 1, 2021, through a combination of Social, Innovation and Investment subject matter from other Ministries including the Ministry of Community Affairs, the Ministry of International Trade, Investment, Aviation and Maritime Affairs, and the Ministry of Commerce and Infrastructure. Its principal activities and operations include all activities carried out in terms of outputs purchased by the Minister as defined in the Annual Plan and Estimates for the Government of the Cayman Islands for the financial period ended 31 December 2021. MIISD is responsible for supporting investments, driving innovation and managing the social programmes of the Cayman Islands Government.

MIISD purpose is to:

- Enhance the reputation of the Cayman Islands;
- Advance the economic and political interests of the government, the people and the business community, and;
- To make Cayman's economy easier to do business with, including acting as a single doorway for potential foreign direct investment.
- Drive innovation in the Cayman Islands

The departments, offices and statutory authorities that fall under MIISD as at 31 December 2021 are:

- the Cayman Islands Intellectual Property Office
- Cayman Islands Business Center
- Invest Cayman
- the Children and Youth Service Foundation
- The Computer Services Department
- The Egovernment Department
- The Cyber Security Department
- The Department of Children and Family Services
- The Needs Assessment Unit
- The Sunrise Adult Center

Note 1: Significant Accounting Policies (continued)

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.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2021 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2021 reporting period and have not been early adopted by the Ministry. The Ministry's assessment of the impact of these new standards is 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 Ministry's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits was issued in January 2019 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 Ministry's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 43, Leases was issued in January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13, Leases. It is anticipated that IPSAS 43 will have a material impact on the Ministry's financial statements, but this will be assessed more fully closer to the effective date of adoption.

These 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 in these financial statements.

(a) Basis of preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis except for land and buildings which are measured on the revaluation basis. Unless otherwise stated, all numbers in these financial statements have been rounded to the nearest thousand.

Comparative information

The financial statements includes comparative information for all statements presented. 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 year unless it is impracticable to do so.

Note 1: Significant Accounting Policies (continued)

(b) Budget amounts

The original budget amounts for the period ended 31 December 2021 reflect the figures of the residual budgets transferred from other Ministries based on budgets presented in the 2021 Budget Statement and the amounts are rolled up into the Plan and Estimates document which was approved by the Parliament. Any changes to the original budget are reflected in the final budget. Significant variances between actual and budgeted figures are explained in the notes to the financial statements. As required by the PMFA, budgets are presented on the same basis as the annual financial statements. The presentation of the current year financial statements includes a comparison of actual amounts with amounts in the original and final budget.

Cabinet Funding – Sale of Outputs to Cabinet:

Ministry and Appropriation	Transferred from Former Ministries	Transferred to New Ministry
Former Ministries	\$'000	\$'000
Education, Youth, Sports, Agriculture	905	
International Trade, Investment, Aviation and Maritime Affairs	1,687	
Commerce, Planning and Infrastructure	9,270	
Community Affairs	6,672	
Financial Services and Home Affairs	203	
New Ministry		
Investment, Innovation and Social Development		
ITI 1 - International Engagement and Representation of The Cayman Islands		2,227
ITI 2 - Social Development and Support - Children and Family		8,933
ITI 3 - Digital services and strategy		7,577
Total	18,737	18,737

Capital Funding - Equity injection

International Trade, Investment, Aviation and Maritime Affairs	388	
EI 71 Commerce, Planning and Infrastructure	5,400	
EI 78 Investment, Innovation and Social Development		5,788
Total	5,788	5,788

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Note 1: Significant Accounting Policies (continued)

Final Budget

The final budget includes appropriations of additional \$149K to ITI 1 and a reduction in EI 78 of \$1,142K approved by Cabinet under section 11(5) of the PMFA. An additional \$140K was also approved by Cabinet and Parliament's Finance Committee under sections 12(1) and 12(2) of the Public Management Finance Act (2020 Revision). The changes were to support the strategic goals of the Ministry. Operational costs were to fund the participation in the Dubai Expo of \$149K. \$1,142K of unused equity injection was redirected to fund this increase in ITI 1 as well as Executive Expenditures. A supplementary Appropriation Bill for the supplementary funding reallocations was not introduced in Parliament by 31 March 2022 as required by sections 11(6) and 12(3) of the PMFA.

Cabinet Funding - Sales of Outputs to Cabinet

Appropriation Name	Original Budget	Supplimentary Appropriation	Final Budget
ITI 1 - International Engagement and Rep. of C.I.	2,227	149	2,376
ITI 2 - Social Development and Support - Children and Family	8,933	140	9,073
ITI 3 - Digital services and strategy	7,577	-	7,577
EI 78 Investment, Innovation and Social Development	5,788	(1,142)	4,646
Total	24,525	(853)	23,672

(c) 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 on-going basis. Revisions to accounting estimates are recognised in the reporting period that they are made and in any future periods that are affected by those revisions. There have been no changes in accounting estimates as defined by IPSAS 3.

(d) Revenue

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

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

(e) Expenses

Expenses are recognised in the accounting period in which they are incurred. Non-coercive Interagency costs are not recognised in the expenses of the accounts.

Note 1: Significant Accounting Policies (continued)

(f) Operating leases

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

(g) Cash and cash equivalents

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

(h) Prepayments

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

(i) Property, plant and equipment

Property, plant and equipment, is stated at historical cost less accumulated depreciation except for land and buildings. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the statement of financial performance in the year in which the asset is acquired.

Depreciation

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

<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 estimated useful life of the improvement, whichever is shorter.
• Computer Equipment	3 – 10 years
• Developed software	4 – 10 years
• Office equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 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 year are included in the statement of financial performance.

Note 1: Significant Accounting Policies (continued)

(j) Intangible assets

Acquired computer software licenses lasting over a year are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

The carrying value of an intangible asset with a finite life is amortized on a straight line basis over its useful life. Amortization begins when the asset is available for use and ceases at the date that the asset is derecognized. Amortization charge for each period is recognized in the statement of financial performance.

(k) Employee benefits

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

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

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

(l) Financial instruments

The Ministry 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.

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

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 trade and other 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 trade and other payables, accrued expenses and employee entitlements.

Note 1: Significant Accounting Policies (continued)

Recognition

The Ministry 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-recognised when the Ministry realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

(m) Provisions, 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 or cannot be reliably measured. Contingent assets are disclosed if it is probable that the benefits will be realised. Provisions are recognised when it becomes probable that an outflow of cash or other economic resources will be required to settle a liability of uncertain timing and amount. If an outflow is not probable, the item is treated as a contingent liability.

(n) Foreign currency

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

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

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

Note 1: Significant Accounting Policies (continued)

(o) Revenue from non-exchange transactions

The Ministry receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to accommodations in the central government building, computer repairs and software maintenance by the Computer Services Department, maintenance and project management by the Public Works Department and vehicle maintenance from the Department of Vehicles, Equipment and Supplies, exemption of duties and charges from Customs and human resource management from the Portfolio of the Civil Service. The Ministry 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 readily 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 of fixed assets, such service in kind is recognised in the cost of the asset.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank accounts in the name Ministry of Investment, Innovation and Social Development that are maintained at Royal Bank of Canada in the Cayman Islands. The Ministry's unrestricted cash balances as at 31 December 2021 is presented below. No restricted cash balances were held by the Ministry as at 31 December 2021.

Description	Foreign Currency December 31, 2021	Exchange Rate	Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	\$'000		\$'000	\$'000	\$'000	\$'000
Cash in transit (IRIS Remittance Account)	3	1	3	-	-	(3)
CI\$ Operational Current Account held at Royal Bank of Canada	756	1	756	-	-	(756)
US\$ Operational Current Account held at Royal Bank of Canada	3,107	1	3,107	-	-	(3,107)
Payroll Current Account held at Royal Bank of Canada	94	1	94	-	-	(94)
Total			3,960	-	-	(3,960)

Note 3: Trade receivables and other receivables

At year end all overdue receivables have been assessed. There was no provision for doubtful debts at the end of the period because the receivable balance represent debt owed by other government agencies and therefore has minimum to zero chance of default.

Description	Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	\$'000	\$'000	\$'000	\$'000
Sale of goods and services	176	-	-	(176)
Outputs to Cabinet	7,362	-	-	(7,362)
Total trade receivables	7,538	-	-	(7,538)

Other Receivables	Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	\$'000	\$'000	\$'000	\$'000
Other	1,112	-	-	(1,112)
Total other receivables	1,112	-	-	(1,112)

The Other receivables in 2021 mainly relates to amounts owing to the Ministry from Cabinet for Equity Injections of \$683k and balances owing from other government agencies such as other Ministries and Statutory Authorities and Government Companies of \$443k.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Note 4: Inventory

Inventory held primarily consists of card readers for use by the National ID programme.

Description	Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	\$'000	\$'000	\$'000	\$'000
Inventory held for use in the provision of goods and services	-	194	-	(194)
TOTAL INVENTORIES	194	-	-	(194)

Note 5: Prepayments

Prepayments primarily relates to software maintenance and licences prepaid and amortised over the period of its respective contractual agreement.

Description	Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	\$'000	\$'000	\$'000	\$'000
Accrued Prepayments	1,614	-	-	(1,614)
Total Prepayments	1,614	-	-	(1,614)

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Note 6: Property, plant and equipment

COST or OPENING VALUATION	Land	Plant & Equipment	Buildings & Leasehold	Furniture & Office Equipment	Computers Hardware	Motor Vehicles	Assets under construction/development	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2021	-	-	-	-	-	-	-	-
Additions	-	-	-	6	49	-	919	974
Disposals	-	-	(2)	-	(1)	-	(243)	(246)
Ministry Reorganisation	2,235	112	5,576	150	5,250	724	716	14,763
Transfers	-	-	-	-	(1)	-	-	(1)
Balance as at 31 December 2021	2,235	112	5,574	156	5,297	724	1,392	15,490

ACCUMULATED DEPRECIATION	Land	Plant & Equipment	Buildings & Leasehold	Furniture & Office Equipment	Computers Hardware	Motor Vehicles	Assets under construction/development	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2021	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(1)	-	-	(1)
Ministry Reorganisation	-	48	1,111	68	4,375	494	-	6,096
Depreciation Expense 2021	-	5	194	11	463	41	-	714
Balance as at 31 December 2021	-	53	1,305	79	4,837	535	-	6,809
Net Book value 31 December 2021	2,235	59	4,269	77	460	189	1,392	8,681

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021
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Note 7: Intangible Assets

COST or OPENING VALUATION	Computer Software	Assets under construction/development	Total
	\$'000	\$'000	\$'000
Balance as at 1 July 2021	-	-	-
Additions	1,018	-	1,018
Ministry Reorganisation	5,358	-	5,358
Balance as at 31 December 2021	6,376	-	6,376

ACCUMULATED AMORTISATION	Computer Software	Assets under construction/development	Total
	\$'000	\$'000	\$'000
Balance as at 1 July 2021	-	-	-
Ministry Reorganisation 2021	4,758	-	4,758
Amortisation Expense 2021	182	-	182
Balance as at 31 December 2021	4,940	-	4,940
Net Book value 31 December 2021	1,436	-	1,436

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Note 8: Trade payables, other payables and accruals

Description	Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	\$'000	\$'000	\$'000	\$'000
Creditors	3,039	-	-	(3,039)
Total Trade Payables	3,039	-	-	(3,039)

Other Payables and Accruals

Description	Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	\$'000	\$'000	\$'000	\$'000
Payroll Deductions	14	-	-	(14)
Accrued Expenses	80	-	-	(80)
Total Other Payables and accruals	94	-	-	(94)

Note 9: Employee entitlements

Description	Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	\$'000	\$'000	\$'000	\$'000
<i>Current employee entitlements are represented by:</i>				
Annual Leave	240	-	-	(240)
Accrued salaries	35	-	-	(35)
Total current portion	275	-	-	(275)

Note 10: Unearned Revenues

Description	Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	\$'000	\$'000	\$'000	\$'000
Current Portion				
Other unearned revenue	227	-	-	(227)
Total current portion	227	-	-	(227)

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Note 11: Sale of Goods and Services

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

Revenue type		Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	Note	\$'000	\$'000	\$'000	\$'000
Outputs to Cabinet		17,263	18,737	19,026	1,474
Outputs to other government agencies		99	-	-	(99)
Total sales of goods and services		17,362	18,737	19,026	1,375

Donations include gifts and contributions from various private individuals and organisations. These donations primarily support the Department of Children and Family Services, The Sunrise Adult Training Center and the Needs assessment Unit.

Source		Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	Note	\$'000	\$'000	\$'000	\$'000
Donations		8	15	15	7
Total Donations		8	15	15	7

Note 12: Personnel costs

Description		Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	Note	\$'000	\$'000	\$'000	\$'000
Salaries, wages and allowances		9,195	10,310	10,450	1,115
Health care		2,154	2,759	2,759	605
Pension		484	561	561	77
Leave		(106)	(14)	(14)	92
Other personnel related costs		48	91	91	43
Total Personnel Costs		11,775	13,707	13,847	1,932

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Note 13: Supplies and consumables

Description		Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	Note	\$'000	\$'000	\$'000	\$'000
Supplies and Materials		300	347	347	47
Purchase of services		2,749	2,503	2,652	(246)
Lease of Property and Equipment		364	424	424	60
Utilities		267	295	295	28
General Insurance		-	4	4	4
Interdepartmental expenses		82	12	12	(70)
Travel and Subsistence		44	397	397	353
Recruitment and Training		188	319	319	131
Provision for Doubtful Debts		4	-	-	(4)
Programme Services		3	-	-	(3)
Other		169	176	176	7
Total Supplies & consumables		4,170	4,477	4,626	307

Note 14: Finance costs (Bank overdraft)

During the year the Ministry had no finance cost on the overdraft balance charged to the accounts.

Note 15: Litigation costs

Litigation costs represents anticipated provisions for current ongoing matters being handled by the Attorney General's Chambers on the Ministry's behalf.

Note 16: Gain and Losses

Description		Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	Note	\$'000	\$'000	\$'000	\$'000
Loss on Derecognition of Assets		243	-	-	(243)
Net gain on foreign exchange Transactions		(7)	(33)	(33)	(26)
Total gain/ (losses)		236	(33)	(33)	(269)

Loss on derecognition of assets is as a result of the derecognition of the original plans prepared for a new Sunrise Adult Training Center. The plans as exists was deemed to have no future economic value as they are inconsistent with the new needs and direction of the Ministry.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Note 17: Revenue from non-exchange transactions

During the period ended 31 December 2021, the Ministry received services in-kind. The fair value of these services cannot be determined and therefore no other income has been recognized in these financial statements.

Note 18: Reconciliation of net cash flows from operating activities to surplus

Description	Actual 2021	Original Budget 2021	Final Budget 2021	Budget Variance
	\$'000	\$'000	\$'000	\$'000
Surplus/(deficit) from ordinary activities	264	-	-	(264)
Non-cash movements				
Depreciation expense	714	-	-	(714)
Amortisation of Intangible Assets	182	-	-	(182)
Gain/Loss on Derecognition of Asset/Liab	243	-	-	(243)
Exchange (Gain)/Loss	(7)	-	-	7
Changes in current assets and liabilities:				
(Increase)/decrease in trade receivables	(7,373)	-	-	7,373
(Increase)/decrease in other current assets	(419)	-	-	419
Increase/(decrease) in trade payables	2,880	-	-	(2,880)
Increase/(decrease) in provisions relating to employee costs	20	-	-	(20)
Increase/(decrease in provisions for legal & other liabilities	40	-	-	(40)
Net cash flows from operating activities	(3,456)	-	-	3,456

NOTE 19: Commitments

Type	One year or less	Two to five Years	Over five Years	Total
	\$'000	\$'000	\$'000	\$'000
Operating Commitments				
Non-cancellable accommodation leases	595	1,334	-	1,929
Total Operating Commitments	595	1,334	-	1,929

NOTE 20: Related party and key management personnel disclosures

Related party disclosure

The Ministry is a wholly owned entity of the government from which it derives a major source of its revenue. The Ministry and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the financial period ended 31 December 2021 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021
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Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Ministry.

Description	Actual 2021 \$'000	Original Budget 2021 \$'000	Budget Variance \$'000	Number of persons
Salaries & other short-term employee benefits	881	-	(881)	12
Total	<u>881</u>	<u>-</u>	<u>(881)</u>	

There were no loans granted to key management personnel and or their close relatives.

NOTE 21: Events occurring after reporting date

The Cabinet has decided to transfer the Cayman Islands Intellectual Property Office to the Ministry of Financial Services and Commerce as of July 1, 2022.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTE 22: Segment Reporting

The Ministry's segment report is prepared on the basis of three distinctive segments. The Investment Segment is focussed on attracting external investments to the Cayman Islands. The Innovation Segment is the technology arm of the government and includes those departments supporting the technologies for the other departments including cyber security, government online strategies and technical support for the government. The Social Development segment supports and protects the most vulnerable in society.

Statement of Financial Position	Note	Investment \$'000	Innovation \$'000	Social Development \$'000	Actual 2021 \$'000
Current Assets					
Cash and cash equivalents	2	3,960	-	-	3,960
Trade receivables	3	3,045	1,871	2,622	7,538
Other receivables	3	689	2	421	1,112
Inventories	4	-	165	29	194
Prepayments	5	23	1,591	-	1,614
Total Current Assets		7,717	3,629	3,072	14,418
Non-Current Assets					
Intangible Assets	7	-	1,436	-	1,436
Property, plant and equipment	6	164	2,673	5,844	8,681
Total Non-Current Assets		164	4,109	5,844	10,117
Total Assets		7,881	7,738	8,916	24,535
Current Liabilities					
Trade payables	8	45	2,966	28	3,039
Other payables and accruals	8	613	(710)	191	94
Unearned revenue	-	-	-	227	227
Employee entitlements	9	114	(34)	195	275
Surplus Payable	27	2,407	-	-	2,407
Total Current Liabilities		3,179	2,222	641	6,042
Total Liabilities		3,179	2,222	641	6,042
Net Assets		4,702	5,516	8,275	18,493
NET WORTH					
Contributed capital		4,702	5,516	8,275	18,493
Accumulated surpluses		-	-	-	-
Total Net Worth		4,702	5,516	8,275	18,493

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Statement of Financial Performance		Investment	Innovation	Social Development	2021 Actual
	Note	\$'000	\$'000	\$'000	\$'000
Revenue					
Sale of goods and services	11	2,278	7,157	7,927	17,362
Donations		-	-	8	8
Other revenue		-	5	6	11
Total Revenue		2,278	7,162	7,941	17,381
Expenses					
Personnel costs	12	1,873	3,255	6,647	11,775
Supplies and consumables	13	922	2,189	1,059	4,170
Depreciation	6	34	459	221	714
Amortisation of Intangible Assets	7	-	182	-	182
Revaluation legal liability provisions	15	-	-	40	40
Other Gains	16	(7)	-	-	(7)
Losses from derecognition of assets	18	-	-	243	243
Total Expenses		2,822	6,085	8,210	17,117
Surplus for the period		(544)	1,077	(269)	264

NOTE 23: Transfers from Other Ministries

Transfers from other Ministries is reflective of the net assets that were transferred to the new Ministry as a part of the reorganisation of departments and ministries post elections.

Description	Contributed Capital
Cash and Cash Equivalents	4,464
Other Receivables	568
Prepayments	2,112
Property, Plant and Equipment	8,671
Intangible Assets	600
Other Payables and accruals	(282)
Employee Entitlements	(43)
Surplus Payable	(2,143)
	13,947

NOTE 24: Financial instrument risks

The Ministry 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 Ministry is subject to credit risk from debtors other than the Cabinet. The Ministry does not have significant concentrations of credit risk for its other financial instruments.

Currency and interest rate risk

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

Liquidity risk

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

All of the Ministry's financial liabilities (creditors and payables) will be settled in less than six months from the date of these financial statements after being transferred to the Ministry of Investment, Innovation and Social Development.

Note 25: Financial instruments – fair values

As at 31 December 2021, the carrying values of cash and cash equivalents, accounts receivable, accounts payable and employee entitlements approximate their fair values due to their relative short-term maturities.

NOTE 26: Explanation of variances to budget**Statement of financial position**

The reorganization of Ministries and Departments in government resulted in significant shifts in asset and liability balances. This makes it difficult and in many cases impossible to make meaningful comparatives and a new budget for balance sheets was not created. This being a brand new Ministry, it has no opening or prior year financial position to compare with.

Statement of financial performance**Revenues**

The reorganisation of Ministries focussed on appropriations and thus unused revenues and expenditures was transferred across government with the relevant subject matters. Total revenues were \$1.4m below the original budgets. Most of the variance was attributable to the social division totalling \$1.0m and the rest to innovation totalling \$0.4m. Revenues primarily are through Cabinet billing. Lower output production in both the Social and Innovation Divisions was the primary reasons as most of those departments carried significant vacancies coming into the transfers post elections. This hampered planned deliverables as new strategies were formulated prior to any planned hiring and a new budget process.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021
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Expenses

Personnel costs were in aggregate \$1.9m below budget for the 2021 fiscal period of July to December. This is primarily as a result of a number of vacancies across the new Ministry. Some of this was due to uncertainty as the Ministry reorganised to meet the strategic needs of the new Government.

Total Supplies and consumables had a favourable variance of \$0.3m. The resulted from the delay in certain commitments and projects including the lease of new facility for the investment departments as well as delays in the implementation of certain strategic projects which would have resulted in higher professional and other related costs.

The loss from derecognition of assets of \$243k is as a result of the impairment of the original design of a new Sunrise Adult Training Center which was never built. It has been evaluated that facility as designed is not suitable for the direction charted for the unit.

NOTE 27: Surplus repayment

Pursuant to Section 39 (3) (f) of the *Public Management and Finance Act (2020 Revision)* any net surplus is transferred to surplus repayable. The Ministry therefore recorded \$264k as a surplus payable to Cabinet in the 2021 fiscal period. The remaining balance represents the balance transferred from the former Ministry of Investment, Aviation and Maritime Affairs which was transferred to the new Ministry. That balance was fully paid in 2022 over to Cabinet.

NOTE 28: Capital Commitments

There are no major Capital acquisitions or capital commitment outstanding.

