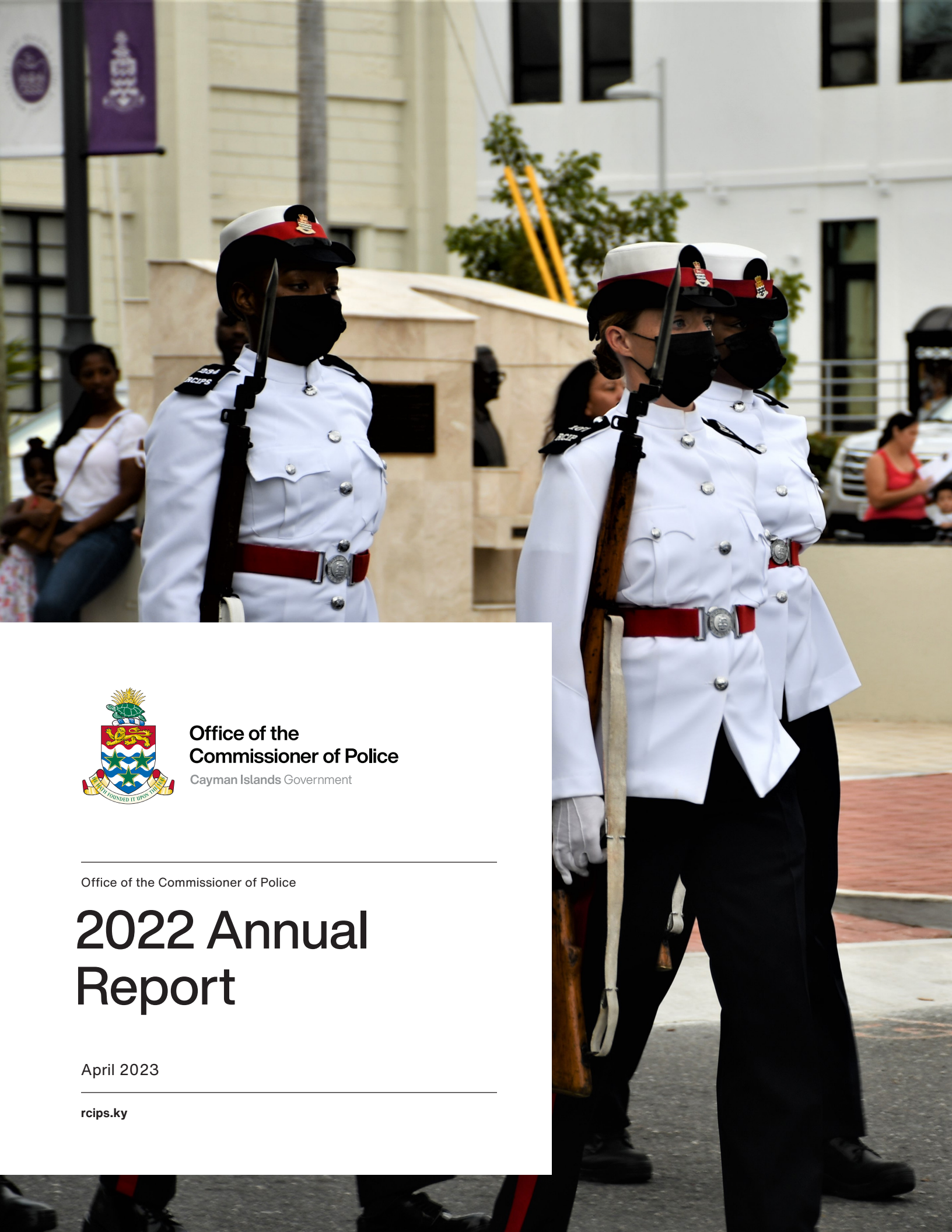




Office of the
Commissioner of Police
Cayman Islands Government

Office of the Commissioner of Police

2022 Annual Report

April 2023

rcips.ky

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Royal Cayman Islands Police Service

Our Vision

Making the Cayman Islands Safer

Our Mission

Working with our communities, working for our communities



Cayman Islands Coast Guard

Our Vision

Provide a world class Coast Guard service to the people of the Cayman Islands

Our Mission

To save the lives of those in distress or danger. To protect our Islands from all maritime threats; either foreign or domestic

1. Snapshot

Law enforcement by the Numbers



35309

Incidents Reported



3810

Crimes Recorded



2176

Arrests



Over 80

Proactive Serious &
Organised Investigations



16

Recovered
Firearms



\$4m

Worth of Seized/
Recovered Drugs



212

Cyber Related
Investigations



Over \$250m

In funds associated with
Financial Crime Investigations
or Assessments
(Domestic & International)



1740

Domestic Violence Referrals

1431

Child Protection Referrals
(Family Support Unit)



1227

Acquisitive
Crimes



760

Violence against the
Person Crimes



824

Public Order
Crimes



2915

Motor Vehicle Accidents
(MVAs)



403

MVA Resulting
in Injury/Death



3063

Speeding Tickets



234

DUI Arrests

2. The OCP

Who we are and what we do



The Office of the Commissioner of Police (OCP) consists of two independent but complementary departments, the Royal Cayman Islands Police Service (RCIPS) and the Cayman Islands Coast Guard (CICG). The OCP's departments provide services on Grand Cayman, Cayman Brac and Little Cayman and may also be deployed to the other Overseas Territories as and when required. Maritime services extend out to 100 nautical miles from the Islands.

The OCP is headed by a Chief Officer, reporting to the Governor; Head of Civil Service; and the Premier, as the Minister with responsibility for the OCP. The RCIPS is headed by the Commissioner of Police and the CICG is headed by the Commandant of the Coast Guard.

The Chief Officer provides policy advice to the Minister on matters relating to law enforcement, contributing to national



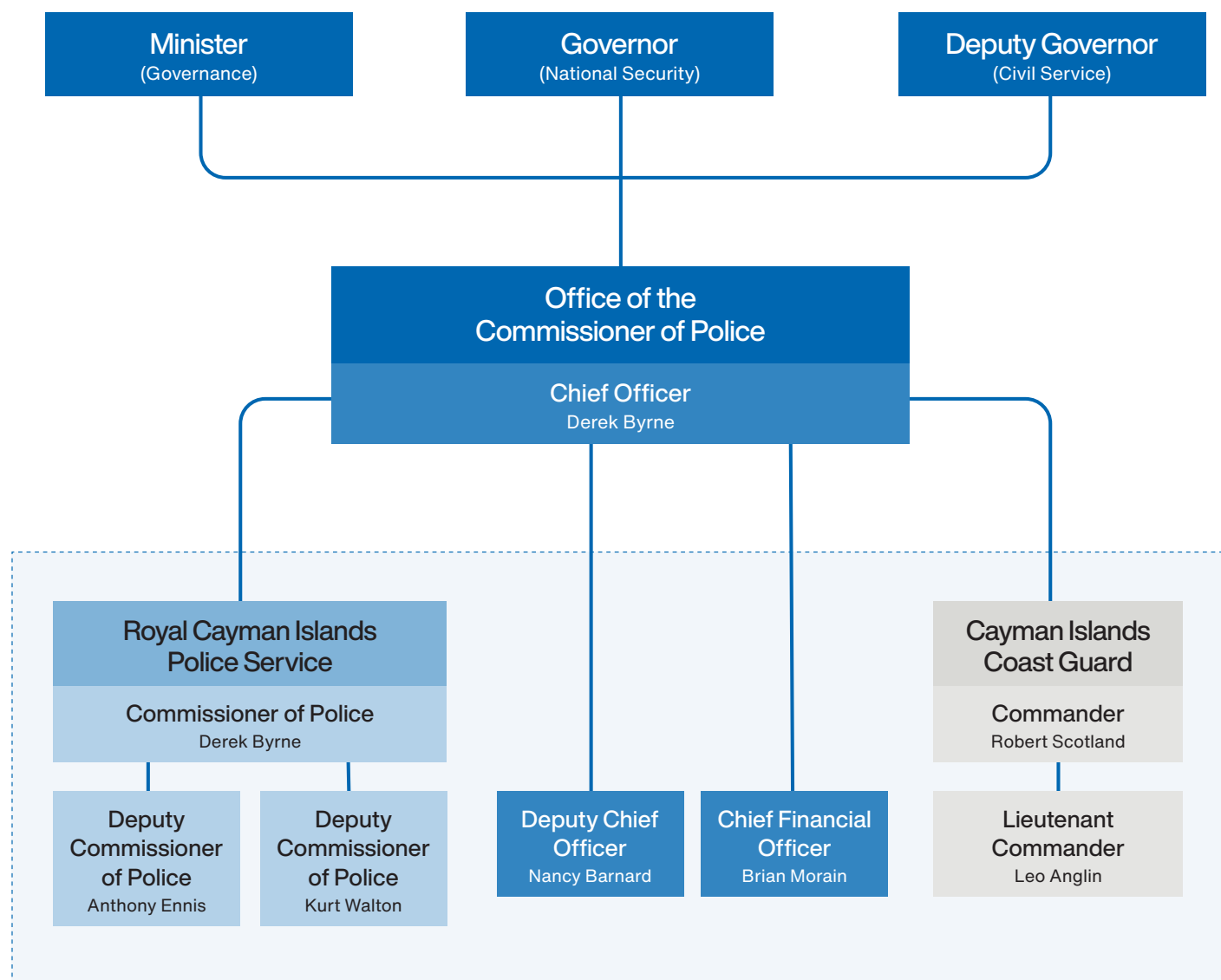
security, maritime border control and to the overall well-being of the community through effective policing and law enforcement.

The RCIPS provides a broad range of services including community policing and outreach, child protection via the Multi Agency Safeguarding Hub (MASH), traffic safety and enforcement, emergency response (with armed capability when needed), air patrols and Medevac, criminal investigations including cyber crimes and anti-money laundering, intelligence, drug and firearm interdiction, police clearances, security and firearm licensing, finance, human resources, business administration, estate management, information technology, fleet and stores management, media and communications and strategic management.

The CICG provides operational capability for effectively providing maritime security and law enforcement, maritime border control, search and rescue, accident and disaster response management and marine environmental protection functions for the Cayman Islands.

3. The OCP Leadership Team

Organisational Chart



OCP SENIOR LEADERSHIP TEAM



Office of the
Commissioner of Police
Cayman Islands Government



Royal Cayman Islands
Police Service



Cayman Islands
Coast Guard

4. Foreword

From the Chief Officer and Commissioner of Police, Derek Byrne

2022 was a year of renewed optimism for the Cayman Islands as the country emerged from the restrictions of the Covid pandemic.

For the front-line services, who played a significant role in keeping the community safe over the preceding two years, it meant we could turn our attention and resources to a 'new state of normal,' with the borders re-opening and the return of tourism to the islands.

The significant increase of cruise ships, international visitors and major events brought new but familiar challenges for front-line services. Traffic and event management were put to the test with a busy line up of celebrations and events, the most notable being the Queen's Platinum Jubilee. As well as delivering operational support for the month-long festivities, our service men and women played a significant role in the celebrations with numerous parades and ceremonial obligations, a highlight being the delivery of our first all-female police parade. Sadly, HRH the late Queen's passing on 8 September made the celebrations a bitter sweet memory, but one that the OCP was proud to have contributed to.

Regarding serious crime, 'total recorded crime' accounted for just under 3,810 (11%) of the 35,309 Incidents or Calls for Service dealt with by RCIPS in 2022. Compared to 2021, there was an increase of 128 (3.5%) crimes in 2022. Comparing 2022 to 2019 there has been a reduction of 327 (7.9%) crimes.

There was an increase in firearms crime, acquisitive crime and other crime in 2022 compared to 2021. There have been reductions in violence against the person, sexual offences, drugs and public order offences in 2022 compared to 2021. The primary areas of concern over the course of 2022 was a general increase in firearm enabled offences compared to 2021 and two significant spikes in robbery offences between March-April 22 and October-December 22.

The robbery series in March-April culminated in the murders of two men in separate incidents on the 25th and 28th

of April. A quick and decisive law enforcement response resulted in the arrest and charge of a number of suspects believed involved in both the robberies and murders. After a period of relative quiet between May-September, a substantial number of robberies were committed between October-December involving upwards of 10 suspects operating in loosely associated groups. In the final 10 weeks of 2022, 10 suspects were arrested in relation to robbery offences and a firearm plus ammunition was recovered. There were no further robberies on Grand Cayman after the 14th of December. For further data, please see the RCIPS Crime and Traffic Statistics Annual Report on the RCIPS website.

Tragically, within the first six months of 2022 there were nine road fatalities - the same figure reached for the entirety of 2021. By the end of 2022, there was a total of 15 road fatalities. As a direct response to the ongoing issues of speeding and drink driving on our roads, the government lowered the max alcohol limit to 0.07%, which the OCP strongly supported. As a community we must do better when driving on our roads, there is no excuse for speeding or driving under the influence of drugs and alcohol.

From an administrative standpoint, the OCP asset consolidation project, which began in 2021, continued throughout 2022, resulting in five units of staff relocating to improved work spaces and a further reduction of our facilities footprint. Our Media Unit continued to deliver one of the highest volumes of press release output of any government department, alongside utilising social media and radio appearances to ensure OCP activities are transparent, and reliable information reaches the community through the channels they use every day.

February marked the start of a year of significant investment in our people, with the new RCIPS promotion process resulting in the advancement of 34 Officers to the ranks of Inspector (10) and Sergeant (24).

In November, the Police Service Commission - the independent entity responsible for the recruitment of the

most senior level officers within RCIPS - delivered the successful recruitment of five new Superintendents. These appointments represent a significant structural change for the organisation that will not only strengthen RCIPS strategic leadership, but add resilience across the senior ranks. I was pleased to see the positions filled by current officers who were promoted to that rank in late 2022, three of whom are Caymanian.

Towards the end of the year the RCIPS annual recruitment round produced 37 Police Constables. A further 23 Auxiliary Officers were also recruited and trained. A new MOU between the OCP and the Judicial Administration provided much needed resource for posts in the courts. Auxiliary Officers have also been posted to government house, custody detention facility and other locations, freeing up Police Constables for front line duties.

The Cayman Islands Coast Guard (CICG) continues to grow from strength to strength, expanding personnel capabilities via a successful recruitment drive that resulted in 16 new recruits commencing training in 2022, and the acquisition of strategic equipment upgrades including two new vessels, the 44-foot Protector II and the 27-foot Trident. Further

growth and investment are planned over the next 2 – 5 years for additional personnel, marine fleet and equipment. The Operations and Rescue Command Centre (ORCC) is well established, operating a 24 hour a day service, which allows the CICG to meet international obligations as per international search and rescue conventions.

Looking back over 2022, I have been impressed by the way the Service has adapted to the changing requirements and demands put on its staff, moving out of the pandemic years and into the 'new normal.' I am confident that the OCP is ready to respond to the ever-changing needs of the Cayman Islands and the community we serve. I wish to take this opportunity to thank the front-line services, both sworn officers and support staff, for their dedication and commitment to serving the people of the Cayman Islands. And I want to thank the communities of the Cayman Islands for their continued support of the RCIPS and CICG.

5. 2022 Highlights and Deliverables

Service Delivery (Uniform)

Front-line services are the back bone of OCP operations, delivering 24/7/365 service for the people of the Cayman Islands. Front-line services responded to 35,309 calls to service in 2022, of which 3,810 were recorded as crimes.

The Community Policing Unit (CPU), is a core part of the front-line service, and along with the support of civilian Community Safety Officers, they continue to build a presence, supporting quality of life in the community, with a focus on youth engagement and supporting vulnerable persons, including the elderly, and victims of crime. The CPU are instrumental in the establishment and management of 54 neighbourhood watch support groups, of which 10 new groups were added in 2022. Community officers play a vital role in helping build trust between the public and the police through visibility on the streets and forging relationships with the people that live and work within the districts they serve.

Supporting front line services are a number of Specialist Units that provide unique skill sets and technical expertise that are called on as needed. A number of these units are highlighted as follows.

RCIPS Protective Services

At the end of May 2022, what was formerly the Family Support Unit, was renamed RCIPS Protective Services, reflecting the unit's transition over time to safeguarding of all vulnerable persons including; children, the elderly, persons in domestic situations, and members of marginalized groups. At the same time, the Protective Services offices relocated to a new, larger, more central, and fit-for-purpose space in Crown Square Plaza on Eastern Avenue.

RCIPS Protective Services incorporates the police arm of the Multi-Agency Safeguarding Hub (MASH), the Child Safeguarding Investigation Unit (CSIU) first response intake, and the Domestic Violence Unit (DVU) first response intake.



The Service forms a significant proportion of the overall protective services that are offered by the RCIPS, and crucially provides dedicated investigative and support services for child safeguarding and domestic abuse incidents across the three islands.

RCIPS Protective Services received 288 crisis calls between January 2022 to September 2022. Of these, 244 were received by females and 84 by males. Safe shelter was provided to 86 females. There was a small increase in domestic violence referrals, with 1,740 in 2022, compared to 1,718 in 2021. Likewise, with child protection referrals, with 1,431 in 2022, compared to 1,402 in 2021. For further statistics please view the 2022 Annual Crime and Traffic Statistics Report on the RCIPS website.

Cayman Islands Bureau of Financial Investigation (CIBFI)

CIBFI is tasked with conducting financial crime investigations as they relate to the Proceeds of Crime Act, while maintaining compliance with the FATF ICRG Mutual Evaluation Process.

The Bureau maintained its focus on expanding its resources and establishing itself as a world class financial crime investigation service tasked with protecting Cayman Islands' reputation as a safe and ethical place to invest or undertake financial business.

The Bureau contributed to multiple cross-government task forces and worked with partner agencies including the Anti-Money Laundering Steering Group (AMLSG), the Inter-Agency Coordinating Committee (IACC), and the Financial Crime Focus Group (FCFG).

The Bureau has assessed 152 individual disclosures submitted by the Financial Reporting Authority (FRA), making suitable recommendations for appropriate action and completing feedback forms for each. This is a 34% increase in disclosures compared to 2021.



Financial Crime Investigation Unit (FCIU)

The FCIU is tasked with conducting financial crime investigations as they relate to domestic fraud and cyber related crimes.

Instances of cyber enabled crime, where the aim is to obtain money from victims by deception, continue to increase in the Cayman Islands as they do around the world. Public advisories are issued regularly to the community to help identify and avoid these scams and investigations are carried out where necessary.

The FCIU worked closely with the Crime Task Force and other partner agencies in securing a number of successful convictions in 2022 regarding illicit trafficking, importation of drugs and possession of firearms and ammunition, where significant sums of money and assets were recovered.

A total of 139 incidents were reported and processed by the Financial Crime Investigation Unit during the year 2022. This is a decrease of reported incidents when compared with 2021 by 37.



Major Events Planning (MEP)

A significant number of major events returned to the Islands in 2022. The Queen's Platinum Jubilee Celebrations required RCIPS to play a key operations management role, as well as participate in a number of official ceremonies and parades. As part of the celebrations, the RCIPS delivered the first ever all-female parade to commemorate Her late Majesty's Platinum Jubilee.

Capella Music Festival returned to the Cayman Islands after nearly five years, featuring five international award-winning artists and attracting thousands of attendees. In addition, Batabano, CayMas and Pride Parade events drew pre-pandemic volumes of attendees, all requiring strategic coordination between the MEP and agency partners.

The 70th Aviation Air Show in December was the largest outdoor event held in the Cayman Islands for over two decades and required multi-agency planning and coordination for months leading up to the event. The event was delivered safely and without incident.



Traffic and Roads Policing Unit (TRPU)

In response to increased public concern regarding poor driving behaviour in the Eastern Districts, an Eastern district roads policing traffic enforcement unit was formed which aimed to reduce serious and fatal collisions through increased visibility, targeted vehicle check points, and proactive patrolling at known hot spots.

Also, in 2022, a Fatal Investigation Review Panel was formed, which included members of the Office of the Director of Public Prosecutions (ODPP), with the goal of reducing the number of unresolved fatal reports and investigations. Monthly meetings are held to review fatal accidents and their causation.

Enforcement tactics were complemented by education initiatives including school presentations and public information campaigns supported by media partners, such as #ArriveAlive and Winter Guardian, which target drink driving and speeding over the Christmas and New Year period.

Key 2022 traffic statistics are included below. Further statistics can be found in the 2022 Annual Crime and Traffic Statistics report on the RCIPS website.

- RCIPS issued 9,308 tickets for traffic offences. This is an increase of 211 tickets or 2% compared to 2021.
- In 2022 RCIPS issued 3,022 tickets in relation to speeding offences. This is a reduction of 708 tickets or 19% compared to 2021.
- In 2022 there were a total of 234 arrests in relation to DUI offences, a reduction of 51 or 18% compared to 2021.
- In 2022 officers attended 2915 MVAs, an increase of 282 or 11% on the totals for 2021.
- There were 15 fatalities on the roads of the Cayman Islands in 2022, an increase of 6 on 2021.

Criminal Investigation Department (CID)

The CID investigate all allegations of major crime ranging from burglaries and robberies to serious assaults including Grievous Bodily Harm & Wounding. This includes offences of manslaughter and murder that are managed from a specially staffed Major Incident Room.

Over 2022 the CID investigated nearly 400 allegations of major crime and continued investigations into major incidents from 2021 that were awaiting trial, many resulting in significant convictions. For crime statistics please see the 2022 Annual Crime and Traffic Statistics Report on the RCIPS website.



Crime Scene Investigation (CSI)

The CSI unit provides forensic support in fingerprint and DNA recovery and examination of other forms of evidence recovered from crime scenes.

The specialist work of the Unit has led to the identification, arrest and conviction of violent offenders, serial burglars, and other career criminals, including a high-profile case of an attack on a female jogger in South Sound that occurred in January 2022. The Units detailed processing of a suspect in this case resulted in DNA evidence that led to the attacker's conviction.



Crime Task Force (CTF)

The CTF is tasked with covert, intelligence-led, proactive operations against persons known or believed to be involved in the importation of drugs and/or firearms, and threats to the economic wellbeing of the islands such as illegal immigrants, organised burglary, and the commission of firearms-enabled violent crimes. The CTF operates alone or in joint operations with other RCIPS Units, and other law enforcement partners such as Customs & Border Control (CBC).

Collectively, the following recoveries and seizures were made over 2022:

- 1,455 pounds of ganja.
- 25 kilos of cocaine recovered during operations, and 30 kilograms of cocaine recovered from the beach as wash-

up (total for all three islands).

- 16 firearms and 370 rounds of ammunition seized.
- \$34,469.52 KYD and \$3,332 USD recovered during operations throughout 2022.
- 87 persons arrested throughout the year, charged with offences including robbery, importation of ganja, importation of cocaine, possession of firearms, possession of ganja and cocaine with intent to supply, illegal landing, attempted murder, burglary, disposing of criminal property, handling stolen goods, and selling lottery tickets.
- 111 searches conducted, using powers under the Misuse of Drugs Law, Firearms Law, Gambling Law, and Police Law.

Firearms Response Unit (FRU)

The FRU provides a 24/7 armed response to all firearm and other weapon related incidents across the Cayman Islands. This includes operations in territorial waters, supporting the Cayman Islands Coast Guard (CICG) with firearm capability during drug interdiction operations. The Unit also offers firearms and non-lethal training for the RCIPS and other Law Enforcement Agencies within the Cayman Islands.

The FRU is equipped with six Armed Response Vehicles (ARVs) that offer high visibility presence within the community. The team also carries out foot patrols in “Hot Spot” areas which are prone to criminal and anti-social activities.

2022 saw the implementation of the FRU’s new uniform, which along with equipment upgrades, introduced a colour change from dark blue to grey. This transition was made to visually distinguish the RCIPS’ armed response from other law enforcement or uniformed agencies when seen in public.



Cayman Islands Detention Centre (CDC)

Recommendations from the 2021 report that outlined areas for improvement at the CDC were commenced in 2022, including enhancements to cells and installation of additional CCTV monitors. Further upgrades are planned to continue through 2023.

Approximately 1,725 persons were processed through custody in 2022.



The Sister Islands

The RCIPS recognised the need for strong and experienced leadership on the Sister Islands, and in February 2022, assigned a new Area Commander to Cayman Brac, in the rank of Chief Inspector. This position is supported by an additional Sergeant, also posted to Cayman Brac. Increased support from Grand Cayman has enabled

the Sister Islands to bolster police visibility and improve engagement with the local communities. The RCIPS continues to invest resources into the Sister Islands.





Air Operations Unit (AOU)

The AOU operates two Airbus H145 D2 helicopters, that flew 468 flight hours over 2022, an increase of 48 hours compared to 2021. The Unit plays an important role in supporting RCIPS and CIGG colleagues in search and rescue efforts in Cayman territorial waters, with three persons rescued in 2022 and 48 Medevac's completed.

In January 2022, the AOU was called upon, with approval from the Premier and Governor's office, for three deployments to Turks and Caicos Islands, to assist local authorities with maritime-focused security operations, and humanitarian response efforts following hurricane Fiona.



Professional Standards Unit (PSU)

The PSU is responsible for improving professionalism across the RCIPS by identifying and addressing areas for development and investigating allegations of misconduct by officers.

As a semi-independent unit, reporting to the Deputy Commissioner of Police (Administration), the PSU investigates internal allegations of misconduct made against members of the RCIPS. They also work with

the Ombudsman to investigate external complaints of misconduct made by members of the public.

Over 2022 the PSU and Ombudsman have continued to develop a highly productive and collaborative working relationship with open and transparent sharing of information between both parties, and engagement on a weekly basis.



The Cayman Islands Coast Guard (CICG)

The primary focus of the CICG is ensuring the timely response to calls for service from persons and vessels in distress. With the reopening of the tourism industry and maritime commercial and recreational activity moving back to pre-pandemic norms, the frequency of these requests increased over the course of 2022.

CICG continue to strengthen relationships with interagency partners including the Fire Service, The Port Authority, RCIPS Air Operations Unit, The Department of Environment,

as well as private/commercial boat operators, who support the CICG in providing a comprehensive and sophisticated service.

2022 saw the CICG undertake an unprecedented level of training. Through the recruitment and training of 16 new officers, the CICG expanded its human resource capability, adding resilience to its ability to deploy to emergency calls for service over the long term. CICG also enhanced its fleet capability in 2022, with the acquisition of two new vessels.



6. Our People

The Human Resources Unit (HRU) is responsible for managing the operational, administrative, and strategic human resource needs of the Office of the Commissioner of Police (OCP), including the Royal Cayman Islands Police Service (RCIPS) and the Cayman Islands Coast Guard (CICG).

The Police Service Commission (PSC) is an independent entity accountable for the recruitment of the most senior

level officers within RCIPS. PSC successfully recruited five Superintendents, all of whom were current officers promoted to that rank in late 2022, three of whom are Caymanian.

In addition, two CICG members have commenced training at the Britannia Royal Naval College as part of the Royal Navy's Accelerated Reserve Officers Training Programme in order to become Commissioned Officers (CO).

Number of Officers vs Civilian Staff by Age Range within the OCP:

RCIPS				CICG		
AGE RANGE	POLICE OFFICERS	CIVILIAN STAFF	TOTAL	COMMISSIONED	NON-COMMISSIONED	TOTAL
18-28	58	10	68	0	10	10
29-39	83	29	112	0	7	7
40-49	121	40	161	1	3	4
50-59	116	19	135	0	0	0
60+	26	9	35	0	1	1
Total	404	107	511	1	21	22

Gender Composition of Officers vs Civilian Staff:

RCIPS	MALE	FEMALE	TOTAL	CICG	MALE	FEMALE	TOTAL
Police	300	104	404	Commissioned	2	0	2
Civilians	35	72	107	Non-Commissioned	15	5	20
Total	335	176	511	Total	17	5	22

Nationalities within the OCP:

RCIPS				CICG		
NATIONALITIES	POLICE OFFICERS	CIVILIAN STAFF	TOTAL	COMMISSIONED	NON-COMMISSIONED	TOTAL
Caymanian	199	67	266	2	17	19
Non-Caymanian	205	40	245	0	3	3
Barbadian	17	0	17	0	2	2
Belizean	1	0	1	0	0	0
British	26	18	44	0	0	0
Canadian	4	0	4	0	0	0
Costa Rican	1	0	1	0	0	0
Dominican	1	0	1	0	0	0
Filipino	6	0	6	0	0	0
German	0	1	1	0	0	0
Guyanese	2	0	2	0	0	0
Honduran	1	1	2	0	0	0
Indian	2	0	2	0	0	0
Irish	1	0	1	0	0	0
Jamaican	134	14	148	0	1	1
New Zealander	0	1	1	0	0	0
Nepalese	1	0	1	0	0	0
Nigerian	2	0	2	0	0	0
St. Vincentian	5	2	7	0	0	0
Swede	0	1	1		0	0
Trinidadian	1	2	3	0	0	0
Total	404	107	511	2	20	22

*Note - this does not take into account the many staffers who have more than one nationality.

Outstanding Service Awards for 2022 (presented in 2022):

THE QUEEN'S PLATINUM JUBILEE COMMEMORATIVE MEDAL SERVICE	
COMMEMORATIVE MEDAL	TOTAL RECIPIENTS
Commissioner's Commendation	14
Special Constabulary	27
Combined Services	37
Five to Ten Years of Service	87
Eleven to Twenty Years of Service	135
Twenty-One to Thirty Years of Service	36
Thirty-One to Forty Years of Service	28

7. Estates and Procurement



The asset consolidation project which began in 2021 continued throughout the year 2022. The Estates and Procurement Unit, in collaboration with the Information Technology (IT) Unit, facilitated the relocation of a vast number of people as part of the RCIPS' Consolidation Project.

The relocations that occurred in 2022 included:

- The relocation of the Crime and Performance Management Unit (CPMU) and RCIPS Protective Services to Crown Square Plaza.
- The relocation of the Criminal Investigation Unit, Major Events Planning and the Cayman Islands Bureau of Financial Investigation into the RBC Building.
- The consolidation project is expected to continue in 2023, and will include the review of the remaining Units in the George Town Police Station.



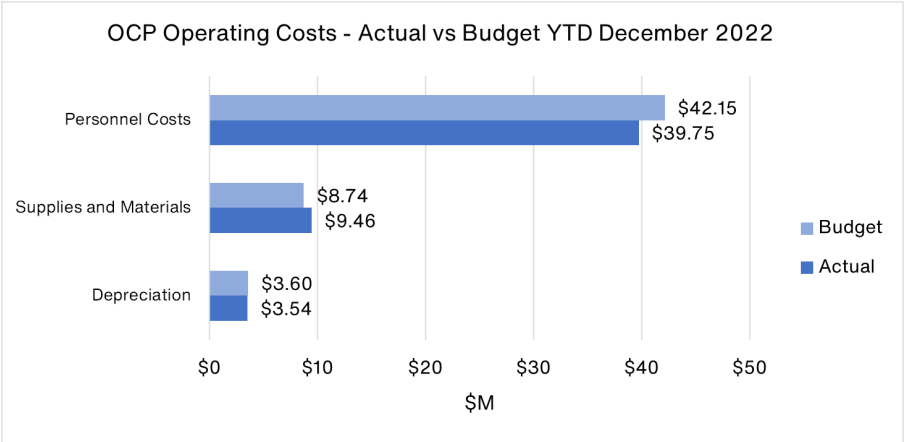
8. Executive Financial Summary

For the year ended December 31, 2022

OCP Operating Activities

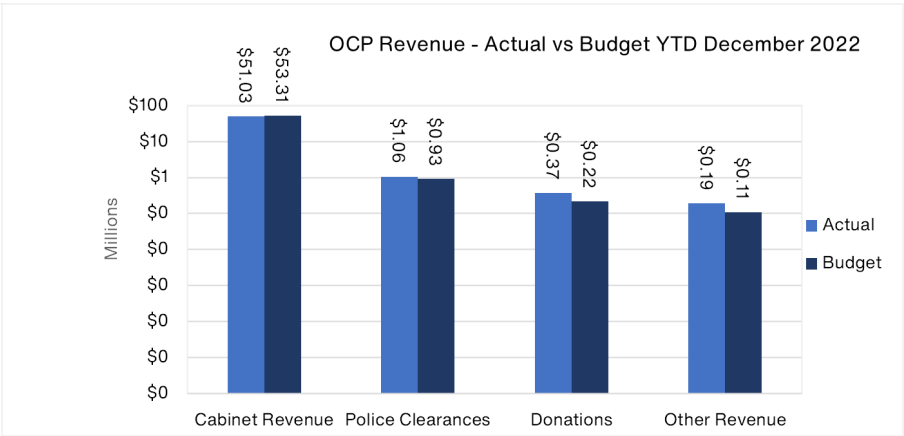
Expenses

OCP Total Operating expenses were \$52.62M for the year ended December 31, 2022 compared to budget of \$54.48M, resulting in savings of \$1.86M. Actual monthly expenditures averaged \$4.39M, \$0.15M lower than the budgeted average of \$4.54M. OCP accomplished budget compliance without the need for Supplementary Funding by active and prudent management of approved Budgets.



Revenue

OCP Total Operating expenses were \$52.62M for the year ended December 31, 2022 compared to budget of \$54.48M, resulting in savings of \$1.86M. Actual monthly expenditures averaged \$4.39M, \$0.15M lower than the budgeted average of \$4.54M. OCP accomplished budget compliance without the need for Supplementary Funding by active and prudent management of approved Budgets.



OCP Capital Expenditures

Additions to Capital Expenditure totaled \$1.52M. Modernizing the fleet of vehicles accounted for \$0.51M. This ensures fit-for-purpose vehicles whilst reducing the carbon footprint by utilizing reduced engine sizes and hybrids where possible.

Investment in Building and Leasehold Improvements, Furniture and Office Equipment, and Computer Hardware

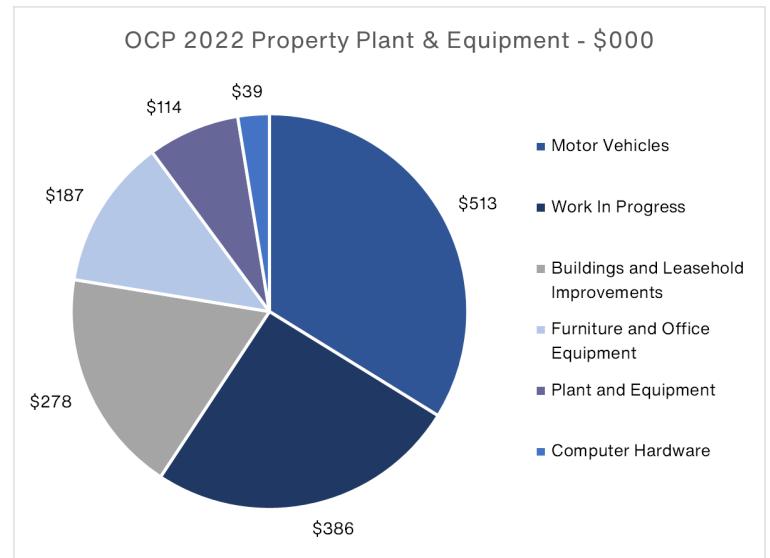
was \$0.50M. This investment ensures that the safety and operating capabilities of staff is maintained as new accommodation is sourced to replace the old George Town Police Station.

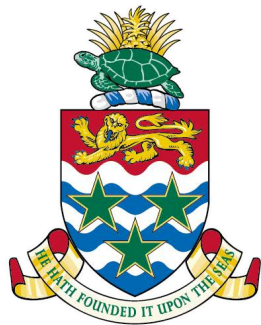
Plant and Equipment additions were \$0.11M and was primarily used to establish the weapons platform for the Cayman Islands Coast Guard (CICG).

Included in work in progress of \$0.39M are payments to acquire a 29’ full cabin boat and personal protection equipment (body armor). This vessel will be utilized by CIGC to protect the sea borders and provide additional assistance to search and rescue operations. The body armour will provide knife and ballistic protection thus ensuring maximum safety of RCIPS officers.

Additionally, investment in computer software for CIGC’s Weapon Inventory Control Platform totaled \$46k.

Cabinet funding of \$1.76M was received in 2022 to fund the above capital expenditures and future progress payments on the CIGC marine vessel.





Office of the Commissioner of Police

Cayman Islands Government



Royal Cayman Islands
Police Service



Cayman Islands
Coast Guard



APPENDIX I

OCP FINANCIAL STATEMENTS

For the year ended 31 December 2022



Royal Cayman Islands
Police Service



Office of the
Commissioner of Police
Cayman Islands Government



Cayman Islands
Coast Guard

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Royal Cayman Islands
Police Service



Office of the
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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by The Office of the Commissioner of Police ("the Office") in accordance with the Public Management and Finance Act (2020 Revision). The Financial Statements comply with generally accepted accounting practice as defined in International Public Sector Accounting Standards and International Accounting Standards.

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).

To the best of our knowledge the financial statements are:

- (a) complete and reliable;
- (b) fairly reflect the financial position as at 31 December 2022 and performance for the year ended 31 December 2022; and
- (c) comply with generally accepted accounting practice.

We also accept responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorized by act and properly record the financial transactions of the entity.

Derek Byrne
Chief Officer

March 31, 2023

Brian Morain
Chief Financial Officer

March 31, 2023

AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of the Office of the Commissioner of Police

Opinion

I have audited the financial statements of the Office of the Commissioner of Police (the "Office"), which comprise the statement of financial position as at 31 December 2022 and the statement of financial performance, statement of changes in net worth and cash flow statement for the year ended 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 34.

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

Basis for Opinion

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

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

Management is responsible for the preparation 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.

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

Those charged with governance are responsible for overseeing the Office'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.

AUDITOR GENERAL'S REPORT (continued)

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 Office'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 Office'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 Office to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Angela Cullen
Acting Auditor General

31 March 2023
Cayman Islands



STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2022

(Amounts Expressed in CI \$000's)

Prior Year Actual December 31, 2021		Note	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
	Current Assets					
9,300	Cash and cash equivalents	2	19,238	14,468	14,468	4,770
9,077	Trade receivables	3	3,094	6,955	6,955	(3,861)
3,242	Other receivables	3	535	214	214	321
95	Inventories	4	75	98	98	(23)
110	Prepayments	5	252	172	172	80
21,824	Total Current Assets		23,194	21,907	21,907	1,287
	Non-Current Assets					
150	Other Receivables	3	150	142	142	8
43,599	Property, plant and equipment	6	41,471	37,427	34,312	4,044
38	Intangible Assets	7	46	32	32	14
43,787	Total Non-Current Assets		41,667	37,601	34,486	4,066
65,611	Total Assets		64,861	59,508	56,393	5,353
	Current Liabilities					
112	Trade payables	8	160	47	47	(113)
4,838	Provisions, other payables and accruals	8	2,100	1,033	1,033	(1,067)
-	Unearned revenue	9	11	6	6	(5)
1,798	Employee entitlements	10	1,970	1,642	1,642	(328)
6,748	Total Current Liabilities		4,241	2,728	2,728	(1,513)
6,748	Total Liabilities		4,241	2,728	2,728	(1,513)
58,863	Net Assets		60,620	56,780	53,665	3,840
	NET WORTH					
49,464	Contributed capital		51,225	54,657	51,542	(3,432)
9,894	Revaluation reserve		9,894	2,134	2,134	7,760
(495)	Accumulated surpluses/(deficits)		(499)	(11)	(11)	(488)
58,863	Total Net Worth		60,620	56,780	53,665	3,840

The accounting policies and notes starting on page 8 form an integral part of these financial statements.



STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Prior Year Actual December 31, 2021		Note	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
	Revenue					
51,123	Sale of goods and services	11	52,279	54,352	52,673	(2,073)
303	Donations	12	374	221	221	153
51,426	Total Revenue		52,653	54,573	52,894	(1,920)
	Expenses					
38,003	Personnel costs	13	39,749	42,146	39,749	2,397
10,203	Supplies and consumables	14	9,455	8,740	9,458	(715)
3,366	Depreciation	6	3,502	3,551	3,551	49
51	Amortization of Intangible Assets	7	38	45	45	7
133	Impairment of property, plant and equipment	6	-	-	-	-
42	(Gains)/losses on foreign exchange transactions	15	(5)	-	-	5
22	(Gains)/losses on disposal/revaluation of property, plant and equipment	15	(120)	-	-	120
51,820	Total Expenses		52,619	54,482	52,803	1,863
(394)	Surplus/ (Deficit) for the year		34	91	91	(57)

The accounting policies and notes starting on page 8 form an integral part of these financial statements.



STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 December 2022
(Amounts Expressed in CI \$000's)

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (Deficit)	Total Net Worth	Original Budget	Final Budget	Variance (Actual vs Orig)
Balance as at December 31 2020	46,583	2,134	(137)	48,580	48,579	48,579	1
Prior Year Adjustments	-	-	36	36	36	36	-
Restated balance	46,583	2,134	(101)	48,616	48,615	48,615	1
Changes in Net Worth for 2021							
Gain/(loss) on property revaluation	-	7,760	-	7,760	-	-	7,760
Equity Investment from Cabinet	2,881	-	-	2,881	3,198	3,198	(317)
Total	2,881	7,760	-	10,641	3,198	3,198	7,443
Surplus/(deficit) for the period 2021	-	-	(394)	(394)	-	-	(394)
Total Changes in Net Worth for 2021	2,881	7,760	(394)	10,247	3,198	3,198	7,049
Balance at 31 December 2021 carried forward	49,464	9,894	(495)	58,863	51,813	51,813	7,050
	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (Deficit)	Total Net worth	Original Budget	Final Budget	Variance (Actual vs Orig)
Balance at 31 December 2021 brought forward	49,464	9,894	(495)	58,863	51,813	51,813	7,050
Changes in Net Worth for 2021							
Prior Year Adjustments	-	-	(38)	(38)	-	-	(38)
Restated balance	49,464	9,894	(533)	58,825	51,813	51,813	7,012
Changes in Net Worth for 2022							
Equity Investment from Cabinet	1,761	-	-	1,761	4,876	1,761	(3,115)
Total	1,761	-	-	1,761	4,876	1,761	(3,115)
Surplus/(deficit) for the period 2022	-	-	34	34	91	91	(57)
Total Changes in Net Worth for 2022	1,761	-	34	1,795	4,967	1,852	(3,172)
Balance at 31 December 2022	51,225	9,894	(499)	60,620	56,780	53,665	3,840

The accounting policies and notes starting on page 8 form an integral part of these financial statements.



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Prior Year Actual December 31, 2021	Note	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Receipts</i>					
50,493	Outputs to Cabinet	57,110	53,315	53,315	3,795
1,040	Sale of goods and services	1,338	932	932	406
213	Donations / Grants	381	221	221	160
763	Other receipts	603	106	106	497
<i>Payments</i>					
(37,883)	Personnel costs	(39,669)	(42,147)	(42,147)	2,478
(8,016)	Supplies and consumables	(12,725)	(8,740)	(8,740)	(3,985)
(808)	Other payments	(453)	-	-	(453)
5,802	Net cash flows from operating activities	6,585	3,687	3,687	2,898
CASH FLOWS FROM INVESTING ACTIVITIES					
(4,654)	Purchase of property, plant and equipment	(1,344)	(4,876)	(1,761)	3,532
130	Proceeds from sale of property, plant and equipment	172	-	-	172
(4,524)	Net cash flows provided by (used in) investing activities	(1,172)	(4,876)	(1,761)	3,704
CASH FLOWS FROM FINANCING ACTIVITIES					
424	Equity Investment from Org 40	4,525	4,876	1,761	(351)
1,490	Ministry Reorganization	-	-	-	-
1,913	Net cash flows from financing activities	4,525	4,876	1,761	(351)
3,191	Net increase in cash and cash equivalents	9,938	3,687	3,687	6,251
6,109	Cash and cash equivalents at beginning of the year	9,300	10,781	10,781	(1,481)
9,300	Cash and cash equivalents at end of the year	19,238	14,468	14,468	4,770

The accounting policies and notes starting on page 8 form an integral part of these financial statements.



Royal Cayman Islands
Police Service



Office of the
Commissioner of Police
Cayman Islands Government



Cayman Islands
Coast Guard

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Description and principal activities

The Office of the Commissioner of Police (the “Office” or the “OCP”) is a government owned entity as defined by section 2 of the Public Management and Finance Act (2020 Revision) and it is domiciled in the Cayman Islands. The OCP consist of two departments, Cayman Islands Coast Guard (CICG) and Royal Cayman Islands Police (RCIPS).

The Office carries out the mandate of the government which is to provide several aspects of security and safety in addition to regular policing, such as national security and border control, marine search-and-rescue, and criminal interdictions within the territorial waters, to strengthen the border security of the Cayman Islands.

The Office, headed by the Commissioner of Police as the Chief Officer, reports to the Governor, Deputy Governor and the Premier, as the Minister with responsibility for the Office. The OCP provides policy advice to the Minister on matters relating to law enforcement; contributing to national security, border control, and to the well-being of the community through effective policing and law enforcement.

The CICG provides enhanced operational capability for effectively providing maritime security and law enforcement, maritime border control, search and rescue, accident and disaster response management and marine environmental protection functions for the Cayman Islands.

RCIPS includes community policing and outreach, child protection via Multi Agency Safeguarding Hub (MASH), traffic safety and enforcement, emergency response (unarmed or armed), air patrols and Medevac, criminal investigations including cybercrimes and anti-money laundering, intelligence, drug and firearm interdiction.

Additionally, the RCIPS is responsible for the issuance of police clearance certificates, firearms and security services licenses.

Administrative and support services to both the RCIPS and CICG include finance, human resources, estate management, information technology, data protection, freedom of information, fleet and stores management, media and communications and strategic management.

These principal activities and operations of the Office are carried out in terms of the outputs purchased by the Minister as defined in the Annual Plan and Estimates for the Government of the Cayman Islands for the financial period ending 31 December 2022.



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 December 2022
(Amounts Expressed in CI \$000's)

Note 1: Significant Accounting Policies

The 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. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

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 (CI\$) and are prepared using the accrual basis of accounting, unless otherwise stated. The Statements are rounded to the nearest thousand. The measurement base applied to these financial statements is the historical cost basis, unless otherwise stated.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2022 and not yet early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2022 reporting year and have not been adopted by the OCP. The OCP's assessments of the impact of these new standards are set out below.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) was issued in February 2021 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. It is anticipated that the amendments will not have a significant impact on the OCP's financial statements. This will be assessed more fully closer to the effective date of adoption.

Definition of Accounting Estimates (Amendments to IAS 8) was issued in February 2021 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. It is anticipated that the amendments will not have an impact on the OCP's financial statements, but this will be assessed more fully closer to the effective date of adoption.



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Note 1: Significant Accounting Policies (continued)

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 OCP's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 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 OCP's financial statements, but this will be assessed more fully closer to the effective date of adoption.

Changes in Accounting Policies

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

(b) Budget amounts

The original budget amounts for the year ended 31 December 2022 financial period are as presented in the 2022 Annual Budget Statement and approved by the Parliament.

Any changes to the original budget are reflected in the final budget. The 2022 final budget includes amounts for any unused appropriations that were transferred to the 2023 financial year, as provided under Section 9(5) of the Public Management and Finance Act (2020 Revision). The Office did not request any supplementary funding during the 2022 financial year.

As required by the act, budgets are presented on the same basis as the annual financial statements. Throughout these financial statements, positive variances between actual and budget are shown as whole numbers and negative variances are shown in brackets.

(c) Judgments and estimates

The preparation of financial statements in conformity with IPSAS requires judgments, estimates, and assumptions to affect 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 and in any future periods that are affected by those revisions.



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Note 1: Significant Accounting Policies (continued)

Changes in Accounting Estimates

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

(e) Expenses

Expenses are recognised in the accounting period in which they are incurred. Non-coercive Interagency costs governed by Service Level Agreements are recognised in the accounting period in which they are incurred. Interagency costs provided free of cost are not recognised as expenses in the accounts.

(f) Operating Leases

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

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in-transit, cash at bank, deposits on call and short term highly liquid investments with maturity of no more than three months from the date of acquisition, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(h) Inventory

Inventory held for distribution, or consumption in the provision of services, that are not issued on a commercial basis are measured at the lower of cost and net realizable value, where the net realizable value is the estimated selling price of the inventories, less the cost of sale or disposal. Where inventories are acquired at no cost, or for nominal consideration, the amount reported is the current replacement cost at the date of acquisition.

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



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Note 1: Significant Accounting Policies (continued)

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

(i) Prepayments

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

(j) Property, plant and equipment

Property, plant and equipment, is stated at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognised 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.

Land, Buildings and Water Reticulation reported in the Statement of Financial Position as of the year end are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment loss. Assessment of fair values are performed with sufficient regularity such that the carrying amounts do not differ materially for those that would be determined using fair values at the end of each reporting year. The Cayman Islands Government conducted a revaluation exercise for all state lands and buildings during 2021 with an effective date of 1 January, 2021. The revalued assets owned by the Office were adjusted and reported in the financial statements.

Any revaluation increase arising from the revaluation of such assets is recognised in the Statement of Changes in Net Worth (equity), except to the extent that it reverses a revaluation decrease for the same class of asset previously in surplus or deficit in the Statement of Financial Performance, in which case the increase is credited to the surplus or deficit to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such assets is recognised in surplus or deficit to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to previous revaluation of that class of asset.

Impairment losses of non-cash-generating assets are the amounts by which the carrying amount of an asset exceeds its recoverable service amount. Impairment loss is recognised in the Statement of Financial Performance in the period in which the impairment is determined. An impairment assessment completed during the year ended 31 December 2022, did not require the write-down of any asset to their recoverable amount.

Recoverable service amount of a non-cash-generating asset is its fair value, less cost to sell or its value in use. Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Note 1: Significant Accounting Policies (continued)

Assets under Construction

Assets under construction or development are carried at cost, less any recognised impairment loss. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of these assets (on the same basis as the asset category) commences when the assets are ready for their intended use.

Furniture and Equipment

Furniture and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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	Unexpired period of lease or useful life
• Computer Equipment	3 - 10 years
• Developed software	4 - 10 years
• Office equipment and furniture	3 - 25 years
• Infrastructure	5 - 10 years
• Motor vehicles	3 - 20 years
• Boats and marine equipment	3 - 25 years
• Cleaning, refuse and recycling equipment	3 - 15 years
• Construction and other equipment	3 - 25 years
• Aeroplanes and airport/aviation equipment	5 - 15 years
• Other equipment	5 - 20 years
• Canine	6 - 8 years

Disposals

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



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Note 1: Significant Accounting Policies (continued)

(k) 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 amortised on a straight-line basis over its estimated useful life. Amortization begins when the asset is available for use and ceases at the date that the asset is derecognised or reaches the end of its useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately (if any) are carried at cost less accumulated impairment losses. The amortization charge for each year is recognised in the Statement of Financial Performance.

(l) 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 OCP 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 OCP.

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.



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 December 2022
(Amounts Expressed in CI \$000's)

Note 1: Significant Accounting Policies (continued)

(m) Financial instruments

The OCP is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and other receivables and trade and other payables, 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, 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.

Recognition

The OCP 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 Statement 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.



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Note 1: Significant Accounting Policies (continued)

De-recognition

A financial asset is de-recognised when the OCP 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.

(n) 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. 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.

(o) Foreign currency

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

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

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate;
- 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.



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Note 1: Significant Accounting Policies (continued)

(p) Revenue from non-exchange transactions

Service-in-kind

The OCP 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 vendor payments, payroll processing and bank reconciliations from the Ministry of Finance; vehicle maintenance from the Department of Vehicles and Equipment Services; building maintenance and supplies from the Public Works Department; exemption of duties and charges from Customs and Border Control and human resource management from the Portfolio of the Civil Service.

The OCP 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 they cannot be readily estimated, they were not recognised in the financial statements. 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.

Donations other than Service-in-kind

The OCP receives various funds from local and international entities. The OCP has designated these non-exchange transactions as donations as defined under IPSAS 23 - Revenue from Non-Exchange Transactions.

Non-Exchange Revenue is recognised in the accounting period where the resources are controlled and the amounts can be reliably measured.

An asset acquired through a non-exchange transaction is initially measured at its fair value at the date of acquisition.

The amount recognised as a liability is the best estimate of the amount required to settle the present obligation at the reporting date.

Revenue from non-exchange transaction is measured at the amount of the increase in net assets.



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank accounts in the name of the Office of the Commissioner of Police maintained at the Royal Bank of Canada. The Office's unrestricted cash balances as at 31 December 2022 are presented below. No restricted cash balances were held by the Office as at 31 December 2022.

Prior Year Actual December 31, 2021	Description	Foreign Currency	Exchange Rate	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
20	Cash on hand			20	16	16	4
8,026	CI\$ Operational Current Account			16,579	13,783	13,783	2,796
10	US\$ Operational Current Account	778	0.83	646	380	380	266
1,203	Payroll Current Account			1,843	205	205	1,638
41	Other Bank Accounts			150	84	84	66
9,300	TOTAL			19,238	14,468	14,468	4,770

Note 3: Trade receivables and other receivables

At year end all overdue receivables have been assessed and appropriate provisions made. The provision for doubtful debts is calculated based on expected losses for the Office and review of specific debtors. Expected losses are determined based on an analysis of the Office's losses in the current year.

Prior Year Actual December 31, 2021	Trade Receivables	Current	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
140	Sale of goods and services	233	233	95	95	138
8,937	Outputs to Cabinet	2,861	2,861	6,860	6,860	(3,999)
-	Less: provision for doubtful debts	-	-	-	-	-
9,077	Total trade receivables	3,094	3,094	6,955	6,955	(3,861)



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 December 2022
(Amounts Expressed in CI \$000's)

Note 3: Trade receivables and other receivables (continued)

Prior Year Actual December 31, 2021	Other Receivables	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
3,242	Other Receivable	535	214	214	321
150	Non-Current	150	142	142	8
-	Less: provision for doubtful debts	-	-	-	-
3,392	Total other receivables	685	356	356	329

Non-current Other Receivables relate to the commutation of ex-gratia pension payments due in 2024.

Prior Year Actual December 31, 2021	Receivables	Trade Receivable	Other Receivable	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
	Current						
12,211	Past due 1-30 days	2,922	521	3,443	6,992	6,992	(3,549)
61	Past due 31-60 days	27	-	27	-	-	27
2	Past due 61-90 days	140	14	154	-	-	154
45	Past due 90 and above	-	-	-	177	177	(177)
	Non-Current						
150	Past due 1 year and above	5	150	155	142	142	13
12,469	Total	3,094	685	3,779	7,311	7,311	(3,532)



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 December 2022
(Amounts Expressed in CI \$000's)

Note 4: Inventories

Prior Year Actual December 31, 2021	Description	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
95	Inventory held for use in the provision of goods and services	75	98	98	(23)
95	Total Inventories	75	98	98	(23)

Inventories represent ammunition held on December 31, 2022, by the Firearms Response Unit for use in training and operations.

Supplies of ammunition are recorded as expenditure when they are consumed - where there is a delay between the date supplies are received and their consumption, they are carried as inventories on the Statement of Financial Position.

Note 5: Prepayments

Prior Year Actual December 31, 2020	Description	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
	Current				
110	Accrued Prepayments	252	172	172	80
110	Total Prepayments	252	172	172	80



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 December 2022
(Amounts Expressed in CI \$000's)

Note 6: Property, plant and equipment

Cost or Opening Valuation	Land	Plant and Equipment	Buildings and Leasehold Improvements	Furniture and Office Equipment	Computer Hardware	Other Assets	Infrastructure	Water Retri-culation	Motor Vehicles	Marine Vessels	Aircraft	Work In Progress	Total	Original Budget	Final Budget	Variance (Actual) vs. Orig)
Balance as at 1 Jan 2021	4,109	1,559	11,681	645	2,148	87	1,213	354	5,140	3,833	17,619	1,393	49,781	49,780	49,780	1
Additions	-	7	141	112	77	-	60	-	1,038	1,033	1,736	522	4,726	4,802	4,802	(76)
Revaluations	4,006	-	793	-	-	-	-	688	-	-	-	-	5,487	-	-	5,487
Disposals	-	-	-	-	-	-	-	-	(747)	(835)	-	(1,283)	(2,865)	(973)	(973)	(1,892)
Transfers	-	-	-	2	-	-	-	-	-	1,272	9	(135)	1,148	(2)	(2)	1,150
Balance as at 31 December 2021	8,115	1,566	12,615	759	2,225	87	1,273	1,042	5,431	5,303	19,364	497	58,277	53,607	53,607	4,670
	Land	Plant and Equipment	Buildings and Leasehold Improvements	Furniture and Office Equipment	Computer Hardware	Other Assets	Infrastructure	Water Retri-culation	Motor Vehicles	Marine Vessels	Aircraft	Work In Progress	Total	Original Budget	Final Budget	Variance (Actual) vs Orig)
Balance as at 1 Jan 2022	8,115	1,566	12,615	759	2,225	87	1,273	1,042	5,431	5,303	19,364	497	58,277	53,607	53,607	4,670
Additions	-	114	278	187	39	-	-	-	513	-	-	386	1,517	4,876	1,761	(3,359)
Disposals	-	(103)	-	-	(2)	(6)	-	-	(632)	-	-	-	(743)	-	-	(743)
Transfers	-	174	6	28	14	-	-	-	214	-	-	(436)	-	-	-	-
Other Adjustments	-	-	-	-	5	-	-	-	-	-	-	(59)	(54)	-	-	(54)
Balance at 31 December 2022	8,115	1,751	12,899	974	2,281	81	1,273	1,042	5,526	5,303	19,364	388	58,997	58,483	55,368	514



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 December 2022
(Amounts Expressed in CI \$000's)

Note 6: Property, plant and equipment (continued)

Accumulated Depreciation and Impairment Losses	Land	Plant and Equipment	Buildings and Leasehold Improvements	Furniture and Office Equipment	Computer Hardware	Other Assets	Infra- structure	Water Retri- culation	Motor Vehicles	Marine Vessels	Aircraft	Work In Progress	Total	Original Budget	Final Budget	Variance (Actual) vs. Orig)
Balance as at 1 Jan 2021	-	761	2,715	435	1,543	73	968	90	3,697	3,188	1,562	-	15,032	13,732	13,732	1,300
Impairment Reserve	-	-	-	-	-	-	-	-	-	(198)	-	-	(198)	597	597	(795)
Depreciation Expense	-	109	692	58	367	5	109	68	601	130	1,227	-	3,366	3,285	3,285	81
Eliminate on Disposal	-	-	(2,183)	-	-	-	-	(90)	(744)	(506)	-	-	(3,523)	(109)	(109)	(3,414)
Other Adjustments	-	-	-	(1)	2	-	-	-	-	-	-	-	1	-	-	1
Balance as at 31 December 2021	-	870	1,224	492	1,912	78	1,077	68	3,554	2,614	2,789	-	14,678	17,505	17,505	(2,827)
Accumulated Depreciation and Impairment Losses	Land	Plant and Equipment	Buildings and Leasehold Improvements	Furniture and Office Equipment	Computer Hardware	Other Assets	Infra- structure	Water Retri- culation	Motor Vehicles	Marine Vessels	Aircraft	Work In Progress	Total	Original Budget	Final Budget	Variance (Actual) vs. Orig)
Balance as at 1 Jan 2022	-	870	1,224	492	1,912	78	1,077	68	3,554	2,614	2,789	-	14,678	17,505	17,505	(2,827)
Depreciation Expense	-	117	655	70	225	4	110	68	760	199	1,294	-	3,502	3,551	3,551	(49)
Eliminate on Disposal	-	(53)	-	-	(2)	(4)	-	-	(632)	-	-	-	(691)	-	-	(691)
Other Adjustments	-	-	-	(1)	6	-	-	-	-	32	-	-	37	-	-	37
Balance at 31 December 2022	-	934	1,879	561	2,141	78	1,187	136	3,682	2,845	4,083	-	17,526	21,056	21,056	(3,530)
Net Book value 31 December 2021	8,115	696	11,391	267	313	9	196	974	1,877	2,689	16,575	497	43,599	36,102	36,102	7,497
Net Book value 31 December 2022	8,115	817	11,020	413	140	3	86	906	1,844	2,458	15,281	388	41,471	37,427	34,312	4,044



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 December 2022
(Amounts Expressed in CI \$000's)

Note 6: Property, plant and equipment (continued)

Included in the "Buildings and Leasehold Improvements" category is an amount of \$1.2 million in cost (2021 - \$1.0 million) with related accumulated depreciation of \$0.8 million (2021 - \$0.7 million) for leasehold improvements. These amounts relate to enhancements to leased properties occupied by the Office as the lessee. The amounts incurred are capitalized and depreciated either over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

Note 7: Intangible assets

	<i>Computer Software</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Actual vs Orig)</i>
Cost or Opening Valuation					
Balance as at 1 Jan 2021	496	496	496	496	-
Additions	-	-	45	45	(45)
Balance as at 31 December 2021	496	496	541	541	(45)
Balance as at 1 Jan 2022	496	496	541	541	(45)
Additions	46	46	-	-	46
Balance at 31 December 2022	542	542	541	541	1
Accumulated Amortization and Impairment Losses					
Balance as at 1 Jan 2021	407	407	407	407	-
Amortization Expense	51	51	56	56	5
Balance as at 31 December 2021	458	458	463	463	5
Balance as at 1 Jan 2022	458	458	464	464	6
Amortization Expense	38	38	45	45	7
Balance at 31 December 2022	496	496	509	509	13
Net Book value 31 December 2021	38	38	78	78	(40)
Net Book value 31 December 2022	46	46	32	32	14



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 December 2022
(Amounts Expressed in CI \$000's)

Note 8: Trade payables, provisions, other payables and Accruals

Prior Year Actual December 31, 2021	Description	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
112	Creditors	160	47	47	(113)
1,217	Accrued Expenses	834	689	689	(145)
3,621	Other payables	1,266	344	344	(922)
4,950	Total trade payables, other payables & accruals	2,260	1,080	1,080	(1,180)

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

Included in Other Payables is a provision for legal liabilities of \$1.0 million (2021 - \$3.4 million). For the year ended 31 December 2022, an additional provision of \$0.2 million was made and \$2.6 million was charged against the provision during the year.

Note 9: Unearned Revenues

Prior Year Actual December 31, 2021	Details	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
	Current Portion:				
-	Revenue deposits	11	6	6	(5)
-	Total unearned revenue	11	6	6	(5)

Revenue deposits are security and firearms licences collected by the OCP to be transferred to Cayman Islands Government Coercive Revenue.



NOTES TO THE FINANCIAL STATEMENTS
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(Amounts Expressed in CI \$000's)

Note 10: Employee entitlements

Prior Year Actual December 31, 2021	Description	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
<i>Current employee entitlements represented by:</i>					
840	Comp Time	961	850	850	(111)
639	Annual Leave	477	350	350	(127)
76	Accrued salaries	270	200	200	(70)
243	Pension	262	242	242	(20)
1,798	Total current portion	1,970	1,642	1,642	(328)
1,798	Total employee entitlements	1,970	1,642	1,642	(328)

The annual leave entitlements and compensated absence (Comp time) are calculated on the current salaries paid to those employees eligible for this benefit.

Note 11: Sales of Goods and Service (Revenue)

Prior Year Actual December 31, 2021	Revenue type	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
50,109	Outputs to Cabinet	51,034	53,315	51,636	(2,281)
896	Fees and charges	1,060	932	932	128
118	Other	185	105	105	80
51,123	Total sales of goods and services	52,279	54,352	52,673	(2,073)

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

Outputs to other government agencies comprise trade between the Office and other government bodies. These transactions are governed by Service Level Agreements between the contracting parties.



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Note 11: Sales of Goods and Service (Revenue) (continued)

Fees and charges, general sales & others include administrative fees and user charges levied on the public for the delivery of government services. Certain respective rates and fee structures are Gazetted and governed by the relevant revenue laws and regulations.

Note 12: Donations

Prior Year Actual December 31, 2021	Source	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
179	Foreign & Commonwealth Office - Helicopter Support	168	184	184	(16)
124	Foreign & Commonwealth Office - IBIS Operator & Digital Forensic Hub Support	88	37	37	51
-	R3 Cayman Foundation - BTX Imagers	92	-	-	92
-	Maritime & Coastguard Agency	26	-	-	26
303	Total Donations	374	221	221	153

During the year ended 31 December 2022, the Office received Donations from third parties to support the activities of the Helicopter project, Digital Forensic Hub and the Cayman Islands Coast Guard.

Note 13: Personnel costs

Prior Year Actual December 31, 2021	Description	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
29,652	Salaries, wages and allowances	30,620	32,651	30,700	2,031
6,443	Health care	7,466	7,704	7,281	238
1,464	Pension	1,528	1,670	1,662	142
297	Leave	(43)	-	-	43
147	Other personnel related costs	178	121	106	(57)
38,003	Total Personnel Costs	39,749	42,146	39,749	2,397



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 December 2022
(Amounts Expressed in CI \$000's)

Note 14: Supplies and consumables

Prior Year Actual December 31, 2021	Description	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
4,292	Purchase of services	4,153	3,782	4,095	(371)
1,862	Lease of Property and Equipment	2,324	2,237	2,367	(87)
735	Utilities	866	820	769	(46)
824	Supplies and Materials	689	982	808	293
108	Recruitment and Training	664	262	762	(402)
2,060	Other	295	273	273	(22)
298	Interdepartmental expenses	286	307	307	21
24	Travel and Subsistence	178	77	77	(101)
10,203	Total Supplies & consumables	9,455	8,740	9,458	(715)

Included in Other Supplies & Consumables is \$0.2 million for the settlement of cases (2021 - \$2.0 million). These were legacy claims originating prior to the formation of the Office and transferred from the Ministry of Employment and Border Control, now referred to as the Ministry of Border Control and Labour. The amounts provided for are based on the latest communication from the Attorney General's Office.

Note 15: (Gains) / Losses

Prior Year Actual December 31, 2021	Description	Current Year Actual	Original Budget	Final Budget	Variance (Actual vs Orig)
22	Net (gain) / loss on disposal of property, plant and equipment	(120)	-	-	120
42	Net (gain) / loss on foreign exchange transactions	(5)	-	-	5
64	Total gain/ (losses)	(125)	-	-	125



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 December 2022
(Amounts Expressed in CI \$000's)

Note 16: Contingent Liabilities and Assets

The Office has several pending legal disputes which are reviewed on a continuous basis to establish if provisions are necessary. A provision has been made in these financial statements for potential costs arising out of these legal disputes. No provision has been made for legal disputes that have been appealed, the likelihood of a successful appeal as advised by the Attorney General and where there is no practical determination of the quantum if unsuccessful.

Note 17: Explanation of major variances against budget

Statement of Financial Position

Cash balances were higher than budget by \$4.8 million. A more detailed explanation is contained in the variance analysis of the Cash Flow Statement. Increased amounts are held in the Payroll account for efficiency purposes.

Trade receivables were \$3.9 million lower than budget, primarily due to lower Cabinet revenue receivable \$2.9 million compared to \$8.9 million in 2021.

Property, plant and equipment was higher than the original budget by \$4.0 million due to the net revaluation gains on Land and Buildings arising from the revaluation exercise completed as at 1 January 2021.

Other Payables and accrual balances were higher than the original budget by \$1.0 million due to timing of payments and the payment of previously outstanding legal liabilities.

Employee entitlements were higher than the original budget by \$0.3 million, this was driven by higher accruals for comp time and unpaid overtime incurred in December for proactive policing initiatives.

Statement of Changes in Net Worth

Total Net Worth as at 31 December 2022 was higher than budget by \$3.8 million. This was driven primarily by \$3.1 million lower equity injection than budgeted for the construction of the delayed marine vessels.

The unused appropriations for 2022 were transferred to the 2023 financial year, as provided under Section 9(5) of the Public Management and Finance Act (2020 Revision). The transferred appropriation of \$3.1 million is reflected as the change between the original budget and final budget.



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 December 2022
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Note 17: Explanation of major variances against budget (continued)

Statement of Financial Performance

Total Revenue was lower than budget by \$2.0 million. The main driver related to the Cabinet revenue where, due to astute management of resources, the OCP was able to provide billable outputs to Cabinet at a lower unit cost.

The difference of \$1.7 million between the original budget and final budget is the amount being carried forward to Fiscal Year 2023, in accordance with Section 9(5) of the Public Management and Finance Act (2020 Revision).

Total Expenses were less than budget by \$1.9 million.

Personnel costs were lower than the original budget by \$2.4 million. The shortfall was the result of the challenges of recruiting and retaining quality employees. The OCP was able to absorb the additional increments instituted by central government, the personnel costs of tropical storm Ian and the measures put in place to combat escalating gun violence.

This positive variance is not expected to reoccur in 2023 as a result of 2022 end-of-year recruitment, increased health care costs and the full year impact of the cumulative 4.5% increase in salaries and pensions. Costs associated with leave had a positive variance as result of the opening of borders following the lifting of restrictions post COVID-19 and were partially offset by increases of the liability associated with Comp time.

Supplies and Consumables costs were higher than original budget by \$0.7 million. This was driven mainly by higher than budgeted training and recruitment costs of \$0.4 million, purchase of services of \$0.4 million and \$0.1 million associated with lease of property and equipment. Included in the purchase of services is aircraft maintenance and professional fees. These were noticeably higher in 2022 but were offset by savings in expenses related to forensics and investigations.

There were also significant savings in fuel and oils primarily arising the introduction of a more fuel-efficient fleet of vehicles, utilising reduced engine capacity and the use of hybrids where possible.



NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 December 2022
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Note 17: Explanation of major variances against budget (continued)

Cash Flow Statement

Cash and cash equivalents were \$4.8 million higher than budget for the period ended 31 December 2022. This variance was due mainly to:

Net cash flows from operating activities were higher than budget by \$2.9 million. This was mainly due to increased Cabinet revenue of \$3.8 million as a result of prior year receipts and other timing differences. Personnel costs were \$2.5 million lower offset by \$4.0 million increased supplies and consumables. Included in supplies and consumables were payments of approximately \$2.5 million related to the settlement of outstanding legal claims.

Cash out flows from investing activities were \$3.7 million lower than budget due to procurement delays in the construction of marine vessels arising from the international impact of negative world events. Proceeds from the disposal of assets beyond their useful lives resulted in an additional \$0.2 million.

Cash inflows from financing activities were lower than budget by \$0.4 million, mainly due to timing differences in the collection of Equity funding. Collection of 2021 Equity funding was offset by lower 2022 requests as a result of the lower investment in capital expenditure.



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Note 18: Related Party and Key Management Personnel Disclosures

The Office is an entity of the government from which it derives a major source of its revenue. The Office transacts with other government entities on a regular basis. These transactions include arm's length transactions governed by Service Level Agreements as well as those provided free of cost, are consistent with normal operating relationships between entities and, are undertaken on terms and conditions that are normal for such transactions.

Key Management Personnel

Key management personnel are considered related parties and received the following remuneration.

Prior Year Actual December 31, 2021	Description	Current Year Actual	Number of posts
1,540	Salaries & other short-term employee benefits	1,543	10
1,540	Total	1,543	

During the year, the Office purchased goods and services worth \$2 thousand from a company owned by a close family member of one of the Office's key management personnel.

No loans were granted to key management personnel or to their close relatives.

Note 19: Commitments

Prior Year Actual December 31, 2021	Type	One year or less	One to five Years	Over five Years	Current Year Actual
Capital Commitments					
-	Property, plant and equipment	456	137	-	593
-	Total Capital Commitments	456	137	-	593
Operating Commitments					
6,790	Non-cancellable accommodation leases	2,413	3,994	-	6,407
2,025	Non-cancellable contracts for the supply of goods and services	877	254	-	1,131
8,815	Total Operating Commitments	3,290	4,248	-	7,538
8,815	Total Commitments	3,746	4,385	-	8,131



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Note 19: Commitments (continued)

Capital commitments include contracts for the construction of a marine vessel, the purchase of firearms and specialist equipment.

Non-cancellable leases relate to the accommodation for various administrative and operational units within the OCP.

Non-cancellable contracts include the provision of services such as helicopter maintenance, IT support, security, janitorial, pest control and landscaping.

Note 20: Segment reporting

The components and functions of each segment are detailed on page 8 under the description and principal activities.

	Administration and Support	Royal Cayman Islands Police Service	Cayman Islands Coast Guard	Total
Revenue				
Outputs from Cabinet	7,628	40,463	2,943	51,034
Sale of goods and services & other revenue	1,260	330	29	1,619
Total Revenue	8,888	40,793	2,972	52,653
Expenses				
Salaries and Wages	5,940	32,136	1,673	39,749
Other expenses	2,506	9,034	1,330	12,870
Total Expenses	8,446	41,170	3,003	52,619
Net Surplus/ (Deficit)	442	(377)	(31)	34
Assets				
Current Assets	19,558	3,003	633	23,194
Other Non-Current Assets	150	-	-	150
Fixed Assets	12,932	18,701	9,884	41,517
Total Assets	32,640	21,704	10,517	64,861
Liabilities				
Current Liabilities	2,757	1,355	129	4,241
Total Liabilities	2,757	1,355	129	4,241
Net Assets	29,883	20,349	10,388	60,620



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

(Amounts Expressed in CI \$000's)

Note 21: Financial instrument risks

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

Currency and interest rate risk

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

Liquidity risk

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

All of the Office's financial liabilities (creditors and payables), except the provision for legal and other liabilities, will be settled in less than six months from the date of these financial statements.

Note 22: Financial instruments - fair values

As at 31 December 2022, 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.

Fair values are determined at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 December 2022

(Amounts Expressed in CI \$000's)

Note 23: COVID-19 Pandemic

During 2022 the impact of the Covid-19 Pandemic in the Cayman Islands was significantly reduced compared to 2021. Notwithstanding, 2022 remained quite challenging especially for the front-line services that are responsible for keeping the community safe.

The table below shows Covid-19 costs, where it can be seen that there was a significant reduction in costs from 2021 to 2022.

COVID-19 Expenses:

Description	Current Year Actual	Prior Year Actual December 31, 2021
Overtime Expenses	11	471
Supplies and consumables	10	19
Total	21	490

Note 24: Going Concern:

The Office is a public entity and is 100% owned by the Cayman Islands Government. The organization derives approximately 98% of its annual income from the provision of output services to the government. The Cayman Islands Government remains in a strong financial position and has given no indication that it will have difficulty funding the Office for ongoing operations.

The Office closed the 2022 fiscal year with significant unrestricted cash, cash equivalents and receivables to operate the organization for up to four months.

The Office maintains the ability to operate as a going concern for the foreseeable future given the financial position of the government.

In making this assessment, management considered all available information concerning the next twelve-month period from the balance sheet date that was available at the time these financial statements were issued.

Note 25: Events occurring after reporting date

No significant events occurred after the reporting date.

APPENDIX II - EXECUTIVE FINANCIAL TRANSACTIONS

Entity Financial Transactions are the financial transactions that a Ministry, Portfolio or Office carry-out when conducting its business or delivering its outputs.

The entity financial transactions include entity revenue, entity expenses, entity liabilities and entity assets. Entity expenses include salaries, pension contributions, electricity and professional fees amongst other costs. Entity assets are assets used for the delivery of a Ministry's, Portfolio's or Office's Outputs and include furniture, motor vehicles, boats and computers. Entity liabilities incurred by a Ministry, Portfolio or Office include accounts payable and accrued leave. The revenue that a Ministry, Portfolio or Office receives primarily from the Cabinet to deliver its outputs, is known as entity revenue, which is used to pay for entity expenses, entity assets and entity liabilities.

Executive Financial Transactions, on the other hand, are the financial transactions that do not relate to the operations of a Ministry, Portfolio or Office but to the executive revenue, executive expenses, executive liabilities and executive assets of the Cabinet.

Executive revenue is for the benefit of Cabinet's use and includes import duty, firearms licences, miscellaneous licences, and work permit fees amongst many other revenue descriptions. The Cabinet uses the executive revenue to pay for its executive expenses such as outputs delivered by Ministries, Portfolios and Offices, general insurance, transfer payments and finance costs amongst many other such costs. The executive assets of the Cabinet include cash on hand and bank accounts in the name of the Office of the Commissioner of Police Executive, maintained at the Royal Bank of Canada, receivables from licences and the net worth of the entity - OCP.

The following Statement sets out the Executive Financial Transactions of the Office of The Commissioner of Police.

**STATEMENT OF EXECUTIVE FINANCIAL TRANSACTIONS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts Expressed in CI \$000's)**

	Current Year	Original Budget
Executive Revenue		
Firearms Licenses	46	-
Miscellaneous Licenses	86	-
Total Executive Revenue	132	-

	Current Year	Original Budget
Executive Expenses		
OCP 1 Crime Prevention and Protection Services	27,459	28,062
OCP 2 Crime Investigation and Licensing Services	13,004	14,200
OCP 3 Policy Advice, Administrative and Support Services	7,628	7,670
OCP 4 Coast Guard Services	2,943	3,383
Total Executives Expenses	51,034	53,315

	Current Year	Original Budget
Executive Assets		
Cash and cash equivalents	9	-
Equity Investment - Office of the Commissioner of Police	60,620	56,780
Total Executive Assets	60,629	56,780

	Current Year	Original Budget
Executive Investment		
El 79- Office of the Commissioner of Police	1,761	4,876



**Office of the
Commissioner of Police**
Cayman Islands Government

Office of the Commissioner of Police

2022 Annual Report

April 2023

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