



Ministry of Finance & Economic Development

Cayman Islands Government

2022 ANNUAL REPORT





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Purpose

The Public Management and Finance Act requires an entity (a Ministry, Portfolio or Office) to prepare and Table an Annual Report in the Parliament. Annual Reports should include details of an entity's activities during the year; a statement reporting all executive financial transactions that the entity administered on behalf of Cabinet; and financial statements that compare the entity's actual performance with the performance specified in budget documents.



This Annual Report, which is prepared by the Ministry of Finance & Economic Development (the "Ministry"), seeks to provide a clear, understandable, and comprehensive review of the Ministry's activities, achievements, and performance during the 12-month period from 1 January 2022 to 31 December 2022. The financial statements, which are included in this Annual Report, and which comply with International Public Sector Accounting Standards, detail the performance of the Ministry during the financial period noted above and provide explanations for variances between actual and budgeted performance.



Message from the Honourable Deputy Premier and Minister for Finance & Economic Development Honourable Chris Saunders, MP

As Deputy Premier and Minister for Finance & Economic Development, I am pleased to report on the developments and progress of the Ministry of Finance & Economic Development for the 2022 financial year.

During the 2022 financial year, there were a number of noteworthy leadership and achievements within the Ministry.

The Ministry is proud of Ms. Melissa Martinez-Ebanks, the Deputy Postmaster General, Operations and Human Resources becoming the first person in the Caribbean to be elected as the Vice-Chair on the International Express Mail Service (“EMS”) Cooperative Board. The EMS, which is the postal industry’s courier product for documents and merchandise, comprises of various postal operators of the Universal Postal Union (“UPU”), that connects 175 countries and territories worldwide.

The hard working and dedicated team at the Cayman Islands Postal Services was exemplary in achieving the UPU S58 and S59 security certification, at the Silver level, at the Airport Post Office. The implementation of these security measures, which are rated against international standards, prioritizes the prevention of injuries to people due to the carriage of dangerous goods in the mail; the prevention of loss or theft of mail; the prevention of revenue or asset losses; and the preservation of customer confidence. Cayman now joins the elite company of Barbados, Bermuda, Jamaica and St. Vincent and the Grenadines in earning the UPU S58 and S59 certification in the Caribbean region.

In 2022, the Economic and Statistics Office successfully completed the Cayman Islands’ 2021 Census of Population and Housing Report (Census 2021), which serves as a critical forward planning tool. Census 2021 allows the country to benchmark our performance as a society and measure how we meet the aspirations of residents. I urge all residents to take the time and read this comprehensive report. It serves as the foundation for evidence-based policy at the Government level, and is indeed vital to decision making at every level of society, including investment and business decisions.

The Census is located at:

https://www.eso.ky/UserFiles/page_docs/ums/files/uploads/the_cayman_islands_2021_census_of_popula.pdf



Message from the Minister cont'd

During 2022, the Ministry's Corporate Unit processed 662 applications, of which 408 or 62% were for waivers and refunds of stamp duty. The applications resulted in a total amount of \$8.9 million in stamp and import duties being waived, of which \$8.1 million or 91% was in relation to the waiver of stamp duty on land and homes. Reducing stamp duty on land and housing for Caymanians is a key initiative of the PACT Government to endeavor that Caymanians have access to adequate and affordable housing.

In comparison to 2021, a total amount of 823 applications were processed for waivers and refunds of stamp duty, resulting in the waiver of \$6.7 million in stamp duty on land and homes.

In June 2022, the Treasury Department facilitated the drawdown of the remaining US\$393 million of the US\$403 million "Line of Credit" loan facility that was executed in December 2020. The decision to draw down the loan funds at that time was to take advantage of the low 3.25% fixed interest rate that was offered by the consortium of local banks and to avoid the rapidly increasing interest rates that were being imposed by the US Federal Reserve, and which would take effect in the Cayman Islands.

The Treasury Department invested the US\$334 million of loan funds in US Government Treasury Notes, which yield approximately 3.2% per annum. The yield on the Treasury Notes substantially reduces the Government's 3.25% carrying cost on the loan funds.

The Treasury Department also kicked off the project to modernise the Government's budgeting and reporting framework where the Government's focus will shift to the achievement of outcomes and where performance indicators will be clearly defined, monitored and reported. The size of the budget documents will decrease significantly making them more concise, transparent and easier to understand and behind the scenes, a budget system will be implemented to enable a more streamlined and efficient budget preparation and reporting process. It is envisaged that this modernisation process will be completed in sufficient time to allow for its implementation on the 2026-2027 budgets.

I thank the staff and management of the Ministry for their hard work during the 2022 financial period and I look forward to future successes in the years to come.

Honourable Chris Saunders, MP

Deputy Premier and Minister for Finance and Economic Development

28 February 2023



Message from The Financial Secretary & Chief Officer **Kenneth Jefferson, JP**

I am pleased to present the Annual Report of the Ministry of Finance & Economic Development (“the Ministry”) for the 12-month financial period ended 31 December 2022.

The Ministry’s performance this year is reflective of the contribution and perseverance of staff, who remain committed to ensuring that the strategic aims of the Cayman Islands Government are achieved. To this end, the Ministry holds with high importance its obligation to invest in the development of all who work within its portfolio, to ensure they are provided with the skills and support required to best serve the public.

I am particularly pleased to confirm that through diligent and effective succession planning, several positions were filled internally, and 88% of our staff are Caymanian. As a Ministry we set very high standards for ourselves that staff meet and exceed; despite inevitable challenges and an often heavy workload.

As shown on page 6 of the 2022 financial statements, the Ministry ended the financial period with \$22.4 million in Total Assets. Of this amount, \$12.4 million or 55 % comprise of cash and cash equivalents which includes cash on hand, cash in transit and bank accounts with a maturity of no more than three (3) months from the date of acquisition.

Total liabilities amounted to \$2.8 million, the majority of which comprise of \$1.7 million in other payables and accruals.



Message from The Financial Secretary & Chief Officer cont.

Net assets, which are Total Assets less Total Liabilities, amounted to \$19.6 million.

The Statement of Financial Performance, as shown on page 7 of the financial statements, shows that the Ministry earned \$16.6 million in revenue for the 12-month period. Almost all of this revenue was earned from the delivery of outputs to Cabinet.

The Ministry incurred the same amount of revenue, \$16.6 million, in operating expenses during the year, of which \$12.9 million or 78 % comprise of personnel costs. Personnel costs include salaries, health insurance and pension.

The Ministry continues to exercise financial prudence and responsibility and only invoices Cabinet for the delivery of Outputs on the basis of actual (as opposed to budgeted) costs. This is the reason for the Ministry ending the 2022 financial year in a break even position.

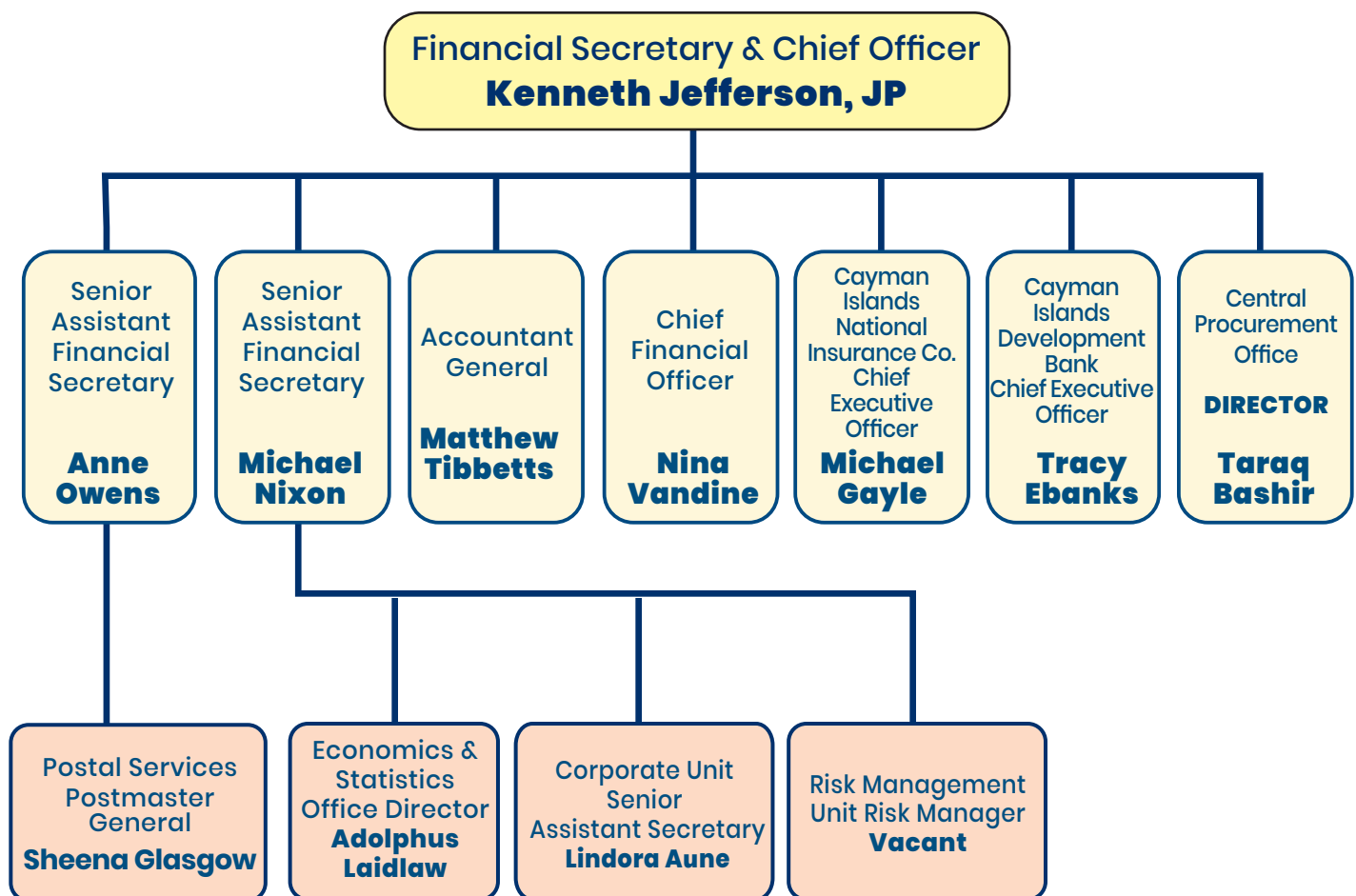
During this fiscal period, the rapport between the Ministry, its Statutory Authorities and Government Companies and Departments has been highly productive, and I gratefully acknowledge and commend the respective senior management teams for their mutual cooperation and support.

I extend sincere appreciation to all the staff within the Ministry for their dedication and professionalism throughout the year. I am pleased to provide the Annual Report for the Ministry of Finance & Economic Development for the financial year ended 31 December 2022.

Kenneth Jefferson, JP
Financial Secretary & Chief Officer
28 February 2023



Organisational Chart



Details on Our Staff

Number of Staff
Employed as of
31 December 2022

163

Gender Diversity

Female: 111

Male: 52

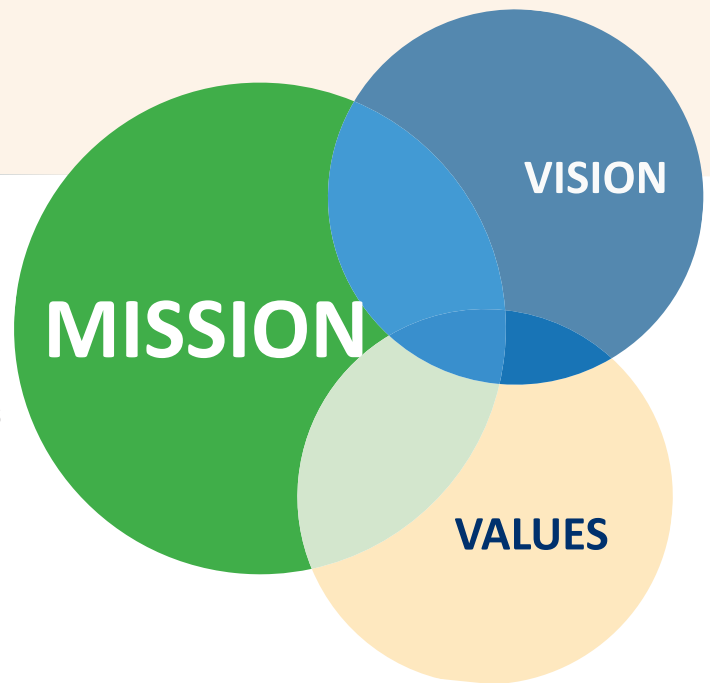
Nationalities

Age of Staff

Nationalities	Total	Age Band (Years)	Number
Caymanian	144	16-20	2
American	1	21-25	6
British	3	26-30	18
Barbadian	1	31-35	8
Canadian	2	36-40	21
Guyanese	1	41-45	22
Jamaican	8	46-50	23
Kittitians and Nevisians	1	51-55	20
St Vincentian	1	56 and over	43
Zimbabwean	1		



Our revised mission statement and four values statements that represent what we consider as the essential attitudes and approaches we must bring to our daily delivery of that mission, and the individual and collective contributions we will be making towards our shared vision for the future.



OUR MISSION

“To foster sustainable economic growth and international competitiveness through effective and accountable use of public finances that enhance quality of life in the Cayman Islands.”

OUR VISION

“An innovative Ministry that drives excellence through timely, informed and accountable decision making.”

OUR VALUES

Transparency and accountability: We take responsibility for our actions and are transparent and accountable when dealing with others;

Integrity: We conduct our work ethically and truthfully, in a manner that creates confidence and trust in those we work with and report to;

Teamwork and collaboration: We achieve common goals through successful working relationships with those who may have diverse ideas, strengths and cultural backgrounds; and

Respect: We treat everyone with respect, fairness and dignity and value the ideas and opinions of those with whom we work.



Key Stakeholders

The Ministry has a diverse set of stakeholder groups given the range of programming that it delivers.



OTHER GOVERNMENT ENTITIES

The Cabinet, the Parliament, Ministries, Portfolios and Offices (MPOs), Statutory Authorities and Government Companies (SAGCs) that are users of the Ministry's outputs or producers of information that utilise information by the Ministry; SAGCs reporting through the Ministry: Cayman Islands National Insurance Company (CINICO) and the Cayman Islands Development Bank (CIDB); and producers of statistical information in the public sector including members of the National Statistical Coordination Committee.



THE LOCAL COMMUNITY

Businesses, including banks, philatelists and those who are vendors/suppliers to the Government; Non-government organizations, such as the Cayman Islands Seafarers Association; the general public; respondents, advocates and providers of feedback/recommendations on the Ministry's enabled products and services; and public-private sector committees whose specific data and information needs are addressed through Ministry programming.



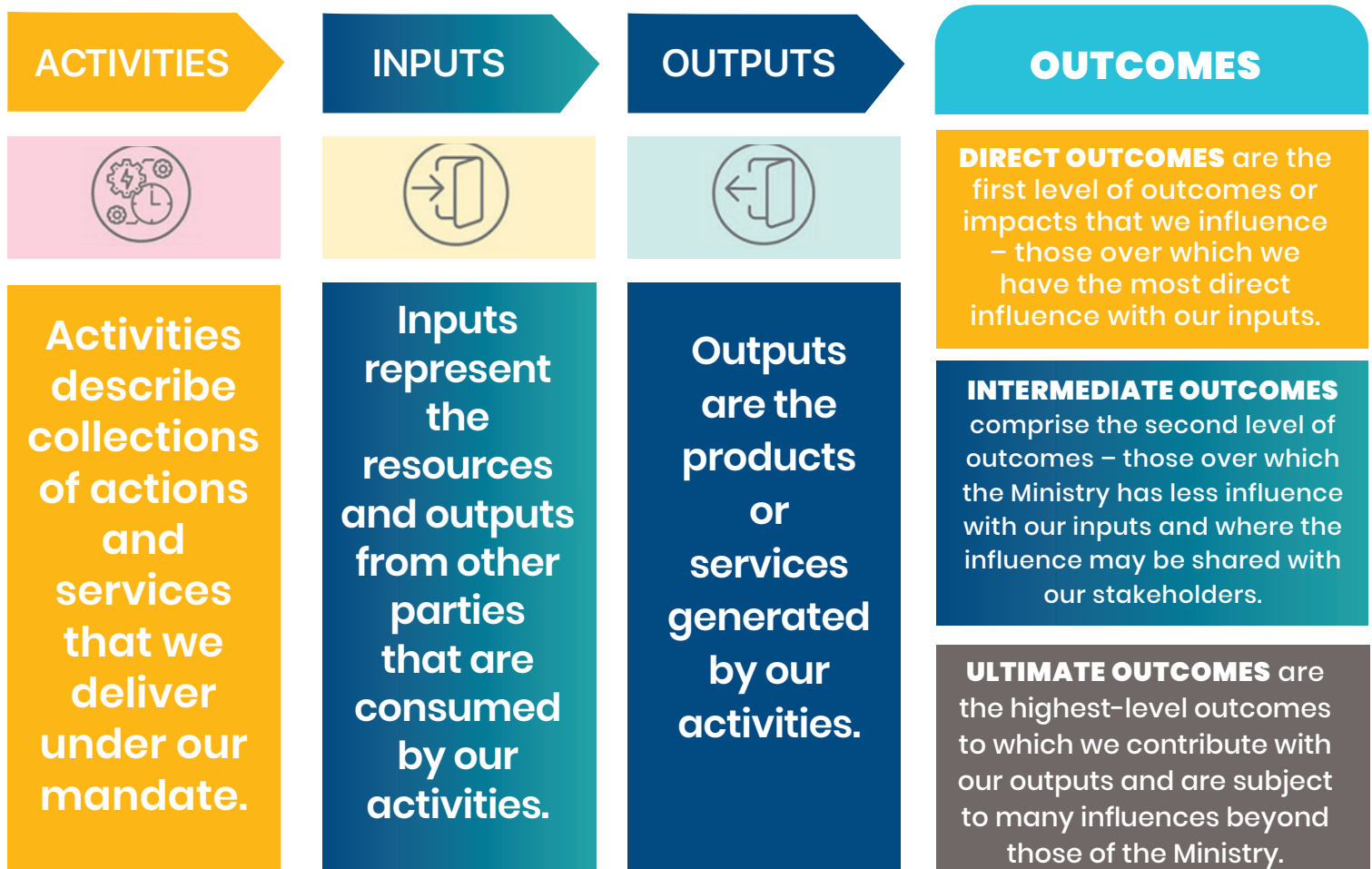
INTERNATIONAL ENTITIES

International and regional organisations as providers of technical assistance especially related to the implementation of international or regional standards and as users of the Ministry's enabled statistics and reports especially in the areas of global and regional financial and economic surveillance.



The Ministry's Delivery Model

The “delivery model” represents the activities and outputs that we deliver to fulfill our mandate and mission, the inputs that we use to produce these outputs and the impacts that we make with these outputs. These delivery model components are defined as follows:



Delivery Model – Outcomes

Government's Broad Strategic Outcomes

- A strong economy to help families and businesses
- Stable, effective and accountable government
- Stronger communities and support for the most vulnerable

Direct Outcomes

- Public sector officials are provided with analysis, information and advice on the fiscal and economic implications associated with sectoral and economic policy
- Public sector officials are provided with evidence-based analysis, research and advice on matters that impact the Caymanian economy
- Public sector officials are provided with information, knowledge and tools to put in place sound management practices
- Public sector, the private sector and persons living in the Cayman Islands have communications, logistics and materials to enable them to conduct their individual, business and governmental affairs

Intermediate Outcomes

- Public sector officials make informed decisions on the fiscal and economic implications associated with sectoral and economic policy
- Public sector officials make informed decisions on matters that impact the Government's economic and fiscal agenda
- Government organizations implement sound financial and non-financial management practices
- Public sector and Cayman Islands residents are able to contribute to the quality of life in their communities and to business and governmental results

Ultimate Outcomes

- A strong economic, social, fiscal, and financial policy framework
- The public finances of the Cayman Islands are sound, sustainable and inclusive
- Well-managed and efficient government/public sector operations
- A transparent, accountable, and responsible public sector
- A strong local supply base for works, goods, and services



Functions & Outputs

FUNCTION Finance Administration

INPUT

- Information
- Data (various sources)
- Human resources

OUTPUT

- Information and advice
- Fiscal policies, guidance and direction
- Abatements, waivers, company exemptions, concession
- Government loans
- Risk management framework
- MPO financial statements
- Advice to Cabinet

FUNCTION Treasury Department

INPUT

- Financial resources
- Infrastructure
- Specialized business software
- Stakeholder input, MPO
- SAGC financial statements

OUTPUT

- Revenue deposits for government
- Support of the Integrated Resource Information System
- Cash management reports
- Revenue forecasts and financial reports
- Government budget
- Government accounting policy
- Payroll/payments
- Loans to individuals and employees
- Trust accounts

FUNCTION Economics & Statistics Office

INPUT

- IT support
- Policies, legislation and regulations
- International treaties
- International statistical standards and methodologies;

OUTPUT

- Survey instruments, Statistical Principles, classifications and methodologies
- Economic forecasts and reports
- Economic research studies
- Statistical reports, publications and support
- Statistics and data
- Policies and technical advice on economic and statistical matters, data collection and dissemination, survey design and methodologies

FUNCTION Central Procurement Office

INPUT

- Requests for information and advice

OUTPUT

- Education and training opportunities
- Procurement legislation, regulations, policies, procedures, guidance
- Procurement standards, tools and templates
- Procurement decisions
- Government-wide contracts

FUNCTION Cayman Islands Postal Services

INPUT

- Information
- Stamps
- Financial Resources
- Human Resources

OUTPUT

- Mail deliveries and support
- Retail sales
- Revenue deposits for Government and other entities
- Philatelic program



Our Strategic Plan's



Ministry of Finance &
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Cayman Islands Government

Objectives & Progress for 2021–2025

The strategic objectives and supporting initiatives that make up the 2021–2025 Strategic Plan were derived from a consultation process that engaged key stakeholders, managers and employees through a survey, interviews and working sessions to arrive at key strategic issues the Ministry needs to address over the five-year period. These strategic issues were then grouped into a set of proposed themes and prospective initiatives for consideration by the Ministry's management team, who then decided on the objectives and initiatives that follow.

These strategic objectives represent the key priorities in support of our vision that the Ministry wishes to embark on over the five-year period. The work that will be undertaken during this time represents our agenda for change.

**Over the
5 YEAR
period,
we will
undertake
the
following
initiatives:**

Take on leadership for the crafting of a government-wide economic development strategy

- Re-examine, define and re-design the Ministry's economic development role;
- Work with our public and private sector stakeholders and Cabinet to craft an integrated strategy for the development of the economy of the Cayman Islands;
- Develop a more strategic and structured approach to Government procurement as well as reviewing and improving procurement processes; and
- Help build capacity across the public sector to support a collaborative and impactful economic development strategy

**Over the
5 YEAR
period,
we will
undertake
the
following
initiatives:**

Improve public and private sector decision-making, collaboration and resilience

- Develop statistical information that is tailored to the unique needs of various stakeholder groups;
- Strengthen statistical capacity and data literacy in public and private sector organizations and within the Caymanian population;
- Develop a framework and work with stakeholders to improve data collection and data integrity and promote a data-driven culture; and
- Review and enhance the Government-wide risk management framework and plan





Our Strategic Plan's Objectives for 2021-2025 cont'd.

Strengthen Government's managing for results environment and culture

There are two primary areas that the Ministry will focus on in relation to this strategic objective:

1. Continue to work with public entities to bolster the timeliness, quality and usefulness of financial reporting across the Government. The Ministry will build upon current projects underway, for example, to develop and implement risk management processes that ensure the effective collection of government revenues and to modernize the budget system for the 2024 and 2025 budgets; and

2. Enhance the framework for reporting service performance information with the objective of demonstrating how effectively and efficiently public resources are used and the performance expectations and impacts achieved. This will help make the transition to the better management of outputs and outcomes.

**Over the
5 YEAR
period,
we will
undertake
the
following
initiatives:**

- Develop a managing-for-results policy together with the supporting implementation guidance;
- Modernize the business practices, decision-making processes and tools used to support results-based management and accountability;
- Implement a strategy for building capacity and evolving the Government managing for results culture;
- Develop and implement a Government-wide results-based management and accountability framework for assessing financial and non-financial performance; and
- Review and enhance the reporting processes and tools for budgeting, revenue forecasting, stress testing and planning.

Become a workplace of choice for Civil Servants within the Government

In order to achieve this objective, the following initiatives will be carried out:

- Champion new approaches, tools and materials that will foster a workplace culture of mutual trust, respect and dignity for everyone;
- Embed a culture of constant improvement, innovation, and proactivity within the Ministry;
- Develop a coordinated learning and development plan for the Ministry to build capacity and guide career development and advancement; and
- Strengthen leadership, decision-making and communication skills in the management levels of the Ministry.



Progress on Our Strategic Plan's Objectives for 2021 – 2025



Ministry of Finance &
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The below Table provides a status update on the progress of the Plan's objectives and initiatives.

STRATEGIC OBJECTIVE 1:

Take on Leadership for the Crafting of a Government-Wide Economic DEVELOPMENT STRATEGY			
INITIATIVE	STATUS OF COMPLETION	ACTIONS TAKEN TO DATE / ACTIONS TO BE TAKEN	DATE OF PLANNED IMPLEMENTATION
Re-examine, define and re-design the Ministry's economic development role	• In Progress	An updated and re-designed development plan will ensure that the Cayman Islands continues to target and facilitate sustainable growth initiatives. Given Cayman's limited natural resources and relatively small size, it is essential to maintain a targeted growth and development strategy that is focused on sustainability. A comprehensive economic plan will guide policymakers to ensure that future initiatives are robust and benefit all Caymanians. The Economic and Statistics Office ("ESO") has explored approaches to re-design and produce an updated economic development plan. Based on initial exploration, the Office is currently drafting terms of reference to engage a consultant to spearhead the project under the guidance and assistance of the ESO. It is anticipated that a consultant will be engaged by the end of 2023. Throughout 2024 a full stakeholder consultation should take place with a draft economic development plan completed by the end of 2024.	31 December 2024



STRATEGIC OBJECTIVE 1:

Take on Leadership for the Crafting of a Government-Wide Economic DEVELOPMENT STRATEGY

INITIATIVE	STATUS OF COMPLETION	ACTIONS TAKEN TO DATE / ACTIONS TO BE TAKEN	DATE OF PLANNED IMPLEMENTATION
Work with our public and private sector stakeholders and Cabinet to craft an integrated strategy for the development of the economy of the Cayman Islands	• In Progress	Stakeholder partnership is important in building and strengthening capacities using local resources. The private sector plays a key role in economic development and their contribution to national income and job creation, tax revenues, and the flow of capital impacts decision-making processes. Therefore, working with public and private sector stakeholders is important in crafting an effective integrated strategy for the development of the economy. Consultation with stakeholders can leverage opportunities and mitigate unforeseen challenges. The Director of ESO and/or his designate currently sits on the core boards and committees that impact and influence the Islands' economic direction. These include inter alia; the Energy Policy Council, The Minimum Wage Advisory Committee, the Board of Directors of the Cayman Islands Development Bank, and the Inter-Ministerial Committee on Housing. Being an integral part of these committees allows the ESO to guide initiatives that will impact the economy and enable Cabinet to use data and comprehensive analysis for decision making. The ESO will continue to be available to participate in and provide statistics and analysis to guide new development initiatives by both the public and private sectors.	31 December 2025



Progress on Our Strategic Plan's Objectives for 2021 – 2025



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Strategic Objective 1:

Take on Leadership for the Crafting of a Government-Wide Economic **DEVELOPMENT STRATEGY**

INITIATIVE	STATUS OF COMPLETION	ACTIONS TAKEN TO DATE / ACTIONS TO BE TAKEN	DATE OF PLANNED IMPLEMENTATION
Develop a more strategic and structured approach to Government procurement as well as reviewing and improving procurement processes	Completed	As part of the Government's framework for fiscal responsibility, the Ministry established the Central Procurement Office to ensure that procurement processes are open, transparent and competitive and that the Government achieves value for money. The majority of our responsibilities, as laid out in the Procurement Act, are ongoing, perpetual functions that require updating annually to meet the needs of the Cayman Islands Government. The Central Procurement Office is continuously monitoring, improving and updating the procurement processes including: - making necessary amendments to the Procurement Act and the Procurement Regulations to ensure the improvement of procurement processes. The latest amendments to the legislation included the Procurement (Amendment) Regulations, 2021 and the Procurement (Amendment) Bill, 2021, which sought to: - update the definition of an approved business case; - update the processes for the appraisal and approval of all projects including the requirement for a business case; - provide further clarification on the direct award process; - provide the exception for when a public notice of opportunity must be published; - update the methods used when conducting a competitive procurement process; - update the conditions for when a pre-qualification process is permissible; - clarify the bid opening process for projects with a value of over two hundred and fifty thousand dollars; - update the required procurement documentation; - provide a timeframe for unsuccessful bidders to request debriefing information; - provide a timeframe for when complaints, regarding the administration of the procurement process, can be filed by a bidder; - clarify the contract award information that is exempt from publication; and - clarify the requirement for formal industry consultation and local impact assessments.	31 December 2022





STRATEGIC OBJECTIVE 1:

Take on Leadership for the Crafting of a Government-Wide Economic DEVELOPMENT STRATEGY

INITIATIVE	STATUS OF COMPLETION	ACTIONS TAKEN TO DATE / ACTIONS TO BE TAKEN	DATE OF PLANNED IMPLEMENTATION
Develop a more strategic and structured approach to Government procurement as well as reviewing and improving procurement processes	• Completed	b. Continuing development and updating of the website for the Central Procurement Office, where key procurement information is located and can be centrally accessed; c. publishing Government Procurement Plans which provide potential bidders with a list of the procurement projects that the Government intends to undertake during each budget period; d. establishing the “Navigating the Process” training sessions, which provide Public Entities with training on the overall procurement process, the development of tender documents, procurement principles and ethics, Bonfire (the e-procurement system) and on the development of business cases. Business cases are an integral part of the procurement process as they provide a number of procurement options and assesses the viability and feasibility of each option; e. issuing the “Contract Variation Policy”, which accompanies the Contract Management Toolkit and which ensures that Public Entities have the necessary resources to effectively execute and manage contractual obligations; f. providing oversight on the establishment of Entity Procurement Committees within Public Entities (“EPC”). The EPCs form part of the procurement governance framework and provide the assurance that procurement processes comply with procurement legislation, policies and procedures and that value for money is achieved; g. providing procurement guidance and assistance to the Public Procurement Committee (“PPC”). The PPC is responsible for procurement recommendations ensuring fairness, impartiality and compliance with procurement legislation, policies and procedures; h. establishing the “Emergency Procurement Procedure”, where qualified emergency procurements are exempt from statutory requirements, while ensuring accountability, transparency and value for money.	31 December 2022



Progress on Our Strategic Plan's Objectives for 2021 – 2025



Ministry of Finance &
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STRATEGIC OBJECTIVE 1:

Take on Leadership for the Crafting of a Government-Wide Economic DEVELOPMENT STRATEGY

INITIATIVE	STATUS OF COMPLETION	ACTIONS TAKEN TO DATE / ACTIONS TO BE TAKEN	DATE OF PLANNED IMPLEMENTATION
Help build capacity across the public sector to support a collaborative and impactful economic development strategy	• In Progress	Public sector institutions are at the forefront of governments' responses to a myriad of challenges; therefore, it is important to have a capable public sector that is proactive, innovative and diligent in managing public affairs. Building capacity across the public sector will improve strategic planning and policy-making; resource mobilization and management; delivery of public goods and services; and enforcement of laws and regulations. The ESO provides data and occasional review guidance to Finance officers in various departments when formulating their revenue forecasts. The ESO also offered advice on business cases developed for the new submarine cable to the Cayman Islands and a data research company for Invest Cayman. In recent years there have been increased approaches for information and guidance on quantitatively technical projects, allowing the ESO to share its expertise and boost capacity within the civil service. The ESO continues to improve internal capacity through regional and international training participation. This will ensure the available of internal capacity to participate in and provide statistics and analysis to guide new development initiatives by both the public and private sector.	31 December 2025





STRATEGIC OBJECTIVE 2:

Improve Public and Private Sector Decision-Making. COLLABORATION AND RESILIENCE			
INITIATIVE	STATUS OF COMPLETION	ACTIONS TAKEN TO DATE / ACTIONS TO BE TAKEN	DATE OF PLANNED IMPLEMENTATION
Develop statistical information that is tailored to the unique needs of various stakeholder groups	• In Progress	This initiative highlights the importance of statistics in the decision-making process by aiding the establishment of numerical benchmarks and monitoring and evaluating the progress of policy or program. This is essential in ensuring that policies meet initial aims and identify areas that require improvement. One such example is the recently launched Ecosystem Accounts which provide a quantifiable measure of the dollar value of the contributions of environmental assets of the Cayman Islands. The development of the first (2020) Ecosystem Accounts for the Cayman Islands by Economics for the Environment (EFTEC) and the Joint Nature Conservation Committee (JNCC), in collaboration with the DOE, Cayman is expected to contribute to the measurement of the Cayman Islands environmental assets. This project is funded by the UK government through the Darwin Initiative, completing the 2021 Ecosystems Accounts (EA) by the ESO. The completion of the population and housing census in 2021 and the publication of the results in 2022 spurred a series of other data-driven initiatives geared at improving the provision of goods and services across the private and public sectors. Research is ongoing on producing gross national happiness indicators and human development index (HDI). The Ecosystems Accounts (EA) initiative will be ongoing as follows: - Quarter 4 2023-Quarter 1 2024: Update of the 2021 EA and compilation of the 2022 EA for the Cayman Islands - Quarter 4 2024-Quarter 1 2025: Update of the 2022 Ecosystems Accounts and compilation of the 2023 Ecosystems Accounts for the Cayman Islands - The national happiness indicators are expected to be completed by the end of 2024 and the HDI will be published in 2023	31 December 2025



Progress on Our Strategic Plan's Objectives for 2021 – 2025



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STRATEGIC OBJECTIVE 2:

Improve Public and Private Sector Decision-Making. COLLABORATION AND RESILIENCE			
INITIATIVE	STATUS OF COMPLETION	ACTIONS TAKEN TO DATE / ACTIONS TO BE TAKEN	DATE OF PLANNED IMPLEMENTATION
Strengthen statistical capacity and data literacy in public and private sector organizations and within the Caymanian population	• In Progress	Ongoing review of the various statistical compilation programs to ensure alignment with international best practices: • Implementation of the most current international recommendations regarding compilation based on available data. • Participate in Technical Assistance missions facilitated by multilateral agencies responsible for international guidance on the System of National Accounts (SNA) and other statistical compilations. • Review of the statistical compilation program of international experts and incorporating recommendations. Technical Assistance mission on SNA by the Caribbean Regional Technical Assistance Centre (CARTAC), the regional technical assistance centre of the IMF, between February 20 – March 3, 2023. The Framework will assist: • To improve stakeholder's understanding of the reasons for the data collection, how the data is used, and how the various datasets resulting from the data collection can be utilized. • To better articulate confidentiality and protection of the data collected. • To improve stakeholder buy-in for business and household surveys. • To improve the response rates to business households surveys. Introducing a dedicated software to streamline the processing and dissemination of trade statistics which are used for policy and decision-making by stakeholders.	31 December 2025





STRATEGIC OBJECTIVE 2:

Improve Public and Private Sector Decision-Making. COLLABORATION AND RESILIENCE			
INITIATIVE	STATUS OF COMPLETION	ACTIONS TAKEN TO DATE / ACTIONS TO BE TAKEN	DATE OF PLANNED IMPLEMENTATION
Review and enhance the government-wide risk management framework and plan	Completed	In 2021, the Ministry of Finance completed the full implementation of the government-wide risk management framework and plan, which included the development of a Risk Management Framework document and a Risk Register Tool along with providing training sessions, training videos, user manual and reference guides on the Framework and Tool. The Risk Register Tool is an essential management tool for monitoring risk management processes across the Government. Chief Officers and other senior management are now able to record the details of all risks that have been identified, along with their severity, and monitor the actions and steps that have been taken to mitigate those risks. The risk management resources and access to the Tool are available to all Civil Servants and are centrally located on the Hub at: http://thehub.gov.ky/task/frameworks-for-risk-governance/risk-management-framework/. During 2022, the Ministry offered one-on-one hand-holding training sessions to all Risk Units in order to guide and assist with the establishment and management of individual Risk Registers.	31 December 2022



Progress on Our Strategic Plan's Objectives for 2021 – 2025



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STRATEGIC OBJECTIVE 3:

Strengthen Government's Managing for Results ENVIRONMENT AND CULTURE			
INITIATIVE	STATUS OF COMPLETION	ACTIONS TAKEN TO DATE / ACTIONS TO BE TAKEN	DATE OF PLANNED IMPLEMENTATION
Develop a managing for results policy together with the supporting implementation guidance Modernize the business practices, decision-making processes and tools used to support results-based management and accountability Implement a strategy for building capacity and evolving the Government managing for results culture Develop and implement a government-wide results-based management and accountability framework for assessing financial and non-financial performance	• In Progress	In 2022, the Ministry commenced the project to Modernize Government's Budgeting and Reporting Framework, which addresses the initiatives of the Strategic Plan's Objective and which comprises of evolving the budgeting and reporting framework so that: a. the focus is on the achievement of outcomes, where outcomes are clearly defined and monitored, and performance indicators and outputs are manageable and clearly linked to outcomes; b. the budget documents are concise, clear and easy to understand; and c. technology is used to enable a streamlined and efficient budget preparation process. It is envisaged that this project will comprise of three (3) phases that will take place between 5 September 2022 and 31 December 2025: a. Phase 1: this phase of the project will involve the preparation of a business case that assesses the gaps within the existing budgeting and reporting framework and which recommends a preferred outcome-based budgeting and reporting framework. It is anticipated that Phase 1 will take place between 5 September 2022 and 31 January 2023. In September 2022, EY Cayman Ltd was contracted to prepare the business case. Consultancy services include: • providing all project management services including project assurance at different stages of the project lifespan, change management arrangements, benefits realisation and plans, including benefits register, risk management arrangements and plans, including a risk register, contract management arrangements and plans, post evaluation arrangements and plans and the development of a contingency plan; • identifying and document the gaps and issues with the current budgeting and reporting framework; • assessing the needs for improvement; • engaging and educating key stakeholders and users on the change process; • evaluating options for the an outcome-based budget and reporting framework; • setting out the rationale and recommendation for the preferred framework; and • preparing a business case in accordance with the Business Case Guidelines provided by the Central Procurement Office https://www.procure.gov.ky/templates.	31 December 2024





Progress on Our Strategic Plan's Objectives for 2021 – 2025

STRATEGIC OBJECTIVE 3:

Strengthen Government's Managing for Results ENVIRONMENT AND CULTURE			
INITIATIVE	STATUS OF COMPLETION	ACTIONS TAKEN TO DATE / ACTIONS TO BE TAKEN	DATE OF PLANNED IMPLEMENTATION
Review and enhance the reporting processes and tools for budgeting, revenue forecasting, stress testing and anning	. In Progress	b. Phase 2: this phase of the project will involve the implementation of the preferred budgeting and reporting framework that was recommended in the business case from Phase 1 of the project. It is anticipated that Phase 2 will take place between 1 April 2023 and 31 December 2025 • providing all project management services including project assurance at different stages of the project lifespan, change management arrangements, benefits realisation and plans, including benefits register, risk management arrangements and plans, including a risk register, contract management arrangements and plans, post evaluation arrangements and plans and the development of a contingency plan; • documenting the desired framework; • drafting amendments to legislation; • engaging and educating key stakeholders and users on the change process; • identifying the resources and capabilities that are required, including human and the IT infrastructure (computer hardware, networks, operating systems, budgeting and reporting tool, etc.); • assisting the Ministry with the procurement of the required resources (computer hardware, networks, operating systems, budgeting and reporting tool, etc.), ensuring compliance with procurement legislation and procedures (this will be a separate procurement process); • developing and implementing an IT system that is fit-for-purpose - capable of defining, capturing, monitoring and reporting on performance indicators and outcomes and is flexible to support changes in Government structures and processes as they occur; • configuring and implementing the budgeting and reporting tool and supporting IT infrastructure (understand needs, develop or procure the tool, conduct User Acceptance Testing for functionality and IT security, Go Live, etc.); • liaising and coordinating with stakeholders including the Computer Services Department on the implementation of the budgeting and reporting tool; and • providing training activities (sessions, material, videos, etc.) on the framework and the budgeting and reporting tool, including defining performance measures, defining outcomes, use of the budgeting and reporting tool, etc. c. Phase 3: this phase of the project will provide post implementation hand holding, maintenance and user support and to assist in the preparation of the 2026-2027 outcome-based Budgets. It is anticipated that Phase 3 of the project will take place between 1 January 2025 and 31 December 2025.	31 December 2024



Progress on Our Strategic Plan's Objectives for 2021 – 2025



Ministry of Finance &
Economic Development
Cayman Islands Government

STRATEGIC OBJECTIVE 4:

Become a workplace of choice for CIVIL SERVANTS WITHIN THE GOVERNMENT

INITIATIVE	STATUS OF COMPLETION	ACTIONS TAKEN TO DATE / ACTIONS TO BE TAKEN	DATE OF PLANNED IMPLEMENTATION
Champion new approaches, tools and materials that will foster a workplace culture of mutual trust, respect and dignity for everyone Embed a culture of constant improvement, innovation, and proactivity within the Ministry Develop a coordinated learning and development plan for the Ministry to build capacity and guide career development and advancement Strengthen leadership, decision-making and communication skills in the management levels of the Ministry	• In Progress	- The Ministry has developed an action plan that includes the below improvement strategies: - Promote a positive workplace culture: This will be achieved when we follow through with this action plan, prioritize well-being of our people, offer support at all levels and have policies in place that encourage respect, trust, empathy and support. Create an exit survey that will allow us to know specifically when people leave; - Improve communication: Hold quarterly staff meetings with all departments to discuss key areas (each department should have a rep that will speak on any major topics). This will also be helpful when introducing new processes. The development of an Employment Probation Review Process, which will ensure that the performance of staff is evaluated and documented prior to the expiration of a probation period; - Employee Recognition: Promote departments to put forward an employee to be considered for the Chief Officers choice. Increase staff celebrations – Monthly/ Quarterly Birthday, and recognize employee anniversary milestones (10,20 years); - Professional Learning and Development: Create a Professional L&D policy that outlines what is offered by the Ministry and what is expected of the employee during the study period. This will be beneficial to employees who feel they have hit the glass ceiling, but want to enhance their professional skills. It also shows that we have opportunities in place that allow continuous development; - Innovative Processes and Procedures: Improve/ Implement new policies and procedures such as – Hybrid working policy which will support the CIG flexible working policy, Professional L&D, Ministry Handbook covering all policies and procedures and Performance Management. Distribute to all departments to ensure consistency in approach. - Address the 2022 Engagement Survey Results (Areas with the lowest scores related to Learning & Development (64%), Inclusion & Fair Treatment (69%) Pay and Benefits (50%) and Leadership & Managing Change (58%): - Learning & Development – As mentioned above. - Inclusion & Fair Treatment – to be seen as an employer that strives to be inclusive we must ensure we have policies and procedures in place to help support this and follow through with them. - Pay and Benefits – While we may not be able to increase every employees salary we can implement other forms of attractive benefits such as, discretionary leave (.5 day off on birthdays (as done by Treasury), flexible working schedules. - Leadership & Managing Change – by improving the way we communicate with our employees this will allow employees to feel included and feel like they have a say in there progression. Over the next 2 years there will be an increased amount of changes and we must ensure they are being introduced in a way that is understood by all.	31 December 2024





Finance Administration

The Finance Administration section of the Ministry is responsible for:

- Providing policy advice, governance and administrative services on all financial, budgeting and reporting matters of the Government;
- Processing applications for fees and customs duty waivers, stamp duty abatements and assessments, Government loans to Civil Servants;
- Providing administrative support to and monitoring the performance of, Offices/Departments under the Ministry;
- Monitoring the Risk Management Unit which develops, implements and coordinates comprehensive property and liability insurance programmes along with safety and loss control activities to minimize the negative financial impact of natural hazards, accidents and other unexpected events to the Government; and
- Providing oversight of the Cayman Islands National Insurance Company (“CINICO”), the Cayman Islands Development Bank (“CIDB”) and the Public Procurement Committee (“PPC”).

Overall, the Ministry is required to comply with the following governing Legislation:

- Public Management and Finance Act (2020 Revision);
- Financial Regulations (2018 Revision);
- Statistics Act (2016 Revision);
- The Freedom of Information Act (2021 Revision);
- The Development Bank Act (2004 Revision);
- The Postal Act (1997 Revision);
- The Postal Regulations (2019 Revision);
- The Procurement Act, 2016;
- The Procurement Regulations, 2018
- The Development and Planning Act (2021 Revision);
- The Companies Act (2022 Revision);
- The Stamp Duty Act (2019 Revision);
- The Land Holding Companies Share Transfer Tax Act (2022 Revision); and
- The Customs and Border Control Act (2022 Revision).



During the 2022 Financial Year, the Ministry achieved the following:

Prepared Cabinet Papers and Cabinet Notes

Financial Administration prepared **69** Cabinet Papers and Cabinet Notes for the consideration, notation and/or approval of Caucus and the Cabinet. The Ministry also provided comments on **134** Cabinet Papers written by other Ministries/Portfolios/Offices which contained recommendations with financial or economic implications for the Government.

Processed and Managed the Health Insurance Benefit for Seafarers and Veterans

The Ministry processed and managed the health insurance benefit for **1,046** Seafarers and Veterans (inclusive of dependents).

Processed Applications for Personal and Settlement Loans

The Ministry processed **68** applications for civil servant personal and settlement loans.

Replied to Freedom of Information (FOI) Request

Agencies under the Ministry responded to **12** FOI requests under the FOI Act



Attended Meetings of Committees and Boards

Staff from the Ministry are Ex-Officio members of the following Boards of Statutory Authorities and Government Companies and Committees:

PUBLIC ENTITY	NAME & TITLE
Auditors Oversight Authority	Kenneth Jefferson Financial Secretary & Chief Officer
Cayman Airways Limited	Kenneth Jefferson Financial Secretary & Chief Officer
Cayman Islands Monetary Authority – <i>Currency Board duties only</i>	Randy Myles Funds and Cash Flow Manager Evelyn McTaggart Deputy Funds and Cash Flow Manager
Cayman Islands National Insurance Company Ltd	Anne Owens Senior Assistant Financial Secretary
Cayman Islands Stock Exchange	Kenneth Jefferson Financial Secretary & Chief Officer
Cayman Turtle Conservation and Education Centre Limited	Michael Nixon Senior Assistant Financial Secretary
Public Procurement Committee	Lee Ramoon Director of Revenue Unit
Health Services Authority	Karen Rivers Budget and Planning Manager
National Housing Development Trust	Nathania Pearson Manager of Debt Recovery Unit
Port Authority of the Cayman Islands	Michael Nixon Senior Assistant Financial Secretary
Public Service Pensions Board	Kenneth Jefferson Financial Secretary & Chief Officer
Public Transport Appeals Tribunal	Lee Ramoon Director of Revenue Unit
The Water Authority of the Cayman Islands	Anne Owens Senior Assistant Financial Secretary



Processed Waivers of Stamp and Import Duties

Finance Administration processed **662** requests for waivers of stamp and import duties as detailed in the below table:

Category	Number of Approvals	Amount Waived/ Refunded CI\$
Stamp Duty Waivers for First-Time Caymanian Property Buyers	228	4,518,289
Cayman Brac Stamp Duty Waivers	71	623,993
Waiver of Stamp Duty under the Discretion of the Minister of Finance and Economic Development	101	2,900,367
Refund of Stamp Duty under the Discretion of the Minister of Finance and Economic Development	8	102,276
Waiver/Refund of Import Duty	253	785,971
Waiver of Planning Fees	1	4,337
Totals	662	8,935,232



Treasury Department

The Treasury Department is responsible for:

- Preparing and consolidating forecast and annual financial statements for Central Government and the Entire Public Sector as required by the Public Management and Finance Act (2020 Revision), using International Public Sector Accounting Standards;
- Designing and providing quality assurance and management of the budget and reporting processes for the Entire Public Sector – this includes coordinating and preparing the biennial budget timeline, strategic policy statement, plan and estimates, budget statements, ownership and purchase agreements and revenue forecasts. Providing financial management services to Ministries/Portfolios/Offices and the Cabinet;
- Overseeing the management and forecasting of Central Government cash flows; and
- Managing, negotiating, and evaluating Central Government borrowings.



The Hon. Minister for Finance and Economic Development delivered an economic and financial update at the Cayman Islands Institute of Professional Accountants ("CIIPA") annual conference

During the 2022 Financial Year, the Treasury Department achieved the following:

■ The Treasury Department:

- managed 137 Bank Accounts;
- ensured payment of CI\$44.6 million and Core Government's debt balance currently stands at CI\$507.2 million, a net increase of CI\$284.5 million, over 31 December 2021 balance of CI\$222.7 million;
- processed 42,323 transactions in 2022, at a value of \$1.4 billion;
- maintained 52,173 vendors.
- prepared 2 financial forecasts;
- produced 15 Core Government financial reports;
- produced 1 report on changes made to IPSAS;
- facilitated 4 Quarterly Economics and Statistics Reports; and
- produced 2 Biennial & Supplementary Appropriation Bills.

■ Investment Revenue

Year to date, the Government generated CI \$8.6 million, in incremental revenue from its investment portfolio consisting of bank deposits and US Treasuries.



Central Procurement Office (CPO)

The Central Procurement Office is responsible for:

- Developing, implementing and carrying out periodic reviews and recommendations for adjustment of policies and procedures for procurement to be used by all entities including requirements for business case preparation. Ensures that the Procurement Act, Regulations, policies and procedures are promoted, publicised and easily accessible to public servants, suppliers and the general public;
- Establishing and maintaining a common, accessible, electronic platform, called Bonfire, for use by all entities for the purpose of advertising and reporting results of all public procurement opportunities required;
- Providing the Cayman Islands' Entire Public Sector with procurement expertise, training and guidance;
- Enhancing procurement capacity and capability with standards, tools and templates in order to achieve value for money across all Ministries, Portfolios, Offices and Statutory Authorities and Government Companies;
- Advising and supporting the Public Procurement Committee on all procurements with spends of over \$250,000;
- Overseeing the procurement spend across the entire public sector which accounted for over \$500 million during 2021 by supporting 41 entities, their Procurement Committees, Chief Officers and Chief Executive Officers as well as their teams engaged in the procurement process; and
- Providing procurement leadership to 700 Public Servants registered on Bonfire.

During the 2022 Financial Year, the Central Procurement Office achieved the following:

1. Established 2 Government Wide Contracts.

Type of Contract	Status	Est. Value CI\$
Mobile Services Framework	Completed	\$451,872
Office Products & Bulk Paper Framework	In Progress	\$3,489,102
TOTAL VALUE		\$3,940,974

2. Conducted 20 Procurement Training sessions

- Entity Procurement Committee
- Navigating the Process
- Tender Document Development
- Procurement Act and Regulations Overview
- Procurement Principles and Ethics
- e-Procurement System
- Follow along and Small Business Support



Economics and Statistics Office (ESO)

The ESO is responsible for:

- Monitoring the local economy and providing macroeconomic forecasts, conducting economic policy research and economic impact studies, and advising the Government on a range of macroeconomic issues to sustain economic growth in the Islands;
- Conducting and analysing social and economic surveys and compiling and publishing comprehensive statistical data on the Cayman Islands; and
- Providing other Government agencies with technical advice on data collection and dissemination, and survey designing and methodology.



During the 2022 the ESO achieved the following:

The Cayman Islands' Population and Housing (Census 2021)

The Census 2021 survey covered demographics characteristics; disability and health insurance; school attendance; highest grade completed and examination passed; union status; fertility, employment; housing; mortality; emigration; crime; and environment resources and food security was conducted in the last quarter of 2021. The census 2021 report was released in July 2022.

Economic Monitoring

In compliance with the economic monitoring requirements of the Public Management and Finance Act (PMFA), the ESO completed surveys that provided the raw data for estimating the following: Gross Domestic Product (the System of National Accounts Surveys 2021); consumer price index inflation rate (Consumer Price Index Quarterly Surveys Q1 2022 to Q4 2022); and the current account of the balance of payments (the Balance of Payments Survey 2021). These surveys also provide the data for updating the economic forecasts for the Islands.

Updating of Economic Forecasts

Continuous improvement to economic forecasting models required in the preparation of the Strategic Policy Statement Economic Overview. The forecasts comprised of (a) gross domestic product; (b) consumer price index inflation rate; (c) employment levels and unemployment rates; and (d) the current account of the balance of payments.



Cayman Islands Postal Service (CIPS)



The CIPS is the government department designated as the postal operator responsible for fulfilling the Government's obligations arising from adherence to the Universal Postal Union Convention in the Cayman Islands. As the designated postal operator, the Postal Service is charged with ensuring that postal services are accessible to all residents and visitors in the territory and operates a network of 16 post offices across all three Islands. It is also part of a network of over 700,000 postal outlets worldwide.

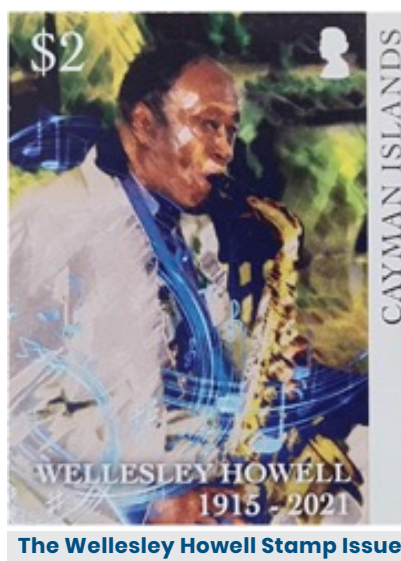


The Cayman Islands is a member of the Universal Postal Union ("UPU") through Great Britain and also a member of the Caribbean Postal Union and the EMS and Telematics Cooperatives in its own right.

Core postal services are domestic and international in scope and encompass ordinary letter mail including mail with certified posting, registered mail, prepaid postage (franking meters and online meters), parcels, re-direction of mail, safe mail as well as the postal industry's courier service – Express Mail Service ("EMS"). A special



L – R are: Pooran Parampath,
Vicente Desiderio (both UPU),
Henry McField (CIPS), Camaal Lee
(St. Vincent & Grenadines Post) and
Samuel B. Brangman, Leader (Bermuda Post)



The Wellesley Howell Stamp Issue

e-Commerce service "CaymanKind Global" is a flat rate service for standard and EMS packages as long as the contents fit, and do not exceed the maximum weight of 22 pounds.



The Cayman Islands Postal Service (CIPS) participates in the Global Monitoring System (“GMS”) which is a UPU test system to measure delivery quality from posting to delivery. GMS uses a network of panelists to send and receive test letters. The test letters contain a small label which has a tiny antenna that transmits a unique identification number as a radio signal.

This radio frequency identification (RFID) system allows test letters to move through the postal network disguised as ordinary letters and the data is captured by the special receiving antennas at the door of processing centers. This gives the post office data on how fast mail is moving, and where process improvements need to be made. The CIPS joined GMS in 2012 and began testing in late 2013.

CIPS continues to earn world-class performance achievements despite the continued COVID-19 pandemic and the logistical challenges in the transportation of mail worldwide.



His Excellency The Governor Martyn Roper received a framed set of the Cayman Islands Postal Service's special commemorative stamp issue celebrating the Platinum Jubilee of Her Late Majesty Queen Elizabeth II.

L-R are:

Sheena Glasgow, Postmaster General;

HE The Governor Martyn Roper;

Shindi Beput Acting Manager, Philatelic Bureau



Events



The Hon. Minister for Finance & Economic Development delivered the Keynote Address at the Chamber Luncheon 2022.



Laying flowers in honour of Her Late Majesty Queen Elizabeth II



UPU Security Team during their CIPS visit 31 October – 4 Nov 2022.



The family of the late Mr. Wellesley Howell was presented with a framed set of the Cayman Islands Postal Service (CIPS) stamp issue featuring the beloved community icon on 29 November. Mr. Howell's children Lyneth Monteith and Wesley Howell received the framed sets from Deputy Premier Hon. Chris Saunders (centre), Postmaster General Sheena Glasgow (far right) and Acting Manager, Philatelic Bureau Shindi Beput (far left).



Key Events

January – May 2022

JANUARY

Treasury Department assisted Ministries, Portfolios and Offices in finalising their 2021 financial statements and, producing financial statements for the whole of Government with respect to the Financial Year ended 31 December 2021.

FEBRUARY

- The ESO releases the Cayman Islands' Quarterly Trade Statistics Bulletin: March to June 2021
https://www.eso.ky/UserFiles/page_docs/files/uploads/the_cayman_islands_quarterly_trade_stat-25.pdf
- The ESO releases the Cayman Islands' 2021 Preliminary Census of Population and Housing Report.
- The CPO conducted training on the Entity Procurement Committee with the Public Works Department
- The CPO issued the contract variation policy
- The CPO conducted training on "Navigating the Process"

MARCH

- The Ministry received an unqualified ("clean") opinion on its 2021 financial statements
- The ESO releases the Cayman Islands' Consumer Price Index Report: October to December 2021
https://www.eso.ky/UserFiles/page_docs/files/uploads/the_cayman_islands_consumer_price_index_-33.pdf
- The ESO releases the Cayman Islands' Balance of Trade and International Investment Position Report 2020
https://www.eso.ky/UserFiles/page_docs/files/uploads/the_cayman_islands_balance_of_payments_a-3.pdf
- The ESO releases the Cayman Islands' System of National Accounts Report 2020
https://www.eso.ky/UserFiles/page_docs/files/uploads/cayman_islands_system_of_national_accounts-6.pdf
- The CPO conducted training on "Navigating the process"
- The CPO conducted Entity Procurement Committee training with the Cayman Islands Aviation Authority
- The CPO conducted training on Bonfire (e-Procurement System)

APRIL

- The CIPS released the stamp issue of the late Mr. Wellesley Howell
<https://www.gov.ky/news/press-release-details/postal-service-celebrates-late-centenarian->
- Cabinet approved the Cayman Islands National Insurance Company (CINICO) to expand its operations into new lines of business that are aimed at providing a greater choice of health insurance coverage to more people.
- The CIPS released the stamp issue of the late Mr. Wellesley Howell
<https://www.gov.ky/news/press-release-details/postal-service-celebrates-late-centenarian->
- Cabinet approved the Cayman Islands National Insurance Company (CINICO) to expand its operations into new lines of business that are aimed at providing a greater choice of health insurance coverage to more people.
- The CPO conducted Training on Tender Document Development
- The CPO conducted Training on the Overview of the Procurement Act & Regulations

MAY

- The ESO releases the Cayman Islands' Annual Foreign Trade Statistics Report 2021 https://www.eso.ky/UserFiles/page_docs/files/uploads/the_cayman_islands_annual_foreign_trade_-13.pdf
- The ESO releases the Cayman Islands' Quarterly Trade Statistics Bulletin: July to September 2021 https://www.eso.ky/UserFiles/page_docs/files/uploads/the_cayman_islands_quarterly_trade_stat-28.pdf
- The ESO releases the Cayman Islands' Third Quarter Economic Report 2021 https://www.eso.ky/UserFiles/page_docs/files/uploads/cayman_islands_third_quarter_economic_re-6.pdf
- Gazettal of the Unaudited Quarterly Financial Report – Three-Month Period Ended 31 March 2022 <http://gazettes.gov.ky/portal/pls/portal/docs/i/13164571.PDF>
- The Deputy Postmaster General, Melissa Martinez-Ebanks, became the first person from the Caribbean to be elected to the international Express Mail Service (EMS) Cooperative Board as Vice-Chair. The EMS is an international postal Express Mail Service, for documents and merchandise that is offered by postal operators of the Universal Postal Union (UPU) connecting 175 countries and territories worldwide.
- The CPO conducted training on "Navigating the Process"
- The CPO conducted Training on Procurement Principles & Ethics

Key Events

June – July 2022



Ministry of Finance &
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Cayman Islands Government

JUNE

- Finance Committee approved an additional \$15.5 million in supplementary funding via Section 12 of the PMFA.
- The Ministry's 2021 Annual Report was Tabled in Parliament.
- Parliament approved the Procurement (Amendment) Bill, 2021.
- The Government drew down the US\$393 million balance on the Loan Agreement date 18 December 2020. The Government invested US\$333.6 million from the loan proceeds in US Treasuries.
- The Unaudited Quarterly Financial Report for the Core Government of the Cayman Islands for the 3-month period ended 31 March 2022 was Tabled in Parliament.
- The ESO releases the Cayman Islands' Quarterly Trade Statistics Bulletin: January to March 2022 https://www.eso.ky/UserFiles/page_docs/ files/uploads/the_cayman_islands_quarterly_trade_stati-29.pdf
- The ESO releases the Cayman Islands' Consumer Price Index Report: January to March 2022 https://www.eso.ky/UserFiles/page_docs/ files/uploads/the_cayman_islands_consumer_price_index_-34.pdf
- The stamp issue of the Platinum Jubilee of Her Majesty Queen Elizabeth II is issued.
- Submissions to RFP for Banking Services received 28 June 2022
- The CPO conducted training on the Entity Procurement Committee with Judicial Administration
- The CPO conducted training on Tender Document Development
- The Latest version of the CIG Procurement Plans was issued by the CPO
- The CPO conducted training on Bonfire (e-Procurement System)

JULY

- The ESO releases the Cayman Islands' 2021 Census of Population and Housing Report.
- The ESO releases the Cayman Islands' 2021 Census of Population and Housing Report. <https://www.eso.ky/2021-population-and-housing-census-report.html#5>
- The CPO conducted training on "Navigating the Process"





Key Events

August – Sept. 2022

AUGUST

- Gazettal of the Unaudited Quarterly Financial Report – Six-Month Period Ended 30 June 2022. The Report is located at <http://gazettes.gov.ky/portal/pls/portal/docs/1/13192566.PDF>
- The Ministry commenced the project of modernizing the Government's budgeting and reporting framework where (1) the focus will be on the achievement of outcomes – where outcomes will be clearly defined and monitored and performance indicators and outputs are manageable and clearly linked to outcomes; (2) budget documents are concise, clear and easy to understand; and (3) technology is used to enable a streamlined and efficient budget preparation process.

It is envisaged that this project will comprise of three (3) phases that include (1) by 31 March 2023, the preparation of a business case that assesses the gaps within the existing budgeting and reporting framework and that recommends a preferred outcome-based budgeting and reporting framework; (2) by 31 December 2024, the implementation of the preferred outcome budgeting and reporting framework and preparation of the Government's first 2024/2025 outcome-based budget; and (3) post implementation hand holding, maintenance and user support.
- The Human Resource Manager, Ms Sharmene Bush, retired from the Civil Service after 15 years of working with the Ministry.
- Consultancy Services to Prepare a Business Case for the Modernization of Government's Budgeting and Reporting Framework Phase 1 – Selection of Bidder
- Final Audited 2019 Entire Public Sector Financial Statements issued by Office of the Auditor General
- Banking Services re-tender – Presentations held by Banks who submitted a bid for the RFP.
- The ESO releases the Cayman Islands' Consumer Price Index Report: April to June 2022
https://www.eso.ky/UserFiles/page_docs/ums/files/uploads/the_cayman_islands_consumer_price_index_-35.pdf
- The CPO conducted training on Tender Document Development

SEPTEMBER

- The Hon. Minister for Finance & Economic Development delivered the Keynote Address at the Cayman Islands Institute of Professionals Accountants ("CIIPA") Business Environment Update.
- Deputy Premier and Minister for Finance & Economic Development, Hon. Chris Saunders, and Financial Secretary & Chief Officer, Kenneth Jefferson, were joined by Ministry staff on Thursday, 15 September to honour Her Late Majesty Queen Elizabeth II, who passed away on 8 September 2022, by laying floral tributes in front of the Government Administration Building. The Financial Secretary & Chief Officer laid the wreath on behalf of the entire Ministry team, while several staff members also placed their own individual floral bouquets.
- Banking Services re-tender – Bidders were provided with a Revised Appendix C- Pricing Form to calculate the estimated cost based on forecasted volumes for the three-year contract period instead of the initial percentage weighting and asked to submit their "Best & Final Offer" by 11 October 2022.
- The ESO releases the Cayman Islands' First Quarter Economic Report 2022
https://www.eso.ky/UserFiles/page_docs/ums/files/uploads/the_cayman_islands_first_quarter_2022_ec.pdf



Key Events

Sept. – October 2022



Ministry of Finance &
Economic Development
Cayman Islands Government

SEPTEMBER cont.

- The ESO releases the Cayman Islands' Quarterly Trade Bulletin: April to June 2022
https://www.eso.ky/UserFiles/page_docs/ums/files/uploads/the_cayman_islands_quarterly_trade_stat-30.pdf
- The ESO releases the Cayman Islands' Labour Force Report – Spring 2022
https://www.eso.ky/UserFiles/page_docs/ums/files/uploads/the_cayman_islands_labour_force_survey_r-13.pdf
- The CPO conducted training on Bonfire (e-Procurement System)
- Launch of the new RFQ for Government-Wide Framework for Office Supplies & Bulk Paper
- The New Deputy Procurement Manager joined the CPO Team

OCTOBER

- The Unaudited Quarterly Financial Report for the Core Government of the Cayman Islands for the 6-month period ended 30 June 2022 was Tabled in Parliament.
- The 2021 Census of Population and Housing Report was Tabled in Parliament.
- The Cayman Islands' Annual Economic Report 2021 was Tabled in Parliament.
- The Cayman Islands' First Quarter Economic Report was Tabled in Parliament.
- The Hon. Minister for Finance & Economic Development delivered the Keynote Address at the Chamber Luncheon 2022.
- During the Second Sitting of the Second Meeting of the 2022-2023 Session of Parliament, Finance Committee convened to approve:
 - o Requests for Supplementary Appropriation Changes for the Year Ended 31 December 2020;
 - o Requests for Supplementary Appropriation Changes for the Year Ended 31 December 2021; and
 - o Requests for Appropriation Changes Sought Under Section 12 of the Public Management and Finance Act (2020 Revision) for the Year Ended 31 December 2022
- Ms. Keisha Leslie, Senior Support Analyst (Oracle EBS) in the Treasury Department, received the Deputy Governor's Award Chief Officer's Choice for the month of October 2022. The award was in recognition of Ms. Leslie's outstanding contribution and dedication to the Cayman Islands Government.
- Treasury staff participated in CIIPA Training
- 2020 Supplementary Budget to be Tabled in Parliament
- 2021 Supplementary Budget to be Tabled in Parliament
- Review of 2022-2026 Financial Forecast and FFR Ratios
- Continued with Modernisation of the Budgeting and Reporting Framework Stakeholder Engagement Meetings
- Patches implemented to IRIS Technical and Functional Security 6th – PPC Meeting
- The New Procurement Manager joined the CPO Team
- The CPO conducted training on the Entity Procurement Committee with the Health Services Authority
- The CPO conducted training on the Procurement Act & Regulation training with the Ministry of Education
- The CPO released "New CPO Support Services" – including
 - o E-Procurement System Management
 - o Contract Management
- The CPO Represented the Cayman Islands at the conference of the Inter-American Network on Government Procurement in Panama





Key Events

Nov – December 2022

NOVEMBER

- Aimed at becoming a workplace of choice for Civil Servants, the Finance Administration and Treasury Department hosted the 2022 Office Cup
- Gazettal of 3rd Quarter Financial Report
- The CPO conducted training on Small Business Support (supported by the Centre for Business Development)
- The CPO conducted training on Procurement Principles & Ethics

DECEMBER

- During the Second Sitting of the Second Meeting of the 2022-2023 Session of Parliament, Finance Committee convened to approve requests for Supplementary Appropriation Changes for the Year Ended 31 December 2021.
- The Hon. Minister for Finance & Economic Development delivered the Keynote Address at the 2022 Association of International Certified Professional Accountants (“AICPA”) / Cayman Islands Institute of Professionals Accountants (“CIIPA”) Annual Conference.
- The ESO releases the Cayman Islands’ Compendium of Statistics 2021
<https://www.eso.ky/compendium-of-statistics-2021-released.html#1>
- The ESO releases the Cayman Islands’ Consumer Price Index Report: July to September 2022
https://www.eso.ky/UserFiles/page_docs/files/uploads/the_cayman_islands_consumer_price_index_-36.pdf
- The ESO releases the Cayman Islands’ Quarterly Trade Bulletin: July to September 2022
https://www.eso.ky/UserFiles/page_docs/files/uploads/the_cayman_islands_quarterly_trade_stati-31.pdf
- THE CAYMAN ISLANDS’ GROSS DOMESTIC PRODUCT (GDP) REPORT 2021
https://www.eso.ky/UserFiles/page_docs/files/uploads/cayman_islands_gross_domestic_product_gd.pdf
- The Cayman Islands’ Balance of Payments and International Investment Position Report 2021
https://www.eso.ky/UserFiles/page_docs/files/uploads/the_cayman_islands_bop_and_iip_report_20-4.pdf
- The CPO conducted training on Bonfire (e-Procurement System)
- The CPO launched of the new Request for Quotation for Government-Wide Framework for Office Supplies & Bulk Paper



Statement of Executive Financial Transactions



Ministry of Finance &
Economic Development
Cayman Islands Government

Statement of Executive Financial Transactions for the year ended December 31, 2022					Variance %	Note for Variances 5% and Over
Executive Revenue	Actual \$'000	Budget \$'000	Revised Budget \$'000	Actual vs. Budget Variance \$'000		
Cruise Ship Departure Tax	4,419	6,473	6,473	(2,054)	-32%	1
Environment Protection Fund Fees	3,072	4,021	4,021	(949)	-24%	2
Debit Transaction Fees	4,416	3,735	3,735	681	18%	3
Land Holding Companies Share Transfer Charge	4,267	300	300	3,967	1322%	4
Other Stamp Duty	2,247	2,200	2,200	47	2%	
Property Insurance Stamp Duty	2,195	1,376	1,376	819	60%	5
Proceeds of Liquidated Entities	6,547	6,001	6,001	546	9%	6
Total Executive Revenue	\$ 27,162	\$ 24,106	\$ 24,106	\$ 3,056		
Executive Expenses	Actual \$'000	Budget \$'000	Revised Budget \$'000	Actual vs. Budget Variance \$'000	Variance %	Note for Variances 5% and Over
FED 1 - Policy Advice and Ministerial Services	2,951	3,969	3,894	1,019	26%	15
FED 4 - Preparation and Publication of Statistical Reports	1,937	2,331	2,331	395	17%	16
FED 5 - Financial Reporting and Management Services	5,520	6,589	6,589	1,069	16%	17
FED 10- National Mail Service	3,895	3,954	3,954	59	1%	
CIN 1- Health Insurance for Seamen and Veterans for Primary and Secondary Health Care	14,125	14,483	14,483	358	2%	
OE 9- Caribbean Economic Community (CARICOM) Fees	162	170	170	8	5%	
OE 10- Caribbean Regional Technical Assistance Centre (CARTAC) Contribution	84	85	85	1	1%	
OE 27- Past Service Pension Liability Payment	18,187	17,153	17,153	(1,034)	-6%	7
OE 54 - Caribbean Catastrophe Risk Insurance Facility - Annual Premium	883	925	925	42	5%	8
OE 57 - Executive Bank Charges	1	5	5	4	83%	9
OE 110 - General Insurance	8,340	6,500	6,500	(1,840)	-28%	10
OE 121 - Additional Normal Costs for Pension Plans	3,996	5,309	5,309	1,313	25%	11
DVB 4 - Administration of Lending Activities	526	526	526	-	0%	
TP 118 - Electricity Assistance Programme	7,949	-	8,500	-	0%	12
EI 4 - Cayman Islands Development Bank	4,500	4,500	4,500	-	0%	
EI 70 - Ministry of Finance and Economic Development	90	606	606	516	85%	13
EI 89 - Cayman Islands National Insurance Company Expansion Project	5,350	-	5,350	(5,350)	0%	14
Total Executive Expenses	\$ 78,494	\$ 67,105	\$ 80,880	\$ (3,440)		



Statement of Executive Financial Transactions

for the year ended December 31, 2022

Executive Revenue	Actual	Budget	Revised Budget	Variance Actual vs. Budget	Variance Actual vs. Final Budget
Cruise Ship Departure Tax	4,418,919	6,473,000	6,473,000	(2,054,081)	(2,054,081)
Environment Protection Fund Fees	3,072,026	4,021,000	4,021,000	(948,974)	(948,974)
Debit Transaction Fees	4,415,793	3,735,000	3,735,000	680,793	680,793
Land Holding Companies Share Transfer Charge	4,267,074	300,000	300,000	3,967,074	3,967,074
Other Stamp Duty	2,246,574	2,200,000	2,200,000	46,574	46,574
Property Insurance Stamp Duty	2,194,766	1,376,000	1,376,000	818,766	818,766
Proceeds of Liquidated Entities	6,547,234	6,001,000	6,001,000	546,234	546,234
Total Executive Revenue	27,162,385	24,106,000	24,106,000	3,056,385	3,056,385
Executive Expenses	Actual	Budget	Revised Budget	Variance	Variance
FED 1 - Policy Advice and Ministerial Services	2,950,509	3,969,480	3,894,480	1,018,971	943,971
FED 4 - Preparation and Publication of Statistical Reports	1,936,645	2,331,324	2,331,324	394,679	394,679
FED 5 - Financial Reporting and Management Services	5,519,802	6,588,588	6,588,588	1,068,786	1,068,786
FED 10- National Mail Service	3,895,204	3,954,000	3,954,000	58,796	58,796
CIN 1- Health Insurance for Seamen and Veterans for Primary and Secondary Health Care	14,124,661	14,482,680	14,482,680	358,019	358,019
OE 9- Caribbean Economic Community (CARICOM) Fees	161,850	170,000	170,000	8,150	8,150
OE 10- Caribbean Regional Technical Assistance Centre (CARTAC) Contribution	83,750	85,000	85,000	1,250	1,250
OE 27- Past Service Pension Liability Payment	18,187,000	17,153,000	17,153,000	(1,034,000)	(1,034,000)
OE 54 - Caribbean Catastrophe Risk Insurance Facility - Annual Premium	882,842	925,000	925,000	42,158	42,158
OE 57 - Executive Bank Charges	857	5,000	5,000	4,143	4,143
OE 110 - General Insurance	8,339,901	6,500,000	6,500,000	(1,839,901)	(1,839,901)
OE 121 - Additional Normal Costs for Pension Plans	3,995,989	5,309,000	5,309,000	1,313,011	1,313,011
DVB 4 - Administration of Lending Activities	526,317	526,317	526,317	-	-
TP 118 - Electricity Assistance Programme	7,949,065	-	8,500,000	(7,949,065)	550,935
EI 4 - Cayman Islands Development Bank	4,500,000	4,500,000	4,500,000	-	-
EI 70 - Ministry of Finance and Economic Development	89,972	606,000	606,000	516,028	516,028
EI 89 - Cayman Islands National Insurance Company Expansion Project	5,350,000	-	5,350,000	(5,350,000)	-
Total Executive Expenses	78,494,363	67,105,389	80,880,389	(11,388,974)	2,386,026





Output Delivered	Actual YTD	Budget YTD	Annual Budget	Actual vs. Budget Variance	Variance %	Note for Variances 5% and Over
FED 1 - Policy Advice, Governance and Ministerial Support Services	\$ 2,951	\$ 3,969	\$ 3,969	\$ 1,019	26%	
Policy advice documents	283	224		(59)	-26%	18
Number of committee and board meetings attended	90	112		22	20%	19
Number of applications assessed and processed	986	1,000		14	1%	
Number of Economic updates and forecasts	20	10		(10)	-100%	20
Number of insurance policies managed	20	20		-	0%	
Number of Hours spent providing central procurement services	5497	10,080		4,583	45%	21
FED 4 - Preparation and Publication of Statistical and Economic Reports	\$ 1,937	\$ 2,331	\$ 2,331	\$ 395	17%	
Number of reports, updates and requests for information	122	117		(5)	-4%	
Number of reports economic monitoring tables/reports for regional and international agencies	40	17		(23)	-135%	22
FED 5 - Financial Reporting and Management Services	\$ 5,520	\$ 6,589	\$ 6,589	\$ 1,069	16%	
Number of public debts, Loans-Made, referred debts, investments, reserve funds, trust assets and bank accounts managed	1371	1,077		(294)	-27%	23
Number of Financial statements, forecasts, strategic policy statements, budgets and government financial reports reviewed and/or produced.	28	23		(5)	-22%	24
Provision of Oracle e-business licenses, management and support of accounting system	431	431		-	0%	
Number of transactions processed inclusive of receipts, payment runs and payroll runs	3724	3,932		208	5%	
Number of bank reconciliations, cash and revenue forecasts	1588	1,520		(68)	-4%	
FED 10 - National Mail Service	\$ 3,895	\$ 3,954	\$ 3,954	\$ 59	1%	
Hours of public access to postal counter services	27098	28,000		902	3%	
Number of post office boxes available for rent	13877	13,480		(397)	-3%	
Number of stamp issues produced	2	2		-	0%	
Number of transactions processed	24226	30,000		5,774	19%	25
Weight of mail dispatched internationally (kg)	24399	47,500		23,101	49%	26



Note	Explanations for Variances 5% and Over
1	Cruise Ship Departure Tax was under budget by \$2 million, reflecting the decision to postpone to March 2022 the resumption of cruise ship arrivals in the Island.
2	Environmental Protection Fund Fees was under budget by \$949 thousand less than the projected Fee level – since such fees are connected with cruise ship arrivals, the variance on these Fees reflect the decision to postpone cruise ship arrivals in the Islands.
3	Debit Transaction Fees was over budget by \$681 thousand due to an increase in bank activity.
4	Land Holding Companies Share Transfer Charge was over budget by \$3.9 million, this revenue stream relates to transfer of equity shares of companies that own land in the Cayman Islands. There has been an increase in revenue in 2022 however it is very difficult to predict the revenue stream from one year to the next with any level of certainty as there are drastic shifts in share transfer activity from one year to the next.
5	Property Insurance Stamp Duty was over budget by \$819 thousand due to an active real estate market for the period.
6	Proceeds of Liquidated Entities was over budget by \$546 thousand as a result of accounts that were budgeted for in 2021 but transferred in 2022.
7	OE 27- Past Service Pension Liability Payment was over budget by \$1 million as the amount used for the budget is an estimate with the actual being more than budget on a year to year basis.
8	OE 54 - Caribbean Catastrophe Risk Insurance Facility - Annual Premium was under budget by \$42 thousand, it is difficult to predict the cost as premiums fluctuate based on the hurricane activity and claims in any given year.
9	OE 57 - Executive Bank Charges was under budget by \$4 thousand as there were fewer transactions than anticipated.
10	OE 110 – General Insurance – was over budget by \$1.84 million due to an increase in premium rates and addition of new property namely the new John Gray High School. There was also an additional All contractors risk insurance of \$960K that was paid for the new school in 2022.
11	OE 121 – Additional Normal Costs for Pension Plans - expenditure was under budget by \$1.3 million, as the budget was a rough estimate at the time.
12	TP 118 - Electricity Assistance Programme was a new executive expense introduced in July 2022 to assist with the increase in electricity for households across the islands due to a worldwide increase in fuel prices.
13	EI 70 – Ministry of Finance and Economic Development - was under budget by \$516 thousand due to capital expenditures being deferred as a result of financial uncertainty due to Covid-19.
14	EI 89 - Cayman Islands National Insurance Company Expansion Project - cabinet approved the an equity injection of \$5.35 million for the expansion plans.
15	FED 1 - Policy Advice and Ministerial Services - was under budget by \$1 million due to the vacancies not filled.
16	FED 4 – Preparation and Publication of Statistical Reports – was under budget by \$395 thousand due to the vacancies not filled.
17	FED 5 - Financial Reporting and Management Services - was under budget by \$1 million due to the vacancies not filled and the purchase of a new budget system being deferred.
18	The number of cabinet papers, cabinet notes, speeches, speaking notes, pieces of advice/papers, briefings, policy papers, reports and responses to parliamentary questions was more than budgeted.





Note	Explanations for Variances 5% and Over
19	The Ministry over estimated the number of meetings/committees to be organised and attended during 2022.
20	The number of economic updates and forecasts were more than budgeted due to postponement of the Census from 2020 to 2021. The census was conducted in 2021 with the reports being done in 2022. There were also increased economic update requests from Ministries and Ministers of the Government.
21	Due to unsuccessful recruitment processes, the Central Procurement Office was not able to fill the Deputy Director position and other posts were filled mid-year.
22	The number of reports economic monitoring tables/reports for regional and international agencies were more than budgeted due to an increase in data requests from regional and international organisations as part of the Ministry's public outreach program and in compliance with international standards.
23	The number of public debts, Loans-Made, referred debts, investments, reserve funds, trust assets and bank accounts managed were more than budget due to an increase in core government debts and loans being managed.
24	The number of financial statements, forecasts, strategic policy statements, budgets and government financial reports reviewed and/or produced was over budget due to additional biennial and supplementary budgets produced that were not budgeted for.
25	The number of transactions processed is less than budget due to the continued decrease in international mail as a result of the COVID-19 pandemic.
26	The weight of mail dispatched internationally is less than budget due to the continued decrease in international mail as a result of the COVID-19 pandemic.



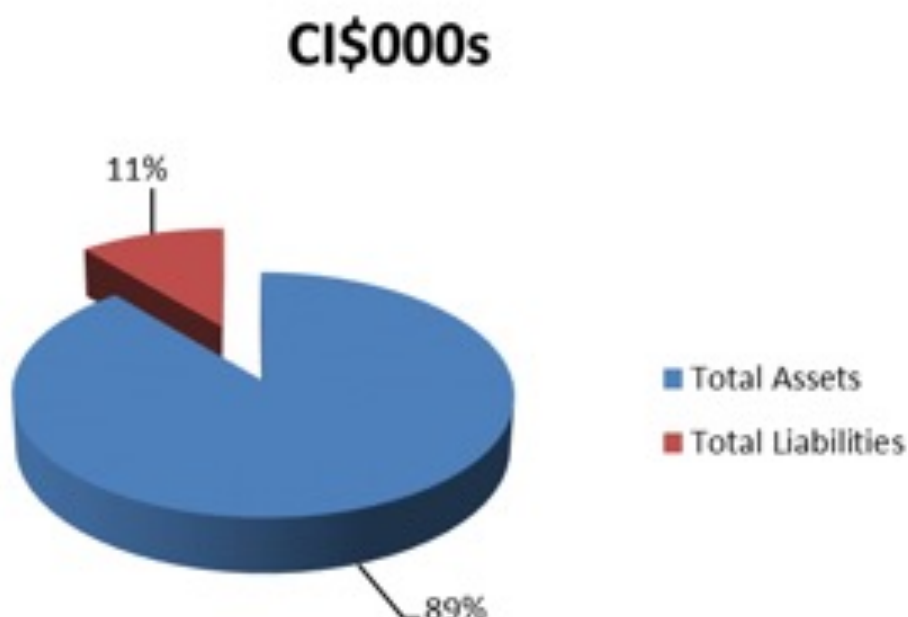
Overview of the Financial Statements

The financial statements, for the Ministry of Finance and Economic Development for the financial year ended 31 December 2022, are attached to this Annual Report as Appendix A.

The Statement of Financial Position, as shown on page 6 of the financial statements, shows that the Ministry ended the 2022 financial year with CI\$22.4 million in Total Assets. Of this amount, CI\$12.4 million or 55 % comprise of cash and cash equivalents which includes cash on hand, cash in transit and bank accounts with a maturity of no more than three (3) months from the date of acquisition.

Total liabilities amounted to CI\$2.8 million, the majority of which comprise of CI\$1.7 million in other payables and accruals.

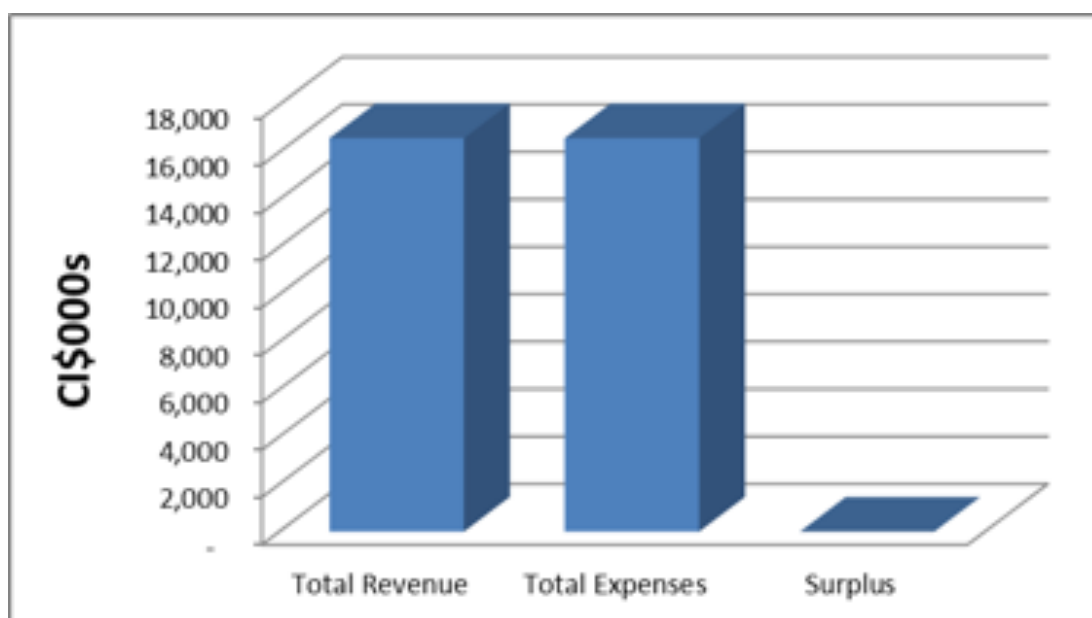
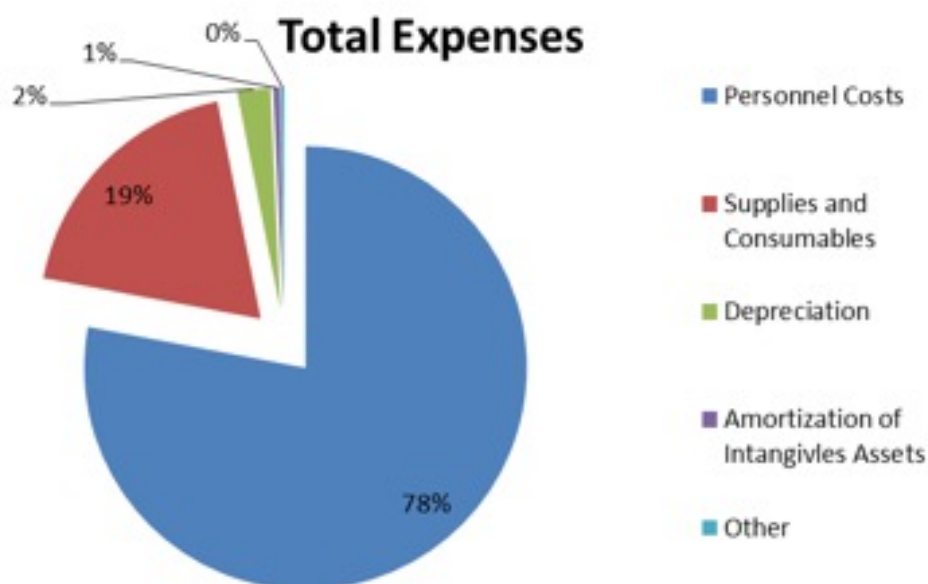
Net assets, which are Total Assets less Total Liabilities, amounted to CI\$19.6 million.



The Statement of Financial Performance, as shown on page 7 of the financial statements, shows that the Ministry earned CI\$16.6 million in revenue for the 12-month period.

Almost all of this revenue was earned from the delivery of outputs to Cabinet.

The Ministry incurred the same amount of revenue, CI\$16.6 million in operating expenses during the year, of which CI\$12.9 million or 75 % comprise of personnel costs. Personnel costs include salaries, health insurance and pension.



APPENDIX A

Audited Financial Statements



CAYMAN ISLANDS GOVERNMENT

Ministry of Finance & Economic Development

Financial Statements

For the year ended 31 December 2022



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MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT

STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

31 DECEMBER 2022

These financial statements are prepared by the Ministry of Finance & Economic Development (the "Ministry") in accordance with the provisions of the Public Management and Finance Act (2020 Revision), (the "Act").

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Act.

As Financial Secretary & Chief Officer, I am responsible for establishing, and have established and maintained, a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by the Act, and properly record the financial transactions of the Ministry.

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

To the best of our knowledge, these financial statements:

- (a) fairly reflect the financial position as at 31 December 2022 and financial performance for the financial year ended 31 December 2022; and
- (b) comply with International Public Sector Accounting Standards ("IPSAS") as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where guidance is not available under IPSAS, the financial statements comply with International Accounting Standards issued by the International Accounting Standards Board or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.



Kenneth Jefferson
Financial Secretary & Chief Officer
Ministry of Finance & Economic Development



Nina Vandine
Chief Financial Officer
Ministry of Finance & Economic Development

14 March 2023

AUDITOR GENERAL'S REPORT

To the Members of the Parliament and the Financial Secretary and Chief Officer of the Ministry of Finance and Economic Development

Opinion

I have audited the financial statements of the Ministry of Finance and Economic Development (the "Ministry"), which comprise the statement of financial position as at 31 December 2022 and the statement of financial performance, statement of changes in net worth and cash flows statement for the year ended 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 10 to 26.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry 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 Ministry in accordance with the International 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 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 Ministry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Ministry or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Ministry's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Sue Winspear
Auditor General

14 March 2023
Cayman Islands



MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
STATEMENT OF FINANCIAL POSITION
AS AT 31 December 2022

Prior Year Actual December 31, 2021 \$'000s		Note	Current Year Actual \$'000s	Original Budget \$'000s	Final Budget \$'000s	Variance (Orig vs Actual) \$'000s
	Current Assets					
11,098	Cash and cash equivalents	2	12,425	12,935	12,935	510
3,310	Trade receivables	3	2,776	1,523	1,523	(1,253)
590	Other receivables	3	568	431	431	(137)
272	Inventories	4	272	215	215	(57)
153	Prepayments	5	161	145	145	(16)
15,423	Total Current Assets		16,202	15,249	15,249	(953)
	Non-Current Assets					
5,928	Property, plant and equipment	6	5,677	3,592	3,592	(2,085)
602	Intangible Assets	7	527	949	949	422
6,530	Total Non-Current Assets		6,204	4,541	4,541	(1,663)
21,953	Total Assets		22,406	19,790	19,790	(2,616)
	Current Liabilities					
441	Trade payables	8	455	149	149	(306)
1,097	Other payables and accruals	8	1,244	995	995	(249)
459	Unearned revenue	9	585	524	524	(61)
485	Employee entitlements	10	480	394	394	(86)
3	Repayment of surplus		-	-	-	-
2,485	Total Current Liabilities		2,764	2,062	2,062	(702)
2,485	Total Liabilities		2,764	2,062	2,062	(702)
19,468	Net Assets		19,642	17,728	17,728	(1,914)
	NET WORTH					
17,648	Contributed capital		17,738	18,259	18,259	521
2,325	Revaluation reserve		2,325	-	-	(2,325)
(505)	Accumulated surpluses/(deficits)		(421)	(531)	(531)	(110)
19,468	Total Net Worth		19,642	17,728	17,728	(1,914)

The accounting policies and notes starting on page 10 form an integral part of these financial statements.



MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 December 2022

Prior Year Actual December 31, 2021 \$'000s			Current Year Actual \$'000s	Original Budget \$'000s	Final Budget \$'000s	Variance (Orig vs Actual) \$'000s
Revenue						
17,269	Sale of goods and services	11	16,565	19,373	19,298	2,808
2	Investment revenue	12	25	-	-	(25)
17,271	Total Revenue		16,590	19,373	19,298	2,783
Expenses						
12,299	Personnel costs	13	12,933	14,726	14,726	1,793
4,465	Supplies and consumables	14	3,136	4,227	4,152	1,091
393	Depreciation	6	401	281	281	(120)
75	Amortization of Intangible Assets	7	75	78	78	3
(20)	(Gains)/Losses on foreign exchange	15	(12)	-	-	12
-	(Gains)/losses on disposal/revaluation of property, plant and equipment	15	(4)	-	-	4
59	Other expenses		61	61	61	-
17,271	Total Expenses		16,590	19,373	19,298	2,783
-	Surplus for the period		-	-	-	-

The accounting policies and notes starting on page 10 form an integral part of these financial statements.





MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 December 2022

	Contributed Capital \$'000s	Revaluation Reserve \$'000s	Accumulated Surplus/(deficits) \$'000s	Total Net worth \$'000s	Original Budget \$'000s	Final Budget \$'000s
Balance as at December 31 2020	17,623	-	(520)	17,103	17,114	17,114
Prior Year Adjustments	-	-	15	15	(11)	(11)
Restated balance	17,623	-	(505)	17,118	17,103	17,103
Changes in Net Worth for 2021						
Gain/(loss) on property revaluation	-	2,325	-	2,325	-	-
Equity Investment from Cabinet	25	-	-	25	19	19
Net revenue / expenses recognised directly in net worth	25	2,325	-	2,350	19	19
Surplus/(deficit)for the period 2021	-	-	-	-	-	-
	25	2,325	-	2,350	19	19
Balance at 31 December 2021 carried forward	17,648	2,325	(505)	19,468	17,122	17,122
Balance at 31 December 2021 brought forward	17,648	2,325	(505)	19,468	17,122	17,122
Changes in Net Worth for 2022						
Prior Year Adjustments	-	-	84	84	-	-
Restated balance	17,648	2,325	(421)	19,552	17,122	17,122
Changes in net worth for 2022						
Equity Investment from Cabinet	90	-	-	90	606	606
Net revenue / expenses recognised directly in net worth	90	-	-	90	606	606
Surplus/(deficit)for the period 2022	-	-	-	-	-	-
	90	-	-	90	606	606
Balance at 31 December 2022	17,738	2,325	(421)	19,642	17,728	17,728

The accounting policies and notes starting on page 10 form an integral part of these financial statements.



MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 December 2022

Prior Year Actual December 31, 2021 \$'000s		Current Year Actual \$'000s	Original Budget \$'000s	Final Budget \$'000s	Variance (Orig vs Actual) \$'000s
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Receipts</i>					
14,968	Outputs to Cabinet	14,804	16,793	16,793	1,989
2,631	Sale of goods and services	2,452	2,656	2,656	204
-	Interest received	17	(0)	(0)	(17)
-	Other receipts	-	2	2	2
<i>Payments</i>					
(12,241)	Personnel costs	(12,940)	(14,926)	(14,926)	(1,986)
(4,134)	Supplies and consumables	(2,899)	(4,313)	(4,313)	(1,414)
(38)	Other payments	(50)	(62)	(62)	(12)
1,186	Net cash flows from operating activities	1,384	150	150	(1,234)
CASH FLOWS FROM INVESTING ACTIVITIES					
(46)	Purchase of property, plant and equipment	(148)	(606)	(606)	(458)
-	Proceeds from sale of property, plant and equipment	4	-	-	(4)
(46)	Net cash flows from investing activities	(144)	(606)	(606)	(462)
CASH FLOWS FROM FINANCING ACTIVITIES					
25	Equity Investment from Cabinet	90	606	606	516
-	Repayment of Surplus to Cabinet	(3)	-	-	3
25	Net cash flows from financing activities	87	606	606	519
1,165	Net increase/(decrease) in cash and cash equivalents	1,327	150	150	(1,177)
9,933	Cash and cash equivalents at beginning of period	11,098	12,785	12,785	1,687
11,098	Cash and cash equivalents at end of period	12,425	12,935	12,935	510

The accounting policies and notes starting on page 10 form an integral part of these financial statements.





MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
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Description and Principal Activities

The Ministry of Finance & Economic Development (the “Ministry”) is a Government entity as defined by section 2 of the Public Management and Finance Act (2020 Revision) (the “Act”).

Its principal activities and operations include all activities carried out in terms of the Outputs purchased by the Minister of Finance & Economic Development as defined in the Plan and Estimates for the Government of the Cayman Islands (the “Government”) for the year ended 31 December 2022. The purpose of the Ministry is to develop, implement and maintain macro-economic and budgetary policies, maintain measures to manage the finances of the Government and exercise supervision and control in all matters relating to the financial affairs of the Government. The Ministry consists of several departments, including Economics and Statistics Office, Finance Administration, Risk Management, Treasury, Central Procurement Office and Postal Service.

Note 1: Significant Accounting Policies

These financial statements are 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.

Basis of Preparation

The financial statements are presented in Cayman Islands Dollars (CI\$) and are prepared on the accrual basis of accounting, unless otherwise stated. The statements are rounded to the nearest thousand. Any discrepancies between totals and sums of components are due to rounding and has no material impact on the fair presentation of the financial statements. 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 early adopted.

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

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Ministry'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 1 January 2023. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is anticipated that IPSAS 42 will not have an impact on the Ministry's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 43, Leases was issued in January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 43 sets out recognition, measurement, presentation and disclosure requirements for leases. IPSAS 43 introduces a right-of-use model that replaces the risk and rewards incidental to ownership model in IPSAS 13. It is anticipated that IPSAS 43 will not have a significant impact on the Ministry's financial statements. This will be assessed more fully closer to the effective date of adoption.



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IPSAS 44, Non-current assets held for sale issued in January 2022 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 44 defines non-current assets held for sale and determines the accounting, presentation and disclosure of the discontinued operations. It is anticipated that IPSAS 44 will not have an impact on the Ministry's financial statements, but this will be assessed more fully closer to the effective date of adoption.

Changes in Accounting Policies

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

Budget Amounts

The original budget amounts for the year ended 31 December 2022 are as presented in the 2022 and 2023 Budget Statement and the amounts are rolled up into the Plan and Estimates document which was approved by the Parliament (formerly the Legislative Assembly), in December 2021. Any additional changes to the original budget are reflected in the final budget. As required by the Act, budgets are presented on the same basis as the annual financial statements.

Judgments and Estimates

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

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

Changes in Accounting Estimates

There have been no changes in accounting estimates as defined by IPSAS 3.

Revenue

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

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

Expenses

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

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 leases, 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.

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.

Inventory

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





MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
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The amount reported for inventory held for distribution reflects management's estimates for obsolescence or other impairments.

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost and net realizable value, where the net realizable value is the estimated selling price of the inventories, less the cost of sale or disposal.

Prepayments

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

Property, Plant and Equipment

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

Property, Plant and Equipment 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. Revaluations 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.

Any revaluation increase arising on the revaluation of such assets is recognized 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 recognized 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.

Assets under Construction

Assets under construction or development are carried at cost, less any recognized 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 and assets under construction); 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.

Asset Type

Estimated Useful life (in Years)

Buildings and structures	40-60
Leasehold Improvement	Unexpired period of lease or useful life
Furniture, fittings and office equipment	3-20
Computer hardware	3 - 10
Computer software	3 - 10
Other plant and equipment	5 - 25
Motor vehicles	4 - 12



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Intangible Assets

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

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

Derecognition of Assets

An item of property, plant and equipment and intangible asset is derecognized upon disposal or when no future economic benefits are expected to rise from the continued use of the asset.

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

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 they are reported as current liabilities at the amount expected to be paid.

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

Prior to 1 January 2000, the Board only operated a defined benefit scheme. With effect from 1 January 2000 the Board continued to operate a defined benefit scheme for existing employees and introduced 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 Government.

Financial Instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, trade and other receivables and trade and accounts payable, all of which are recognised in the Statement of Financial Position.

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

Classification

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

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





MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Recognition

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

De-recognition

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

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.

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 year the following exchange rates are to be used to translate foreign currency balances:

- a) Foreign currency monetary items are to be reported in Cayman Islands Dollars using the closing rate;
- b) 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
- c) 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.

Surplus Repayable

Pursuant to Section 39 (3) (f) of the Act any net surplus is transferred to surplus repayable, and, ultimately, repaid to the Cabinet.



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NOTES TO THE FINANCIAL STATEMENTS (continued)
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Note 2: Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank accounts in the name of the Ministry and are maintained at Royal Bank of Canada, and short term on call deposits invested with the Government's Treasury. As at 31 December 2021 and 31 December 2022, the Ministry's unrestricted cash balances were, as presented below. No restricted cash balances were held at 31 December 2022.

Prior Year Actual December 31, 2021	Description	Foreign Currency	Exchange Rate	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
	19 Cash on hand			19	17	17	(2)
	19 Cash in transit			33	37	37	4
	5,246 CI\$ Operational Current Account			7,968	7,071	7,071	(897)
	112 US\$ Operational Current Account	576	0.84	482	190	190	(292)
	1,803 Payroll Current Account			39	1,735	1,735	1,696
	47 Bank Accounts held at other financial institutions			14	33	33	19
	3,852 Treasury Internal Deposits			3,870	3,852	3,852	(18)
11,098	TOTAL			12,425	12,935	12,935	510

Note 3: Trade Receivables and Other Receivables

At year end all overdue receivables are assessed and appropriate provisions made. The provisions for doubtful debts are calculated based on expected losses for the Ministry and a review of specific debtors. Expected losses are determined based on an analysis of the Ministry's losses in previous years.

Prior Year Actual December 31, 2021		Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
	Trade Receivables				
124	Sale of goods and services	91	90	90	(1)
3,186	Outputs to Cabinet	2,685	1,434	1,434	(1,251)
-	Less: provision for doubtful debts	-	(1)	(1)	(1)
3,310	Total trade receivables	2,776	1,523	1,523	(1,253)
	Other Receivables				
	2 Dishonoured cheques	1	1	1	-
	4 Interest receivable	12	2	2	(10)
641	Other Receivable	583	428	428	(155)
(57)	Less: provision for doubtful debts	(28)	-	-	28
590	Total other receivables	568	431	431	(137)





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NOTES TO THE FINANCIAL STATEMENTS (continued)
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Actual Prior Year	Receivables	Trade Receivable	Other Receivable	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
3,578	Past due 1-30 days	2,720	366	3,085	1,917	1,917	(1,168)
4	Past due 31-60 days	-	3	4	-	-	(4)
4	Past due 61-90 days	-	3	3	-	-	(3)
31	Past due 90 and above	-	1	1	38	38	37
Non-Current							
283	Past due 1 year and above	56	195	251	-	-	(251)
3,900	Total	2,776	568	3,344	1,955	1,955	(1,389)

Changes in the provision of doubtful debts:

Actual Prior Year	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
(1)	Balance at 1 Jan	(57)	-	-	57
(56)	Additional provisions made during the	-	-	-	-
-	Receivables written off during the period	29	-	-	(29)
(57)	Balance at 31 December	(28)	-	-	28

Note 4: Inventories

Prior Year Actual December 31, 2021	Description	Current Period Actual	Original Budget	Final Budget	Variance (Orig vs Actual)
272	Inventory held for use in the provision of goods and services	272	215	215	(57)
272	Total Inventories	272	215	215	(57)

Note 5: Prepayments

Prior Year Actual December 31, 2021	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
Current					
153	Accrued Prepayments	161	145	145	(16)
153	Total Prepayments	161	145	145	(16)



MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Note 6: Property, plant and equipment

Cost or Opening Valuation	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer Hardware	Motor Vehicles	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 Jan 2021	211	4,534	402	361	300	-	5,808	5,807	5,807	(1)
Additions	-	-	8	39	-	-	47	33	33	(14)
Revaluations	-	1,454	-	-	-	-	1,454	-	-	(1,454)
Disposals	(4)	-	(50)	(99)	(25)	-	(178)	-	-	178
Balance as at 31 December 2021	207	5,988	360	301	275	-	7,131	5,840	5,840	(1,291)
	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer Hardware	Motor Vehicles	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 Jan 2022	207	5,988	360	301	275	-	7,131	5,840	5,840	(1,291)
Additions	33	-	-	18	97	-	148	181	181	33
Revaluations	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(9)	-	-	(9)	-	-	9
Balance at 31 December 2022	240	5,988	360	310	372	-	7,270	6,021	6,021	(1,249)
Accumulated Depreciation and Impairment Losses	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer Hardware	Motor Vehicles	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 Jan 2021	144	870	378	225	241	-	1,858	1,857	1,857	(1)
Depreciation Expense	21	297	12	47	16	-	393	291	291	(102)
Eliminate on Disposal	(4)	(870)	(50)	(99)	(25)	-	(1,048)	-	-	1,048
Balance as at 31 December 2021	161	297	340	173	232	-	1,203	2,148	2,148	945
	Plant and equipment	Buildings and Leasehold	Furniture and Office Equipment	Computer Hardware	Motor Vehicles	Assets under construction or development	Total	Original Budget	Final Budget	Variance (Orig vs Actual)
Balance as at 1 Jan 2022	161	297	340	173	231	-	1,202	2,148	2,148	946
Depreciation Expense	20	297	8	51	25	-	401	281	281	(120)
Eliminate on Disposal/Revaluation	-	-	-	(9)	-	-	(9)	-	-	9
Balance at 31 December 2022	181	594	348	215	256	-	1,594	2,429	2,429	835
Net Book value 31 December 2021	46	5,691	20	128	43	-	5,928	3,691	3,691	(2,237)
Net Book value 31 December 2022	59	5,394	12	95	116	-	5,677	3,592	3,592	(2,084)

Depreciation is higher than budget due to a revaluation of building and structures done in 2021. During the financial year assets with no salvage value in different classes were derecognized due to being obsolete, the assets had a net book value of zero and thus no loss was incurred from the derecognition.





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NOTES TO THE FINANCIAL STATEMENTS (continued)
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Note 7: Intangible assets

	<i>Computer Software</i>	<i>Assets under development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Cost or Opening Valuation						
Balance as at 1 Jan 2021	867	-	867	867	867	(0)
Additions	-	-	-	-	-	-
Disposals	(16)	-	(16)	-	-	16
Balance as at 31 December 2021	851	-	851	867	867	16
	<i>Computer Software</i>	<i>Assets under development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 Jan 2022	851	-	851	867	867	16
Additions	-	-	-	425	425	425
Disposals	-	-	-	-	-	-
Balance at 31 December 2022	851	-	851	1,292	1,292	441
	<i>Computer Software</i>	<i>Assets under development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Accumulated Amortization and Impairment Losses						
Balance as at 1 Jan 2021	190	-	190	190	190	(0)
Depreciation Expense	75	-	75	75	75	0
Eliminate on Disposal	(16)	-	(16)	-	-	16
Balance as at 31 December 2021	249	-	249	265	265	16
	<i>Computer Software</i>	<i>Assets under development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance (Orig vs Actual)</i>
Balance as at 1 Jan 2022	249	-	249	266	266	17
Depreciation Expense	75	-	75	78	78	3
Eliminate on Disposal/Revaluation	-	-	-	-	-	-
Balance at 31 December 2022	324	-	324	344	344	20
Net Book value 31 December 2021	602	-	602	602	602	(0)
Net Book value 31 December 2022	527	-	527	949	949	422



MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Note 8: Trade Payables, Other Payables and Accruals

Prior Year Actual December 31, 2021	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
33	Creditors	-	149	149	149
408	Creditors Ministries/Portfolios	455	-	-	(455)
1	Creditors other government agencies	-	-	-	-
317	Accrued Expenses	487	995	995	508
767	Accrued Expenses Ministries/Portfolios	754	-	-	(754)
1	Accrued Expenses other government agencies	1	-	-	(1)
11	Other payables	2	-	-	(2)
-	Payroll Deductions	-	-	-	-
1,538	Total trade payables, other payables & accruals	1,699	1,144	1,144	(555)

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

Note 9: Unearned Revenue

Prior Year Actual December 31, 2021	Details	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
	Current Portion				
459	Other unearned revenue	585	524	524	(61)
459	Total unearned revenue	585	524	524	(61)

Note 10: Employee Entitlements

Prior Year Actual December 31, 2021	Description	Actual Current Year	Original Budget	Revised Budget	Variance (Orig vs Actual)
	<i>Current employee entitlements are represented by:</i>				
41	Comp Time	11	19	19	8
350	Annual Leave	358	282	282	(76)
2	Accrued salaries	16	-	-	(16)
92	Pension	96	93	93	(3)
-	Other salary related entitlements	(1)	-	-	1
485	Total employee entitlements	480	394	394	(86)

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





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Note 11: Sale of Goods and Services

Prior Year Actual December 31, 2021	Revenue type	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
14,944	Outputs to Cabinet	14,302	16,842	16,767	2,540
109	Outputs to other government agencies	82	101	101	19
1,116	General Sales	1,103	1,390	1,390	287
1,100	Other	1,078	1,040	1,040	(38)
17,269	Total sales of goods and services	16,565	19,373	19,298	2,808

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

Outputs to other Government agencies comprises trade between the Ministry and other government bodies.

Fees & charges, general sales (postage) & others (Post Office box rental, miscellaneous) 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 Acts and Regulations.

Note 12: Investment Revenue

Prior Year Actual December 31, 2021	Source	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
2	Interest on deposits held with Cabinet	25	-	-	(25)
2	Total Investment Revenues	25	-	-	(25)

Note 13: Personnel Costs

Prior Year Actual December 31, 2021	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
9,705	Salaries, wages and allowances	10,057	11,292	11,292	1,235
2,014	Health care	2,333	2,737	2,737	404
529	Pension	544	633	633	89
49	Leave	(22)	53	53	75
2	Other personnel related costs	21	11	11	(10)
12,299	Total Personnel Costs	12,933	14,726	14,726	1,793



MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022
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Note 14: Supplies and Consumables

Prior Year Actual December 31, 2021	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
125	Supplies and Materials	145	253	253	108
3,418	Purchase of services	2,097	2,906	2,831	809
133	Lease of Property and Equipment	138	131	131	(7)
231	Utilities	263	293	293	30
447	Interdepartmental expenses	399	408	408	9
10	Travel and Subsistence	17	41	41	24
44	Recruitment and Training	54	194	194	140
57	Other	23	1	1	(22)
4,465	Total Supplies & Consumables	3,136	4,227	4,152	1,091

Note 15: Gains/(Losses)

Prior Year Actual December 31, 2021	Description	Actual Current Year	Original Budget	Final Budget	Variance (Orig vs Actual)
-	Net (gain) / loss on disposal of property, plant and equipment	(4)	-	-	4
(20)	Net (Gain)/Loss on foreign exchange Transactions	(12)	-	-	12
(20)	Total Gain/ (Losses)	(16)	-	-	16

Note 16: Contingent Liabilities and Assets

The Ministry has no contingent assets as at 31 December 2022. Any contingent liabilities relating to the Ministry as at 31 December 2022 are reported in the consolidated accounts for the Government.

Note 17: Explanation of major variances against budget

There was a change between the original and final budget, which was a decrease in the revenue expected from Outputs to Cabinet after Cabinet approved the reduction in the budgeted amount of supplies and consumables costs (Note 14). This was approved by Cabinet under Section 11(5) of the Act; and is to be included in the Supplementary Appropriation Bill to be introduced to the Parliament by 31 March 2023, as required by Section 11(6)(b) of the Act.

Explanations for major variances for the Ministry's performance against the original budget are as follows:

Statement of Financial Performance

Sale of Goods and Services Revenue

Revenue was below budget by \$2.8 million, due to a decline in Postal revenue due to global COVID-19 restrictions, as well as lower expenditures for departments resulting in lower Cabinet revenue. The Ministry only bills for Cabinet revenue as the expenditures occur.





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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022
(Amounts Expressed in CI \$000s)

Personnel Costs

Personnel costs were lower than the original budget by \$1.793 million. The variance is comprised of vacancies and timing of vacant posts being filled.

Supplies and Consumables

Supplies and Consumables costs were lower than original budget by \$1.091 million. Expenditures such as acquiring a budget software and implementation of the Ministry's strategic plan did not commence until late in year resulting in savings.

Depreciation & Amortization

Depreciation was higher than budget by \$120 thousand due to a revaluation of building and structures done in 2021.

Statement of Financial Position

Cash and Cash Equivalents

There was no significant variance in the actual balance and budget amount.

Trade Receivables

The actual year-end trade receivable balance was higher than the budget by \$1.253 million as a result of Cabinet revenue receivable for the months of November and December 2022, whereas the budget of \$1.434 million was for only for month.

Other Receivables

The actual year-end balance of other receivables was higher than the original budget by \$137 thousand due to post terminal dues receivable being higher than anticipated.

Property, Plant and Equipment

The actual year end property, plant and equipment ("PPE") were higher than the original budget by a net amount of million resulting from the revaluation of the Postal Services Buildings in 2021.

Intangible Assets

The actual year end intangible assets were lower than the original budget by \$422 thousand as a result of deferring the purchase of budget software.

Trade Payables, Other Payables and Accruals

The actual year end payables and accrual balances were higher than the original budget by \$555 thousand due to timing of payments over the holidays. The Ministry also held revenue collected on behalf of other government entities as at year end.

Employee Entitlements

The actual year end employee entitlements were higher than the original budget by \$86 thousand due to valuation leave and pension at salary grades after COLA adjustment not provided for during the budget.



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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022
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Statement of Changes in Net Worth

The equity investment from Cabinet was lower than budget by \$516 thousand due to the decision to defer the purchase of budget software for use by the Ministry and other small capital items.

Cash Flow Statement

Cash from Operating Activities

Cash from operating activities was over budget by \$1.23 million primarily due savings in personnel costs and supplies and consumables.

Cash from Investing Activities

Cash from investing activities was lower than budget by \$462 thousand due to the decision to defer all the capital projects for 2022 namely, the upgrade of a post office as well as budget software purchases.

Cash from Financing Activities

The cash inflow from financing was under budget by \$519 thousand, as a result of not drawing on the equity injection due to deferral of capital expenditures.

Note 18: Related Party and Key Management Personnel Disclosures

Related party disclosure

The Ministry is an entity of the Government from which it derives a major source of its revenue. The Ministry and its key management personnel transact with other Government entities on a regular basis. These transactions were provided free of cost during the year ended 31 December 2022 and 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 also considered to be related parties and received the following remuneration.

Prior Year Actual December 31, 2021	Description	Actual Current Year	Number of posts
1,168	Salaries & other short-term employee benefits	1,256	8
126	Other long-term benefits	133	
1,294	Total	1,389	

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





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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022
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Note 19: Commitments

Prior Year Actual December 31, 2021	Type	One year or less	One to five Years	Over five Years	T
	Capital Commitments				
-	Other commitments (list separately if material)	-	-	-	
-	Total Capital Commitments	-	-	-	
	Operating Commitments				
-	Non-cancellable contracts for the supply of goods and services	174	421	-	
-	Total Operating Commitments	174	421	-	
-	Total Commitments	174	421	-	

Note 20: Events Occurring After Reporting Date

No significant events occurred after the reporting date.

Note 21: Financial Instrument Risks

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

Credit Risk

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

Currency and Interest Rate Risk

The Ministry has no significant exposure to currency exchange loss risk nor interest rate risk.

Liquidity Risk

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



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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022
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Note 22: Segment Reporting

Prior Year Actual		Current Year Actuals						
		FIN ADMIN	RSK	ESO	TSY	POS	CPO	TOTAL
Revenue								
14,944	Outputs from Cabinet	2,150	91	1,996	5,721	3,895	449	14,302
2,325	Sale of goods and services	-	-	-	96	2,151	-	2,247
2	Other revenue	25	-	10	-	6	-	41
17,271	Total Revenue	2,175	91	2,006	5,817	6,052	449	16,590
Expenses								
12,299	Salaries and Wages	1,855	89	1,591	4,595	4,417	387	12,934
4,972	Other expenses	320	2	415	1,222	1,635	62	3,656
17,271	Total Expenses	2,175	91	2,006	5,817	6,052	449	16,590
-	Net Surplus/ (Deficit)	-	-	-	-	-	-	-
Assets								
15,423	Current Assets	15,103	-	2	189	892	16	16,202
6,530	Non-Current Assets	13	-	2	24	6,163	2	6,204
21,953	Total Assets	15,116	-	4	213	7,055	18	22,406
(2,485)	Total Liabilities	(381)	(4)	(86)	(1,056)	(1,195)	(42)	(2,764)
25	Total Capital Expenditures	5	-	-	5	78	2	90

Joint assets and liabilities held as common are directly managed by the Finance Administration (FIN ADMIN) section; therefore, FIN ADMIN would include such assets as cash and cash equivalents and receivables from Cabinet. It would also include such liabilities as Surplus payable and payroll deductions that are payable.

FIN ADMIN section assists the Financial Secretary and the Minister for Finance by providing policy advice, governance and administrative services on all financial, budgeting and reporting matters of the Government. The section processes applications for fees and import duty waivers, stamp duty abatements and assessments, Government Loans to Civil Servants, as well as providing administrative support and monitoring the performance of Departments under the Ministry.

The Risk Management Unit's (RSK) primary purpose is develop, implement and coordinate comprehensive property and liability insurance programmes along with safety and loss control activities to minimize the negative financial impact of natural hazards, accidents and other unexpected events to the Government.

The Economics and Statistics Office (ESO) monitors the economy, develops economic policies and plans, and advises the Government on a range of economic issues to sustain growth in the Islands. The ESO also conducts and analyses social and economic surveys and compiles and publishes statistical data on the Cayman Islands, and provides other Government Departments with technical advice on data collection and dissemination, and survey design and methodology.

The Treasury Department (TSY) is responsible for the preparation and the consolidation of the forecast and annual financial statements for core Government and the Entire Public Sector (EPS), as required by section 29(A) of the Act, using IPSAS. Treasury has oversight for the management and forecasting of core government cash flows, negotiation, evaluation and administration of core Government borrowings. It is responsible for the design, quality assurance and management of the budget and reporting processes for the EPS; this includes coordinating and preparing an annual timeline, Strategic Policy Statement, Plan and Estimates, Budget Statements, Ownership and Purchase Agreements and revenue forecasts. The Treasury also provides financial management services to Ministries/Portfolios and the Cabinet.





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The Cayman Islands Postal Services (POS) is the Government Department designated as the postal operator responsible for fulfilling the Government's obligations arising from adherence to the Universal Postal Union Convention in the Cayman Islands. As the designated postal operator, the Postal Service is charged with ensuring that postal services are accessible to all residents and visitors in the territory and operates a network of 16 Post Offices across all Islands. It is also part of a network of over 700,000 postal outlets worldwide. Core postal services are domestic and international in scope and encompass ordinary letter mail including mail with certified posting, registered mail, prepaid postage (franking meters and online meters), parcels, re-direction of mail, safe mail as well as the postal industry's courier service – Express Mail Service (EMS).

The Central Procurement Office (CPO) provides training, advice and guidance to all entities and persons involved in public procurement.



Ministry of Finance & Economic Development

Cayman Islands Government

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