



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

Cayman Islands Government

2023 Annual Report



Ministry of Investment, Innovation & Social Development

Cayman Islands Government

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FORWARD

HON. MINISTER ANDRÉ EBANKS



I am pleased to present the annual report of the Ministry of Investment, Innovation and Social Development, highlighting the crucial role of Innovation and Investment in propelling social development across the Cayman Islands. Throughout the past year, we have witnessed first-hand the profound impact of melding innovation with investment to effect tangible and sustainable enhancements in our society.

Central to our endeavours is the steadfast belief that innovation, underpinned by strategic investment, serves as a potent driver for social advancement. Our strides in modernising infrastructure, exemplified by projects such as the establishment of a National ID (E-ID) will not only bolster efficiency but will also empower residents with secure and convenient access to vital services. By harnessing technology to streamline processes and bridge divides, we are ensuring broader participation in the digital economy, thereby mitigating disparities and fostering social inclusivity.

Furthermore, our targeted investments in entrepreneurship and economic development are fostering inclusive prosperity and engendering opportunities for all strata of society. Through initiatives like the Cayman Islands Centre for Business Development (CICBD) and their Business Growth Incubator Programme, we are cultivating an environment conducive to innovation while bolstering the success of small enterprises.

By extending access to funding, mentorship, and resources to motivated entrepreneurs we are not only stimulating economic dynamism but also empowering individuals to forge brighter destinies for themselves and their families.

In tandem with our economic empowerment endeavours, our investments in social development initiatives are nurturing a more resilient and compassionate society. By prioritising the well-being of at risk segments through programmes administered by the Department of Children & Family Services (DCFS) and the Needs Assessment Unit (NAU), we are steadfast in our commitment to leaving no one behind. These investments in social services and support structures not only alleviate immediate hardships but also lay the groundwork for enduring stability and prosperity by addressing the root causes.

The synergies between innovation, investment, and social development are unmistakable and compelling. By harnessing the transformative potential of technology and entrepreneurship to drive inclusive economic growth and fortify social safety nets, we are forging a future marked by prosperity and equity for all residents of the Cayman Islands. As we cast our gaze forward, I am buoyed by the conviction that by persisting in our commitment to investing in innovation and social development, we will fashion a society where every individual has the opportunity to flourish and contribute meaningfully to the collective welfare.

In closing, I extend heartfelt appreciation to all stakeholders who have contributed to our shared accomplishments. Together, we are illustrating that when innovation and investment collaborate synergistically, they possess the capacity to metamorphose lives and construct a brighter world for posterity.

“By harnessing the transformative potential of technology and entrepreneurship to drive inclusive economic growth and fortify social safety nets, we are forging a future marked by prosperity and equity for all residents of the Cayman Islands. “

The Hon. André Ebanks

INTRODUCTION

CHIEF OFFICER, TAMARA EBANKS



As Chief Officer of the Ministry of Investment, Innovation, and Social Development, I am pleased to present our annual report highlighting the remarkable achievements across our departments. Under the umbrella of innovation, significant progress has been made in various sectors. The e-government initiative has made strides towards the implementation of the National ID (E-ID), bringing us closer to a more efficient and secure digital identity system.

The Cyber Security Office has bolstered our defenses against cyber threats, ensuring the protection of our digital infrastructure. Meanwhile, the Department of Computer Services (CSD) continues to excel as the central IT department of the Cayman Islands Government, advancing our technological objectives.

In the realm of investment, our division has witnessed substantial growth, particularly with the expansion of the Cayman Islands Centre for Business Development (CICBD). Through initiatives like the Business Incubator Programme, Growth Club, Teenpreneurship Camp, and the Small Business Expo, we are fostering entrepreneurship and economic prosperity in our community.

In social development, significant legislative measures have been enacted to enhance the wellbeing of our most vulnerable populations. The Department of Children and Family Services (DCFS) has received crucial support to continue providing assistance to children and families in need. Additionally, the Needs Assessment Unit remains steadfast in its mission to address the essential needs of our citizens.

Moreover, I am pleased to announce several highlights for the overall ministry. We have welcomed new hires, including myself transitioning from Acting to Permanent Chief Officer, signaling stability and continuity in our leadership.

Furthermore, the ministry is actively involved in developing strategies for social housing and exploring innovative financing mechanisms such as private sector Crowdfunding for social development projects. Efforts are also underway to establish a certification programme aimed at promoting and acknowledging locally made products, thus supporting our local economy.

The Ministry of Investment, Innovation and Social Development is proud to report that repairs to 12 homes were made available through the Housing Repairs Assistance Programme over the course of 2023 at a total value of \$747,812 across Grand Cayman. These repairs assisted elderly Caymanians, the disabled, children at risk and other vulnerable persons presently in need and suffering from water damage, mold and storm damage to their homes. The distribution of housing repair projects are as follows: 1 home in East End, 1 in Bodden Town, 3 in George Town and 7 homes in West Bay.

Hon. Minister André Ebanks promotion to Deputy Premier significantly strengthens the Ministry's ability to fulfill its mission. His leadership brings added gravitas and influence, amplifying our efforts to drive innovation, spur investment, and foster social development. With Minister Ebanks in this elevated role, we are better positioned to effect positive change and drive sustainable growth throughout our communities.

“As we embrace innovation and foster investment, we must recognize their profound connection to social development. By leveraging technology and economic opportunities, we not only drive progress but also empower our citizens to thrive. This holistic approach not only strengthens our economy but also enhances the quality of life for all residents of the Cayman Islands, ensuring a brighter and more inclusive future for generations to come.”

Chief Officer - Tamara Ebanks

In conclusion, the Ministry of Investment, Innovation and Social Development remains committed to driving progress and prosperity in the Cayman Islands. Through innovation, investment and social development initiatives, we continue to build a brighter future for all our citizens.



The Ministry Team

The Ministry of Investment, Innovation and Social Development proudly welcomes the following new members to our team, further enriching our workforce with their diverse talents and expertise: Briana Hurlston (Accounts Officer II), Jacobus Jacobs (Business Process Analyst), Anita Law (Communications & PR Manager), Leah Watson (Policy Assistant) and Hollie Whitelocke (Strategic Communications Manager) As we embark on our mission to drive economic growth, foster innovation, and promote social development, we are excited to have these new members on board to contribute fresh perspectives and ideas. Their dedication and commitment to serving the community will undoubtedly strengthen our ability to achieve our goals and make a positive impact on the lives of people in the Cayman Islands.

With mixed emotions, we bid farewell to Mrs. Debbie Webb-Sibbles, affectionately known as 'Ms. Debbie', who after an illustrious career spanning over 37 years in the civil service, leaves an indelible mark on our community. Her unwavering dedication, professionalism and invaluable contributions have been instrumental in shaping the success of our ministry. As she embarks on the next chapter of her journey, we extend our deepest gratitude for her years of service and wish her all the best in her well-deserved retirement. Ms. Debbie's legacy of excellence will continue to inspire us as we strive to uphold the highest standards of service and innovation in the years to come, reflecting her role as a stalwart advocate for social development and her tireless efforts towards creating a more inclusive and compassionate society for all.





Minister and Parliamentary Secretary

Deputy Premier, the Hon. André Ebanks, Minister for Investment, Innovation and Social Development
Heather Bodden MP, Parliamentary Secretary for Social Development

Ministry Staff

Tamara Ebanks
Chief Officer

Charles Brown
Acting Deputy Chief Officer
(Investment & Innovation)

Rayle Roberts
Acting Deputy Chief Officer
(Social Development)

Vinton Chinsee
Chief Financial Officer

Gretel Rawcliffe
Chief HR Officer

Destini Bush
Accounts Officer II

Ernesto Carter
Housing Repairs Assistance Programme Manager

Ashlyn Goubault-Ebanks
Policy Advisor, Social Development

Trevor Gibbs
Senior Policy Advisor, Investment & Innovation

Cory Hunter
Policy Assistant

Jacobus Jacobs
Business Process Analyst

Deondra Kelly
Acting Deputy Chief Financial Officer

Anita Law
Communication & PR Manager

Brianna Hurlston
Accounts Officer II

Kirkland Marsh
PA to Chief Officer Ebanks

Angela Mowbray
PA to Hon. Minister Ebanks

Mehr Petkovsek
Senior Policy Advisor, Social Development

Shennique Seales
Policy Advisor, Investment

Jane Scaletta
Director, InvestCayman

Christine Solly
Housing Repairs Assistance Coordinator

Leah Watson
Policy Assistant

Deborah Webb-Sibblies
Strategic Policy Advisor, Older Persons

Victoria Whittaker
Financial Administrator

Hollie Whitelocke
Strategic Communications Manager



Ministry Departments & Directors - Investment

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

Director: Jane Scaletta

Cayman Islands Centre for Business Development(CICBD)- Provides business advisory, business development and technical assistance services to entrepreneurs and business owners in order to support local micro, small and medium sized businesses.

Director: Althea West-Myers

Ministry Departments & Directors - Innovation

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

Director: Ian Tibbetts

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

Director: Darvy Whittaker

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

Director: Pamela Greene



Ministry Departments & Directors - Social Development

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

Director: Kimberly Voaden

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

Director: Paulinda Mendoza-Williams

Needs Assessment Unit (NAU) - Improves quality of life by providing financial assistance to Caymanians on a temporary basis.

Director: Tamara Hurlston

Boards and Authorities

Children and Youth Services (CAYS Foundation)

Adoption Board

Housing Repairs Assistance Oversight Committee

Film Exhibition Control Board



INVESTMENT

The Ministry's Investment Division is committed to identifying opportunities for policy reform and implementing strategic changes to address structural barriers encountered by entrepreneurs and small businesses in the Cayman Islands economy. Our efforts aim to support these businesses and enhance their capacity.

These initiatives align with the Government's strategic objectives, particularly Goal 3, which focuses on enhancing the well-being of our citizens to enable them to realize their full potential, and Goal 8, which underscores the importance of modern infrastructure for the Islands' future success.

Throughout the year, the Centre for Business Development has delivered extensive support and tailored programmes to micro and small businesses, as detailed below.

InvestCayman continued to provide support and facilitate services for the local business and investment communities.

Furthermore, the Ministry is actively involved in developing strategies for Social Housing and exploring the use of private sector Crowdfunding as an alternative financing mechanism for social development projects. Efforts are also underway to establish a certification programme for goods and services produced in the Cayman Islands, aimed at promoting and acknowledging locally made products.

These initiatives underscore our commitment to fostering economic growth, enhancing social well-being, and promoting local entrepreneurship.





The Cayman Islands Centre for Business Development (CICBD) maintained its operations at the Baytown Plaza location throughout 2023, serving as a pivotal hub for fostering entrepreneurship and small business growth in the Cayman Islands. Over the course of the year, the CICBD demonstrated significant impact and engagement across various initiatives and programs, catering to both aspiring and established entrepreneurs.

In terms of client outreach, the CICBD assisted 1,203 walk-in clients and acquired 45 new long-term clients during the year, underscoring its relevance and effectiveness in the local business community. The center conducted a total of 533 client consulting sessions and hosted 36 training sessions aimed at enhancing entrepreneurial skills and business acumen among its clientele.

Central to the CICBD's mission are its diverse programmes and projects aimed at nurturing local small businesses. Notable among these initiatives was the successful execution of twelve programs and projects throughout the year. This included the second cohort of the Business Incubator Programme, designed to guide businesses through the crucial growth phase, and the TEENpreneurship Summer Camp, which aimed to instill a culture of technological entrepreneurship among teenagers.

Moreover, the centre introduced the Growth Club, offering a platform for past programme participants to network, share experiences, and access mentorship opportunities.

Further demonstrating its commitment to supporting small businesses, the CICBD organized and hosted the inaugural Small Business Expo, providing a platform for 30 local businesses to showcase their services. The Expo, held under the theme "Ignite. Innovate. Elevate. Empowering Cayman's Small Businesses for a Thriving Future," garnered significant participation from business support organisations, government agencies, and the public.

During Global Entrepreneurship Week, the CICBD engaged in a series of activities, including workshops, an open house event, and a female entrepreneurship forum, facilitating networking opportunities and knowledge-sharing among entrepreneurs. In its efforts to cultivate entrepreneurship among youth, the CICBD launched the Entrepreneurship Club (E-Club) at Clifton Hunter High School, providing students with guidance and resources to develop business ideas.



This was followed by a workshop for employers facilitated by representatives of W.O.R.C. on Employment Services and Compliance.

An Open House that invited potential clients to learn about CICBD services, tour the office and incubator space, and avail themselves of free business health checks was also held during Global Entrepreneur Week. Eleven (11) small businesses owners visited the office and majority of them signed up for consulting services. The week ended with a female entrepreneurship forum featuring four speakers that shared their expertise on issues relevant to women entrepreneurs. Approximately fifty (50) female entrepreneurs attended the event.

Overall, the CICBD's multifaceted approach to business development and support has made significant strides in empowering entrepreneurs, fostering innovation, and driving economic growth in the Cayman Islands. With its continued dedication and impactful initiatives, the center remains a vital resource for the local business community.





InvestCayman underwent significant evolution in 2023, reflecting a strategic shift towards fostering local investment opportunities, particularly those aimed at enhancing social development within the Cayman Islands. This transformation was exemplified through various initiatives and engagements, including the sponsorship of the lanyards for the BSides Cybersecurity conference, an event aimed at promoting awareness and collaboration within the cybersecurity realm.

In Q1, InvestCayman received a new mandate emphasising the role of investment in contributing to the social fabric of Cayman. This directive marked a departure from the previous focus on Foreign Direct Investment (FDI) towards inward investment, aligning with the Ministry's broader objectives. From here, InvestCayman diligently drafted strategic plans and communication strategies to align with the new mandate focusing on local investment for social development. These plans aimed to outline clear objectives, action steps, and performance indicators to ensure effective execution of investment initiatives and engage stakeholders across the Cayman Islands.

Director Scaletta and the team undertook specialised training in Socially Responsible Investing (SRI) and Sustainable Impact Investing (SII), equipping themselves with the necessary expertise to navigate this new terrain effectively. Additionally, Ms. Scaletta and Mrs. Whitelocke graduated from ILM 7 and 2, respectively.



The adoption of a new project management system, Amplify, proved instrumental in streamlining investment projects. Notably, the leadership role undertaken by InvestCayman in the development of The Pines retirement home project showcased the team's commitment to driving tangible social impact. This opportunity facilitated the creation of a promotional investment guide and website updates aimed at attracting potential investors.

In furtherance of its new mandate, at the end of 2023, the InvestCayman team seamlessly integrated into the Ministry. All InvestCayman team members not on secondment are now directly employed by the Ministry, bolstered by its Investment team and supported by three existing officers. Those on secondment have returned to their respective Ministries. Moving forward, the Ministry is enthusiastic about repositioning the well-intended work initiated by InvestCayman, seeking innovative solutions to address issues affecting our community.





INNOVATION

The Innovation Division of the Ministry continues to play a pivotal role in maintaining and enhancing the government's IT infrastructure and digital presence, thereby facilitating efficient governance and service delivery.

Throughout 2023, the Innovation entities collaborated closely with the Ministry to finalize a comprehensive two-year strategic roadmap aligned with the objectives outlined in the 2022-23 Annual Budget Statement.

This roadmap not only reflects the government's commitment to innovation but also serves as a guiding framework to achieve the vision outlined in the 2022-2024 Strategic Policy Statement, particularly focusing on Broad Outcome 3: providing solutions to improve the well-being of our people so they can achieve their full potential, and Broad Outcome 8: Building a modern infrastructure to ensure a successful future for our Islands.

In pursuit of these strategic goals, the core Ministry Innovation team dedicated significant efforts towards advancing the creation of primary legislation for the Identification Register and the Cayman Islands Identification Card. This included the development of draft regulations for both the Cayman Islands Identification Card and the Identification Register, laying the groundwork for the implementation of robust identification systems.

By focusing on the development of modern infrastructure and innovative solutions, the Ministry's Innovation Division remains committed to enabling the government to effectively serve its citizens and propel the Cayman Islands towards a prosperous and digitally empowered future.





Computer Services Department (CSD)

In 2023, the Department of Computer Services (CSD) continued its pivotal role as the central IT department for the Cayman Islands Government (CIG), supporting, developing, and protecting systems generating over 800k of annual revenue for the government.

Acting as the backbone of the Civil Service, CSD provided essential IT security, service delivery, and technology solutions to ensure the smooth functioning of government operations. Through its comprehensive range of services, including application and web development, enterprise IT infrastructure services, and IT procurement, CSD remained instrumental in advancing the government's digital ecosystem.

CSD's dedication extended across Grand Cayman, Cayman Brac, and Little Cayman, where it supported various government entities and statutory authorities, crucial for business continuity. Embracing sound IT Governance principles, CSD secured, maintained, supported, and developed resilient government information systems and infrastructure, safeguarding critical data and enabling uninterrupted service delivery.

Throughout the year, CSD continued to offer vital technological support services, operating an IT Service Desk equipped with a call center, providing IT procurement services, and offering comprehensive technical support, including remote and mobile services. Upholding stringent security and governance standards across all services, CSD played an indispensable role in driving the Cayman Islands Government towards its digital transformation goals and ensuring a technologically resilient and secure environment for all stakeholders.



E-Government Unit (eGov)

In 2023, the eGovernment Unit (eGov/EGU) continued its commitment to advancing digital government services, striving for efficiency, convenience, and enhanced accessibility for the residents and businesses of the Cayman Islands. Building upon the achievements of the previous year, eGov dedicated efforts to support various government departments in their transition towards modernised service delivery methods.

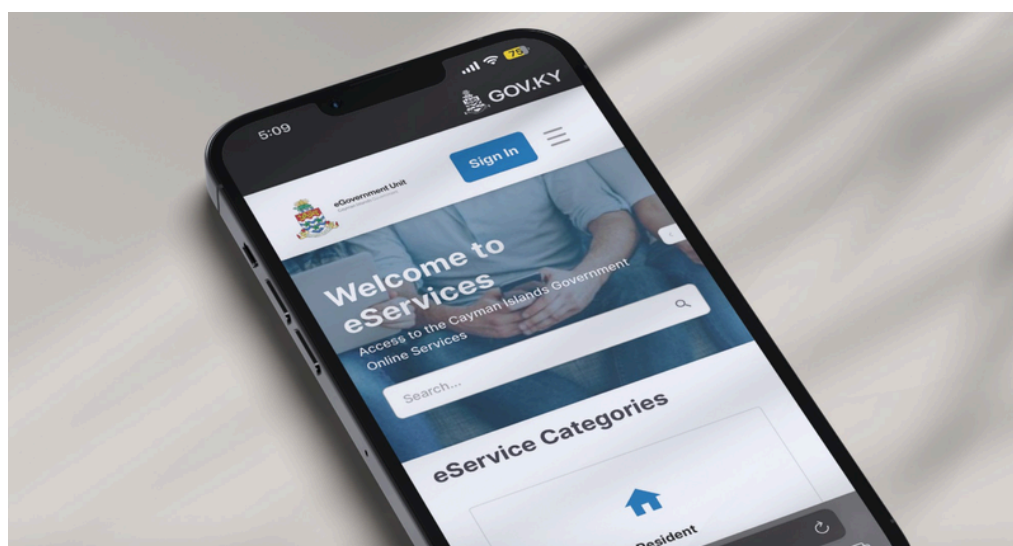
A notable highlight of our initiatives was the collaboration with the Early Childhood Assistance Programme (ECAP) to implement an online portal and back administration system. This milestone, marked a significant step towards digitizing essential services and improving accessibility for parents applying for ECAP funding.

Furthermore, the introduction of the Zendesk customer care solution for eServices Sign In customer support demonstrated our commitment to enhancing user experience and support services. The trial initiated by Workforce Opportunities and Residency Cayman (WORC) underscores our efforts to streamline processes and provide efficient assistance to citizens.

Throughout the year, eGov prioritized upgrades and enhancements to key platforms such as eServices Sign In and the My.egov.ky portal. These improvements aimed to optimize functionality and user interface, ensuring a seamless online experience for all users. In line with our strategic objectives, eGov successfully initiated the first phase of the Department of Health Regulatory Services (DHRS) programme, contributing to the modernization of healthcare services delivery in the Cayman Islands.

In addition to these achievements, we celebrated the relocation of our operations to Camana Bay, a move necessitated by our growth and expansion efforts.

Finally, we acknowledge the significant progress made on the Department of Financial Assistance project and the meticulous preparations for the implementation of the Identification Register and Cayman Islands Identification Card. These initiatives underscore our ongoing commitment to innovation, efficiency, and customer-centric service delivery in the digital era. As we move forward, eGov remains dedicated to driving positive transformation across government services, leveraging technology to better serve the needs of our community.



Cyber Security Unit

The Cyber Security Unit is a critical component of the Cayman Islands Government's digital infrastructure. Responsible for protecting and strengthening the government's cyber security capabilities, the unit focuses on defending online services and digital assets against emerging threats. Additionally, it plays a significant role in promoting trust and confidence in the Cayman Islands jurisdiction globally while also raising awareness and understanding of cyber security within the local community.

Through initiatives such as public education campaigns, workshops, and outreach events, the unit actively engages with the community to emphasize the importance of cyber security practices, empowering individuals and organizations to protect themselves against online threats.

Furthermore, 2023 saw the continued success of the Cyber Security Unit's summer intern program. This program, designed to cultivate talent and provide hands-on experience in the field of cyber

security, saw remarkable achievements during the year. Through mentorship, training, and practical projects, interns gained valuable insights into the intricacies of cyber security operations while contributing to the unit's mission of safeguarding government digital assets. The success of the summer intern program not only benefits the participating interns but also reinforces the Cyber Security Unit's commitment to building a skilled workforce capable of addressing evolving cyber threats effectively.





SOCIAL DEVELOPMENT

Throughout the year, the Ministry of Investment, Innovation, and Social Development actively engaged in various initiatives to foster social development and enhance community well-being. In January, a significant milestone was achieved as the Ministry collaborated with relevant CIG teams to organize a development workshop. This workshop aimed to strategize and streamline efforts towards enhancing services.

In February, the Ministry facilitated pivotal focus groups dedicated to operationalizing the Financial Assistance Act, 2022, and formulating accompanying regulations. This proactive approach ensured the effective implementation of legislation aimed at providing vital financial support to those in need.

Meanwhile, March witnessed the commemoration of Social Work Month at Department of Children and Family Services (DCFS), highlighted by a notable visit from Ministry officials, emphasizing the importance of social work in our communities.

As the year progressed, efforts persisted in fortifying social frameworks and support systems. In June and July, the Ministry orchestrated further focus groups to deliberate on amendments to the Children Act (2012 revision) and the repeal and replacement of the Adoption of

Children Act (2021 Revision), reflecting a commitment to advancing child welfare and protection. Moreover, the Ministry continued to demonstrate its dedication to community initiatives by sponsoring events such as Honouring Women Month and providing essential grants to organizations undergoing transitions, exemplified by the support extended to One2One and the renovation of Children and Youth Services Foundation's (CAYS) workshop space.

The latter part of the year saw notable achievements, including the approval of Financial Assistance Regulations, 2023, and the Financial Assistance (Appeals) Regulations, 2023 by Cabinet in October. Additionally, the Ministry actively engaged with stakeholders through town hall events, discussions with community organizations, and specialized training sessions, underlining a collaborative approach to address societal needs. Noteworthy efforts also included the provision of technological resources, such as tablets, to enhance operational efficiency within DCFS, further illustrating the Ministry's commitment to empowering its workforce and improving service delivery.

These initiatives align with the Government's strategic objectives, particularly Goal 3, which focuses on enhancing the well-being of our citizens to enable them to realise their full potential.



Department of Children & Family Services

Cayman Islands Government

Presented here is a summary of the department's activities and achievements over the past year. As the department celebrated its 60th anniversary, it reflected on its longstanding commitment to serving the community and reaffirmed its dedication to the welfare of children and families. In January, a successful Universal Children's Day 5K Walk & Run was organised with generous support from sponsors, whose contributions were crucial to the event's success.

January also saw the recognition of Beckie Seymour as she received the Chief Officer's Choice Award and Employee of the Month Award, acknowledging her professionalism, customer service orientation, and exceptional teamwork.

Throughout March, Social Work Month was celebrated under the theme "Breaking Barriers," with inspiring stories shared about the staff's dedication and impact on the community. May was dedicated to Child's Month, emphasizing the importance of investing in children for a brighter future, and gratitude was expressed to foster parents during Foster Parent Appreciation events.

In May, International Nurses Day was recognised with events in Grand Cayman and Cayman Brac, including the Residential Homes Caregiver Awards Ceremony at Health City.

The department was honored to receive the DG's "Moments of Magic" Recognition Award for the outstanding work of the Youth Services Team in the Youth Diversion Programme, positively impacting the lives of young people.

In June, a panel discussion was hosted at the GT Library for World Elder Abuse Awareness Day, highlighting the importance of stopping neglect and supporting older persons. Further emphasising the commitment to children, a Universal Children's Day event was held in November, focusing on their rights and well-being.

Throughout Older Persons Month, various events such as ambassadors' talks, town halls, caregiver seminars, and a sports day were organized, in collaboration with Health City, Credit Union, and Cayman National, promoting active aging and financial well-being.

In 2023, DCFS facilitated 19 foster care placements with the goal to increase the number of Foster Parents significantly in 2024.

The department received tablets from the Ministry to enhance services and operations. In November.

In conclusion, the past year has been marked by significant milestones and achievements for the Department of Children and Family Services, and it remains steadfast in its mission to protect and support the most vulnerable members of the community.





Needs Assessment Unit

Cayman Islands Government

In 2023, the Needs Assessment Unit (NAU) continued its vital role in addressing the needs of vulnerable individuals and families across the Cayman Islands. As of December 31st, 2023, the NAU served 2,659 families, encompassing 4,474 individuals, ensuring that Caymanians were able to meet their basic needs, including access to childcare services and housing assistance. This reflects the NAU's commitment to providing tailored support for every individual's well-being.

Moreover, the NAU's efforts extended beyond immediate assistance, actively engaging in initiatives aimed at promoting long-term self-sufficiency among its clients. Through personalized case management and empowerment programmes, the NAU diligently worked to equip individuals with the tools and resources necessary to break the cycle of dependency and achieve sustainable outcomes, fostering resilience and empowerment within the community.

Additionally, the NAU implemented the 'NAU Is In Our District' programme, maintaining a presence in each community to facilitate easy access for those needing assistance and to better understand district needs. By the end of 2023, the department had conducted 46 district visits. Clients received an extra \$250 in December.

The NAU's customer satisfaction survey for 2023 indicated a 91% satisfaction rate with 4,014 responses received. Furthermore, five

members of the NAU Team received the Chief Officer Choice Award: Demsen Watler, Alexander Terry, Delani Augustine, Jeffrey Seymour, and Shimar Harding.

In terms of community partnerships, the NAU participated in the Civil Services Giving Tree initiative, allowing 45 NAU families to receive gift certificates during the Christmas Season. Additionally, the NAU supported partnering non-profit organisations by attending events such as the Inclusion Cayman Annual Breakfast, the Annual Ruby Luncheon for the Cayman Heart Fund, and the Annual Meals on Wheels Orange You Glad Gala. The NAU also provided small tokens of appreciation to partnering agencies, including MIISD departments and NPOs, and shared client names (with consent) with various churches, NGOs, and private companies to facilitate direct donations to families in need.

Looking ahead to 2024, the NAU is poised to transform into the Department of Financial Assistance (DFA). This new department will significantly enhance the government's ability to provide comprehensive support to those in need. To introduce the DFA to the public and promote community engagement, the NAU along with the Ministry team organized a series of town hall meetings in each district throughout November 2023. These meetings provided residents the opportunity to learn about the changes, ask questions, offer feedback, and address any concerns.

Through these collaborative efforts, the NAU reaffirms its commitment to promoting social welfare and enhancing the well-being of all residents of the Cayman Islands.



Deputy Governor Award Recipients





Sunrise Adult Training Centre

Cayman Islands Government

In 2023, the Sunrise Adult Training Centre (SATC) has remained steadfast in its commitment to supporting and empowering adults with disabilities in the Cayman Islands. With the dedication of our staff, the resilience of our clients, and the support of our partners and sponsors, we have achieved significant milestones and made considerable progress toward our mission.

44 clients were taken off the SATC waitlist in 2023. Sunrise maintained full eradication of the former waitlist, with the final two clients from the graduating class at Lighthouse 2023 starting in Q4. The Centre anticipates its next Intake Clinic occurring in 2024 to manage enrollment. This is expected to form a twice-yearly Intake Clinic. With that, client numbers approx. doubled reflecting the growing demand for our services. Going forward, the goal is to increase client placements by 25-30 persons in 2024.

Throughout the year, our efforts were marked by notable highlights. Firstly, Ms. Tamara Hernandez, Ms. Chanel Ebanks, and Ms. Donna Ramoon completed training to become Registered Behavior Technicians (RBTs) through sessions facilitated at the Wellness Centre. This professional development highlights our commitment to providing high-quality services to our clients.



An exciting announcement was made regarding our partnership with The Wellness Centre, which will enhance our ability to support our clients effectively. During Autism Awareness Month, we actively participated in the "Rock Your Socks" campaign, furthering our advocacy efforts. Community engagement remained a priority, with both clients and staff participating in the CUC West Bay Sunrise 5K, promoting physical activity and community involvement.

Furthermore, we celebrated the achievement of Mr. Milton Dixon and Ms. Twila Rodgers, who became the first Caymanians to qualify as International Behavior Therapists (IBTs), marking a significant milestone for our staff and the community at large. Additionally, on the International Day of Persons with Disabilities, we reiterated our commitment to advocating for the rights and inclusion of individuals with disabilities and celebrated the group's achievements overcoming obstacles.

We are immensely grateful for the continued support of our community, exemplified by CUC's sponsorship of a luncheon, which demonstrates their dedication to our mission.



As we reflect on the accomplishments of the past year, we are inspired to continue our work with renewed dedication and passion. The Centre continues to strive to empower individuals with disabilities and foster a more inclusive society for all.



SUPPORT FOR NON-PROFIT ORGANISATIONS

The Ministry of Investment, Innovation and Social Development supports eight non-profit organisations (NPO's) which fulfill specific mandates within the community. Seven serve older persons, persons with disabilities, children, and victims of domestic violence. One, Cayman Finance, serves to support our mandate for investment and innovation. The 7 NPO's are: Cayman Islands Crisis Centre, Children and Youth Services (CAYS) Foundation, Meals on Wheels (MOW) Grand Cayman, National Children's Voluntary Organization (NCVO), Pines Retirement Home (PRH), Rehoboth Ministries and Hope for Today (HFT) Foundation:

In line with Government's Strategic Policy Statement, support for these organisations advances the Government's commitment to achieving the following outcomes:

The Cayman Islands Crisis Centre (CICC) provides a 26-bed emergency shelter facility and a 24 hour Crisis Line. This is a short-term emergency shelter which includes confidential case management, counselling and support services for women and their children, victims of domestic violence and/or sexual violence. Its Aftercare programme serves clients who previously accessed their safe shelter services, to enable them to start their lives again free from violence.

In 2023, between 11 and 15 people benefitted monthly from the Centre's Aftercare services. In addition, the CICC plays a crucial role in providing public education presentations to create wider awareness and visibility of domestic violence and child abuse to contribute towards a more secure community. Its Community Outreach Programme increases awareness and educates community professionals and the general public on issues surrounding domestic abuse, sexual assault, and child abuse prevention. In 2023, the Centre facilitated 78 presentations about domestic violence and child abuse, and 80 presentations about the Centre's programmes, to schools, religious organisations, and work places. In addition, the Centre was featured in thirteen radio interviews.



Meals on Wheels helps to alleviate food insecurity among older persons and those with permanent disabilities in Grand Cayman. It has over 100 monthly volunteers who deliver meals five days a week. In 2023, Meals on Wheels delivered more than 79,643 meals. In December, MOW provided Christmas gifts and grocery bags to 230 homes across the island, to over 350 older persons as well as toys, supplemental food and snacks to 100 children who were home on Christmas break, many of whom were left in the care of their older family members who we serve.



The National Children's Voluntary Organization (NCVO) provides foster care when it is determined that a child cannot be placed in a private home, and requires care and protection. The NCVO foster home serves up to 10 children every month in 2023. Children are provided with clinical therapy, tutoring, extracurricular/after school activities, and home visits (supervised or unsupervised when appropriate) every month in 2023.

During the month of June, one of NCVO's residents traveled with the Care Manager to the Special Olympics in Berlin, Germany to compete. During the month of September, some of the NCVO residents received certificates from their schools for their good work and behavior. The annual Christmas Party was held on 15 December where family members, Social Workers and other acquaintances of the residents were invited. All residents were able to spend the Christmas day with their families. Children throughout the year participated in community and school activities, had supervised and primarily unsupervised home visits, and also attended therapy and tutoring sessions.



Children and Youth Services Foundation (CAYS) manages residential facilities for young people (ages 12 -18) who have been placed for care and protection or on a youth rehabilitation order. CAYS manages Frances Bodden Children's Home (20 placements) and Bonaventure Boys Home (10 placements) and Phoenix House (acute placements). In 2023, it served between 18 and 21 young people per month. The programmes for residents are run within a "trauma informed approach", which includes therapy, education (both academic and vocational), community partnerships, coordination with other agencies, and aftercare. These programmes are intended to foster integration with family, school and community, and prepare the young people for independent living.

During the month of March CAYS continued to offer a pilot project at Phoenix House. This pilot project was launched in February and allowed for 4 residents of Frances Bodden to be relocated to Phoenix House to provide a service that is more adapted to their needs. In June CAYS rolled out Safe Crisis Management training to all staff within the organisation



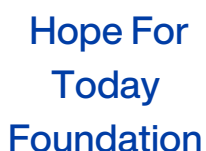
The Pines Retirement Home proudly provided another year of service to the older members of our community. Originally established to provide residential accommodation for independent residents, we have evolved in response to the changing needs of our residents and the community at large. While our focus initially centered on independent living, we've progressively expanded our services to include nursing care, aligning with the increasing demand for high-level care within our community.

Throughout 2023, our dedicated staff has remained committed to providing personalized and compassionate support to ensure the well-being of each resident. This commitment to excellence has not only enhanced the quality of life for our residents but has also fostered a strong sense of community within our facilities. As we look to the future, we are dedicated to further enhancing our services and facilities to meet the evolving needs of our aging population. By remaining adaptable and responsive to demographic shifts and emerging trends, we aim to continue serving as a beacon of compassion and dignity for the older residents in our community.

In 2023, there were two new admissions into regular residential care at PRH and two new admissions into extended residential care. The number of residents requiring residential nursing care was 14 in 2023 and the number of persons cared for (patients with extended care requirements) was 15.



Rehoboth Ministries serves underprivileged students within the community who have learning challenges. It runs an after school care programme on school days throughout the academic year, as well as full day care (camps) during school holidays. During 2023 Rehoboth Ministries had an average of 36 students registered from six schools across Grand Cayman, four of whom received scholarships from Rehoboth for their attendance. They provided transportation to an average of 21 students to access their programming and provided 26 days of full-day camps during school breaks.



The Hope For Today Foundation remains steadfast in its pursuit of providing every individual seeking recovery in the Cayman Islands with a safe, structured, and affordable residential facility via a 12-step programme. Our mission centers on facilitating resources for the habilitation and rehabilitation of those grappling with chemical dependency, anchored by our commitment to a 12-step based residential recovery programme. Through our Transitional Living Programme, we offer secure, stable havens free of substances, empowering residents to reintegrate into society while embracing purposeful lives. This holistic approach combines safe living areas, educational support through the 12-step programme, and the development of life skills for independence and economic stability. By earning the recognition and respect of the community, we ensure that every individual finds the opportunity for a transformative journey toward a new way of life.

In 2023, Hope for Today provided residential services to eight clients and delivered 55 Alcoholics Anonymous Groups and 108 Narcotics Anonymous Groups.



The Ministry of Investment, Innovation and Social Development is proud to report on its partnership with Cayman Finance in 2023. This collaboration focused on advancing investment and innovation initiatives specifically targeting the fintech and virtual asset sub-sectors, with a long-term goal of boosting the country's market share, government revenue, and economic activity.

A significant milestone in these efforts was the "Demystifying Crypto" event held in November, which served as a key platform to educate and engage stakeholders in the Cayman Islands on the opportunities within the crypto currency space. This event underscored the Ministry's commitment to fostering a progressive financial ecosystem and solidifying the Cayman Islands' position as a leading jurisdiction in emerging financial technologies. Cayman Finance, an essential partner in these initiatives, is dedicated to enhancing the success of its members, clients, and the broader community through its strategic pillars: Promotion, Protection, Product Development, Community Engagement, and Member Engagement.



By promoting world-class financial products and the advantages of conducting business in the Cayman Islands, Cayman Finance collaborates with member companies and the government to highlight the jurisdiction's unique offerings. Their commitment to high regulatory standards and entrepreneurial spirit ensures a robust and dynamic financial services industry. Furthermore, Cayman Finance's efforts in community engagement and member support help to create inclusive opportunities and drive collective growth, thereby sustaining and enhancing the prosperity of the Cayman Islands' financial sector.





Ministry of Investment,
Innovation & Social
Development
Cayman Islands Government



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Monday-Friday
8:30 AM - 5:00 PM



GOVERNMENT OF THE CAYMAN ISLANDS

Ministry of Investment, Innovation and Social Development

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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Ministry of Investment, Innovation and Social Development

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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Investment, Innovation and Social Development in accordance with the provisions of the *Public Management and Finance Act (2020 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Act (2020 Revision)*.

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

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

The financial statements fairly present the financial position, financial performance and cash flows of the Ministry of Investment, Innovation and Social Development for the financial year ended 31 December 2023.

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

- (a) Completely and reliably reflect the financial transactions of the Ministry of Investment, Innovation and Social Development for year ended 31 December 2023;
- (b) Fairly reflect the financial position as at 31 December 2023 and performance for the year ended 31 December 2023;
- (c) Comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

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

Tamara Ebanks

Chief Officer

A blue ink signature of Tamara Ebanks, consisting of a stylized 'T' and 'E' followed by a long horizontal stroke.

April 30, 2024

Vinton Chinsee

Chief Financial Officer

A blue ink signature of Vinton Chinsee, featuring a stylized 'V' and 'C' followed by a long horizontal stroke.

April 30, 2024

AUDITOR GENERAL'S REPORT

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

Opinion

I have audited the financial statements of the Ministry of Investment, Innovation and Social Development (the "Ministry"), which comprise the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in net worth and cash flow statement for the year ended 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 33.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2023 and its financial performance and its cash flows for the year ended 31 December 2023 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Sue Winspear, CPFA
Auditor General

30 April 2024
Cayman Islands

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023
Expressed in Cayman Islands Dollars

Actual 2022			Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000		Note	\$'000	\$'000	\$'000	\$'000
Current Assets						
2,216	Cash and cash equivalents	2	10,476	10,359	10,359	(117)
12,574	Trade receivables	3	8,831	13	13	(8,818)
1,722	Other receivables	3	5,877	75	75	(5,802)
179	Inventory	4	305	-	-	(305)
1,087	Prepayments	5	1,874	81	81	(1,793)
17,778	Total Current Assets		27,363	10,528	10,528	(16,835)
Non-Current Assets						
36	Other receivables		43	-	-	(43)
2,980	Intangible assets	7	3,637	3,350	3,352	(287)
7,269	Property, plant and equipment	6	9,229	9,137	12,959	(92)
10,285	Total Non-Current Assets		12,909	12,487	16,311	(422)
28,063	Total Assets		40,272	23,015	26,839	(17,257)
Current Liabilities						
79	Trade payables	8	1,618	369	369	(1,249)
1,327	Other payables and accruals	8	1,206	341	341	(865)
182	Unearned revenue	10	209	134	134	(75)
426	Employee entitlements	9	447	74	74	(373)
6,542	Surplus payable	27	11,429	2,786	2,792	(8,643)
8,556	Total Current Liabilities		14,909	3,704	3,710	(11,205)
8,556	Total Liabilities		14,909	3,704	3,710	(11,205)
19,507	Net Assets		25,363	19,311	23,129	(6,052)
NET WORTH						
19,507	Contributed capital		25,363	19,311	23,129	(6,052)
19,507	Total Net Worth		25,363	19,311	23,129	(6,052)

The Notes to the Financial Statements on pages 9 to 33 form part of these financial statements.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2023 Expressed in Cayman Islands Dollars

Actual 2022			Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000	Note		\$'000	\$'000	\$'000	\$'000
Revenue						
39,990	Sale of goods and services	11	44,585	45,521	46,812	936
160	Donations	11	170	-	-	(170)
45	Other revenue		44	-	-	(44)
40,195	Total Revenue		44,799	45,521	46,812	722
Expenses						
25,438	Personnel costs	12	29,138	31,342	34,512	2,204
8,921	Supplies and consumables	13	9,140	11,875	13,500	2,735
961	Depreciation	6	893	1,446	1,446	553
572	Amortisation of Intangible Assets	7	673	578	578	(95)
(40)	Revaluation legal liability provisions	15	-	-	-	-
4	Other gains	16	1	-	-	(1)
182	Losses from derecognition of assets	16	-	-	-	-
36,038	Total Expenses		39,845	45,241	50,036	5,396
4,157	Surplus for the period		4,954	280	(3,224)	(4,674)

The Notes to the Financial Statements on pages 9 to 33 form part of these financial statements.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
STATEMENT OF CHANGES IN NET WORTH FOR THE YEAR ENDED 31 DECEMBER 2023
Expressed in Cayman Islands Dollars

	Contributed Capital	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget 2023	Variance (Orig. vs. Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2021 brought forward	18,493	-	18,493	8,341	8,341	(10,152)
Accounting Errors	-	(25)	(25)	-	-	25
Restated balance 31 December 2021	18,493	(25)	18,468	8,341	8,341	(10,127)
Changes in net worth for 2022						
Ministry Reorganisation	(12)	-	(12)	-	-	12
Equity Investment from Cabinet	1,026	-	1,026	5,438	5,338	4,412
Surplus payable to Cabinet	-	(4,132)	(4,132)	(316)	(316)	3,816
Net revenue / expenses recognised directly in net worth	1,014	(4,132)	(3,118)	5,122	5,022	8,240
Surplus/(deficit)for the period 2022	-	4,157	4,157	316	316	(3,841)
Total recognised revenues and expenses for the period	1,014	25	1,039	5,438	5,338	4,399
Balance at 31 December 2022 carried forward	19,507	-	19,507	13,779	13,679	(5,728)
Balance at 31 December 2022 brought forward	19,507	-	19,507	13,779	13,679	(5,728)
Prior Year Adjustments						
Accounting Errors	-	(68)	(69)	-	-	69
Balance 31 December 2022	19,507	(68)	19,438	13,779	13,679	(5,659)
Changes in net worth for 2023						
Ministry Reorganisation	(1)	-	(1)	-	-	1
Equity Investment from Cabinet	5,858	-	5,858	5,532	9,450	(326)
Surplus payable to Cabinet	-	(4,886)	(4,886)	(280)	3,224	4,606
Net revenue / expenses recognised directly in net worth	5,857	(4,886)	971	5,252	12,674	4,281
Surplus/(deficit)for the period 2023	-	4,954	4,954	280	(3,224)	(4,674)
Total recognised revenues and expenses for the period	5,857	68	5,925	5,532	9,450	(393)
Balance at 31 December 2023 carried forward	25,364	-	25,363	19,311	23,129	(6,052)

The Notes to the Financial Statements on pages 9 to 33 form part of these financial statements.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
Expressed in Cayman Islands Dollars

Actual 2022	Description		Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000		Note	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Receipts</i>						
34,746	Outputs to Cabinet		48,054	44,896	44,896	(3,158)
183	Outputs to other government agencies		164	208	208	44
(83)	Sale of goods and services - third party		136	-	-	(136)
160	Donations / Grants		170	-	-	(170)
9	Other receipts		37	57	57	20
<i>Payments</i>						
(25,116)	Personnel costs		(29,088)	(30,982)	(30,982)	(1,894)
(8,428)	Supplies and consumables		(10,832)	(11,875)	(11,875)	(1,043)
476	Other payments		(1)	-	-	1
1,947	Net cash flows from operating activities	18	8,640	2,304	2,304	(6,336)
CASH FLOWS USED IN INVESTING ACTIVITIES						
(3,702)	Purchase of property, plant and equipment		(2,088)	(5,237)	(5,238)	(3,149)
11	Proceeds from sale of property, plant and equipment		-	-	-	-
(3,691)	Net cash flows used in investing activities		(2,088)	(5,237)	(5,238)	(3,149)
CASH FLOWS FROM FINANCING ACTIVITIES						
-	Equity Investment from Org 40		1,708	5,532	5,532	3,824
-	Repayment of Surplus to Org 40		-	(316)	(316)	(316)
-	Net cash flows from financing activities		1,708	5,216	5,216	3,508
(1,744)	Net increase/(decrease) in cash and equivalent		8,260	2,283	2,283	(5,977)
3,960	Cash and cash equivalents at beginning of period		2,216	8,076	8,076	5,860
2,216	Cash and cash equivalents at end of period		10,476	10,359	10,359	(117)

The Notes to the Financial Statements on pages 9 to 33 form part of these financial statements.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
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The Ministry of Investment, Innovation and Social Development (MIISD or the Ministry) is a Government owned entity as defined by section 2 of the *Public Management Finance Act (2020 Revision)* and it is domiciled in the Cayman Islands. The Ministry commenced operations on July 1, 2021, through a combination of Social, Innovation and Investment subject matter from other Ministries including the Ministry of Community Affairs, the Ministry of International Trade, Investment, Aviation and Maritime Affairs, and the Ministry of Commerce and Infrastructure. Its principal activities and operations include all activities carried out in terms of outputs purchased by the Minister as defined in the Annual Plan and Estimates for the Government of the Cayman Islands for the financial period ended 31 December 2023. MIISD is responsible for supporting investments, driving innovation and managing the social programmes of the Cayman Islands Government.

MIISD purpose is to:

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

The departments, offices and statutory authorities that fall under MIISD as at 31 December 2023 are:

- Cayman Islands Business Development Center
- Invest Cayman (Discontinued December 31, 2023)
- the Children and Youth Service Foundation
- The Computer Services Department
- The Egovernment Department
- The Cyber Security Department
- The Department of Children and Family Services
- The Needs Assessment Unit
- The Sunrise Adult Training Center

Note 1: Significant Accounting Policies

These financial statements have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2023 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2023 reporting period and have not been early adopted by the Ministry. The Ministry's assessment of the impact of these new standards is set out below.

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

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

IPSAS 45, Property, Plant and Equipment was issued in May 2023 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. IPSAS 45 replaces IPSAS 17, Property, Plant, and Equipment by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognized and measured. It is anticipated that IPSAS 44 will not have a significant impact on the Ministry's Financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 46 Measurement and update of chapter 7 of the conceptual framework was issued in May 2023 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. It provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets. IPSAS 46 will not have a significant impact on the Ministry's financial statements until the next government wide revaluation.

IPSAS 47, Revenue was issued in May 2023 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. IPSAS 47 shall apply to the financial statements from January 1, 2026. This IPSAS replaces IPSAS 9, Revenue from exchange transactions (Taxes and Transfers) and IPSAS 23 Revenue from non-exchange transactions. It is anticipated that IPSAS 47 will not have a significant impact on the Ministry's financial statements, but this will be assessed more fully closer to the effective date of adoption.

Note 1: Significant Accounting Policies (continued)

IPSAS 48, Transfer Expenses was issued in May 2023 and provides accounting guidance for transfer expenses, which account for a significant portion of expenditures for many public sector entities. IPSAS 47 shall apply to the financial statements from January 1, 2026. IPSAS 48 will not have a significant impact on the Ministry's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 49, Retirement Benefit Plans Expenses was issued in May 2023 and establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans, with participants comprising current and former public sector employees and other eligible members. IPSAS 49 shall apply to the financial statements from January 1, 2026. It is anticipated that IPSAS 49 will not have a significant impact on the Ministry's financial statements, but this will be assessed more fully closer to the effective date of adoption.

These financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of preparation

The Ministry has adopted IPSAS 41: Financial Instruments as of the transition date of 1 January 2023, replacing IPSAS 29: Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions in *IPSAS 41*, comparative information for the 31 December 2022 period has not been restated. Adjustments arising from adopting IPSAS 41 are recognised in opening equity at 1 January 2023 (the date of initial application).

The accounting policies for the year ended 31 December 2023 have been updated to comply with IPSAS 41. The main changes to the Ministry's accounting policies are:

- Trade and other receivables - This policy has been updated to reflect that the impairment of receivables are now determined by applying an expected credit loss model.
- Financial instruments and risk management - The policy has been updated to reflect:
 - the new measurement classification categories; and
 - a new impairment model for financial assets based on expected credit losses, which is forward-looking and may result in earlier recognition of impairment losses.

IPSAS 41 also significantly amended the disclosures of financial instruments of IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to the financial instrument categories and to credit risk.

The tables below outline the classification and carrying amounts of financial assets and liabilities under IPSAS 41 and IPSAS 29 on the date of initial application of IPSAS 41.

Note 1: Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

The tables below outline the classification and carrying amounts of financial assets and liabilities under IPSAS 41 and IPSAS 29 on the date of initial application of IPSAS 41.

Comparative information

The financial statements includes comparative information for all statements presented. When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current year unless it is impracticable to do so.

(b) Budget amounts

The original budget amounts for the period ended 31 December 2023 reflect those approved in budgets presented in the budget statement for the financial years ended 31 December 2023 and 31 December 2022, which was approved by the Parliament and adjusted for the amounts transferred to the Ministry of Financial Services and Commerce in respect of CIPO in 2022. Any changes to the original budget are reflected in the final budget. Significant variances between actual and budgeted figures are explained in the notes to the financial statements. As required by the PMFA, budgets are presented on the same basis as the annual financial statements. The presentation of the current year financial statements includes a comparison of actual amounts with amounts in the original and final budget.

Final Budget

The final budget includes the transfer of appropriations totalling \$538K from ITI 1, representing the budget of the Cayman Islands Intellectual Property Office (CIPO) transferred to another Ministry as advised by Cabinet in 2022. The balance carried forward from 2022 totalling \$6,588K, the reallocation of budgets to fund shortfalls in DCFS and social executive transactions totalling \$1,453K and a reduction in EI 78 of \$395K approved by Cabinet under section 11(5) of the PMFA, completes the changes to the 2023 original budget. The amount of \$395k for EI was transferred to another ministry to fund capital projects. An appropriation bill for the reallocations was not introduced in Parliament by March 31, 2024, as required by section 11(6) of the PMFA.

Appropriation Name	Original Budget	Supplimentary Appropriation	Budget C/F	Final Budget
ITI 1 - International Engagement and Rep. of C.I.	7,207	(538)	-	6,669
ITI 2 - Social Development and Support - Children and Family	19,858	250	2,338	22,446
ITI 3 - Digital services and strategy	18,191	(1,168)	406	17,429
Total	45,255	(1,456)	2,744	46,544

Capital Funding - Equity injection

EI 78 Investment, Innovation and Social Development	5,532	(395)	4,313	9,450
Total	5,532	(395)	4,313	9,450

Note 1: Significant Accounting Policies (continued)

(b) Budget amounts (continued)

	Original Budget 2023 (\$000)	Budget BF From 2022 (\$000)	Supp. Approp. 2023 (\$000)	Final Budget 2023 (\$000)
Revenue				
Sale of goods and services	45,521	2,744	(1,453)	46,812
Total Revenue	45,521	2,744	(1,453)	46,812
Expenses				
Personnel costs	31,342	3,581	(411)	34,512
Supplies and consumables	11,875	2,667	(1,042)	13,500
Depreciation	1,446	-	-	1,446
Amortisation of Intangible Assets	578	-	-	578
Total Expenses	45,241	6,248	(1,453)	50,036
Plant, Property & Equipment	4,101	3,224	(395)	6,930
Intangible assets	1,431	248	-	1,679
Total Equity injection	5,532	3,472	(395)	8,609

(c) Judgments and estimates

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

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

(d) Revenue

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

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

Note 1: Significant Accounting Policies (continued)

(e) Expenses

Expenses are recognised in the accounting period in which they are incurred. Non-coercive Interagency costs are not recognised in the expenses of the accounts. Expenses incurred but not yet paid at year end are recognised as payables.

(f) Operating leases

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

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value. Although these assets at 31 December 2023 are subject to the expected credit loss requirements of IPSAS 41, no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty banks.

(h) Prepayments

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

(i) Property, plant and equipment

Property, plant and equipment, is stated at historical cost less accumulated depreciation except for land and buildings which is stated at revalued amount. 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.

Note 1: Significant Accounting Policies (continued)

Depreciation

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

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Buildings and structures • Building fit-out (when accounted for separately) • Leasehold Improvement	10 – 60 years 5 – 25 years Over the unexpired period of lease or the estimated useful life of the improvement, whichever is shorter.
• Computer Equipment • Developed software • Office equipment and furniture • Motor vehicles • Telecommunications • Other equipment	3 – 10 years 4 – 10 years 3 – 25 years 3 – 20 years 5 - 50 years 5 – 20 years

Disposals

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

Assets under construction

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

(j) Intangible assets

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

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

Note 1: Significant Accounting Policies (continued)

(k) Employee benefits

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

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

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

(l) Financial instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognised in the statement of financial position. Financial assets and liabilities are recognised in the Ministry's Statement of Financial Position when the Ministry is a party to the contractual provisions of the instrument.

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

Classification

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

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

Recognition

Financial assets and liabilities are initially measured at fair value. On initial recognition, transaction costs directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate.

Note 1: Significant Accounting Policies (continued)

Subsequent measurement and classification

IPSAS 41 requires financial assets to be subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost, or fair value through other comprehensive revenue and expense (FVTOCRE). Additionally, IPSAS 41 requires financial liabilities to be measured at either amortised cost or FVTSD.

This classification is based on the business model for managing financial instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding. The Ministry assessed the business model for holding financial assets at the date of initial application. It determined that all of these are held to collect contractual cash flows that are solely payments of principal and interest. Therefore, financial assets are subsequently measured at amortised cost. Financial liabilities are subsequently measured at amortised cost.

Cash and cash equivalents, trade receivables and payables are recorded at amortized cost using the effective interest method less any impairment.

De-recognition

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

(m) Provisions, Contingent liabilities and assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources or cannot be reliably measured. Contingent assets are disclosed if it is probable that the benefits will be realised. Provisions are recognised when it becomes probable that an outflow of cash or other economic resources will be required to settle a liability of uncertain timing and amount. If an outflow is not probable, the item is treated as a contingent liability.

(n) Foreign currency

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

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

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

Note 1: Significant Accounting Policies (continued)

(o) Revenue from non-exchange transactions

The Ministry receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to accommodations in the central government building, computer repairs and software maintenance by the Computer Services Department, maintenance and project management by the Public Works Department and vehicle maintenance from the Department of Vehicles, Equipment and Supplies, exemption of duties and charges from Customs and human resource management from the Portfolio of the Civil Service. The Ministry has designated these non-exchange transactions as services in kind as defined under IPSAS 23 – Revenue from Non-Exchange Transactions. When fair values of such services can be readily estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in kind. Where services in kind offered are directly related to construction of fixed assets, such service in kind is recognised in the cost of the asset.

(p) Inventories

Inventories include assets held for sale in the ordinary course of business (finished goods), assets in the production process for sale in the ordinary course of business (work in process), and materials and supplies that are consumed in production (raw materials). Inventories stated at the lower of cost and net realisable value.

q) Unearned revenues

Unearned revenue is money received by the government for a service or product that has yet to be provided or delivered. It is recorded on the balance sheet as a liability and recognized as revenue on the income statement when the product or service is delivered. Most of the Ministry's unearned revenues are derived from donations with special conditions for purpose.

r) Donations

The departments in the Ministry from time to time receive donations in support of activities. Where there are special conditions they are recorded as unearned revenues on the balance until the specific condition is met and then they are recorded as income on the income statement. Where no conditions exist they are recorded as revenues on the income statement.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
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Note 2: Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term, highly liquid investments with original maturities of three months or less which are subject to an insignificant risk of changes in value. Although cash and cash equivalents at 31 December 2023 are subject to the expected credit loss requirements of IPSAS 41, no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty banks. No restricted cash balances were held by the Ministry at 31 December 2023.

Actual 2022	Description	Foreign Currency December 31, 2023	Exchange Rate	Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
		\$'000		\$'000	\$'000	\$'000	\$'000
	- Cash in transit (IRIS Remittance Account)	9	1.0000	9	-	-	(9)
1,851	CI\$ Operational Current Account held at Royal Bank of Canada	10,017	1.0000	10,017	11,370	11,370	1,353
158	US\$ Operational Current Account held at Royal Bank of Canada	221	0.8375	185	-	-	(185)
207	Payroll Current Account held at Royal Bank of Canada	265	1.0000	265	(1,111)	(1,111)	(1,376)
	- Bank Accounts held at other financial institutions	-	1.0000	-	100	100	100
2,216	Total			10,476	10,359	10,359	(117)

Note 3: Trade receivables and other receivables

Trade receivables and other receivables comprise of balances due from other Government entities, including Output Receivables. The simplified approach to providing for expected credit losses as prescribed by IPSAS 41 is applied to trade and other receivables. The simplified approach involves making a provision at an amount equal to lifetime expected credit losses.

The Ministry performed an individual/specific ECL assessment on any related party debtors with qualitative or quantitative factors indicating doubts around collectability. Given the low risk of default on the remaining Related Party Receivables held by the Ministry, the impact of the expected credit losses on these have been estimated to be negligible. These have a low risk of default due to the Cayman Islands Government's high credit rating, absence of historical losses on amounts due.

Actual 2022	Description	Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000		\$'000	\$'000	\$'000	\$'000
216	Sale of goods and services	142	-	-	(142)
12,425	Outputs to Cabinet	8,792	13	13	(8,779)
(67)	Less: provision for doubtful debts	(103)	-	-	103
12,574	Total trade receivables	8,831	13	13	(8,818)

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 3: Trade receivables and other receivables (continued)

The Ministry believes that the amounts outstanding on related party receivables are recoverable.

Actual 2022		Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000	Receivables	\$'000	\$'000	\$'000	\$'000
12,573	Current	14,681	-	-	(14,681)
2	Past due 1-30 days	7	12	12	5
2	Past due 31-60 days	17	-	-	(17)
-	Past due 61-90 days	5	-	-	(5)
65	Past due 90 and above	103	-	-	(103)
	Non-Current				
36	Past due 1 year and above	43	-	-	(43)
12,678	Total	14,856	12	12	(14,844)

As at 31 December 2023 expected credit losses resulting from specific ECL for provisioning amounted to \$103k (2022: 7k). Additionally, expected credit losses resulting from full provisioning for balances over 90 days past due amounts \$96k (2022: \$59k).

There have been no changes during the reporting in the estimation techniques or significant assumptions used in measuring the loss allowance.

The movement in the allowance for credit losses is as follows:

	2023	2022
Allowance for credit losses as at 1 January 2023 calculated under IPSAS 29	67	67
IPSAS 41 expected credit loss adjustment - through opening accumulated surplus/deficit	-	-
Opening allowance for credit losses as at 1 January 2023	67	67
Revision in loss allowance made during the year	36	-
Receivables written off during the year	-	-
Balance at 31 December	103	67

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
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Note 3: Trade receivables and other receivables (continued)

Actual 2022		Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000	Other Receivables	\$'000	\$'000	\$'000	\$'000
	- Advances (salary, Official Travel, etc)	2	-	-	(2)
1,722	Other	5,875	75	75	(5,800)
1,722	Total other receivables	5,877	75	75	(5,802)

The Other receivables in 2023 relates to amounts owing to the Ministry from Cabinet for Equity Injections. Subsequent to the year end a total of \$5,875k has been received.

Note 4: Inventory

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

Actual 2022		Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000	Description	\$'000	\$'000	\$'000	\$'000
179	Inventory held for use in the provision of goods and services	305	-	-	(305)
179	TOTAL INVENTORIES	305	-	-	(305)

Note 5: Prepayments

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

Actual 2022		Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000	Description	\$'000	\$'000	\$'000	\$'000
1,087	Accrued Prepayments	1,874	81	81	(1,793)
1,087	Total Prepayments	1,874	81	81	(1,793)

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 6: Property, plant and equipment

COST or OPENING VALUATION	Land	Plant & Equipment	Buildings & Leasehold	Furniture & Office Equipment	Computers Hardware	Motor Vehicles	Assets under construction/development	Total	Original Budget	Final Budget	Budget Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2022	2,235	112	5,574	156	5,297	724	1,392	15,490	12,039	12,039	(3,451)
Additions	-	-	58	-	593	121	(1,038)	(266)	2,958	2,858	3,224
Disposals	-	-	(530)	-	(645)	(59)	-	(1,234)	-	-	1,234
Transfers	-	-	-	-	(11)	-	-	(11)	-	-	11
Balance as at 31 December 2022	2,235	112	5,102	156	5,234	786	354	13,979	14,997	14,897	1,018
Balance as at 1 January 2023	2,235	112	5,102	156	5,234	786	354	13,979	14,997	14,897	1,018
Additions	-	2	-	47	576	219	2,007	2,851	4,101	8,019	1,250
Disposals	-	-	-	-	(9)	-	-	(9)	-	-	9
Balance as at 31 December 2023	2,235	114	5,102	203	5,801	1,005	2,361	16,821	19,098	22,916	2,277

ACCUMULATED DEPRECIATION	Land	Plant & Equipment	Buildings & Leasehold	Furniture & Office Equipment	Computers Hardware	Motor Vehicles	Assets under construction/development	Total	Original Budget	Final Budget	Budget Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2022	-	53	1,305	79	4,837	535	-	6,809	7,163	7,163	354
Transfers	-	-	-	-	(9)	-	-	(9)	(21)	(21)	(12)
Depreciation Expense 2022	-	11	388	18	480	65	-	962	1,396	1,392	434
Disposals	-	-	(351)	-	(642)	(59)	-	(1,052)	-	-	1,052
Balance as at 31 December 2022	-	64	1,342	97	4,666	541	-	6,710	8,538	8,534	1,828
Balance as at 1 January 2023	-	64	1,342	97	4,666	541	-	6,710	8,538	8,534	1,828
Disposals	-	-	-	-	(9)	-	-	(9)	-	-	9
Transfers	-	-	-	-	(1)	-	-	(1)	(21)	(21)	(20)
Depreciation Expense 2023	-	11	379	19	406	77	-	892	1,447	1,446	555
Balance as at 31 December 2023	-	75	1,721	116	5,062	618	-	7,592	9,964	9,959	2,372
Net Book value 31 December 2022	2,235	48	3,760	59	568	245	354	7,269	6,459	6,363	(810)
Net Book value 31 December 2023	2,235	39	3,381	87	739	387	2,361	9,229	9,134	12,957	(95)

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 7: Intangible Assets

COST or OPENING VALUATION	Computer Software	Assets under construction/development	Total	Original Budget	Final Budget	Current vs Original
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2022	6,376	-	6,376	5,356	5,356	(1,020)
Additions	584	1,548	2,132	2,480	2,480	348
Disposals/Transfers	(333)	-	(333)	-	-	333
Balance as at 31 December 2022	6,627	1,548	8,175	7,836	7,836	(339)
Balance as at 1 January 2023	6,627	1,548	8,175	7,836	7,836	(339)
Additions	600	730	1,330	1,431	1,431	101
Balance as at 31 December 2023	7,227	2,278	9,505	9,267	9,267	(238)

ACCUMULATED AMORTISATION	Computer Software	Assets under construction/development	Total	Original Budget	Budget Variance	Current vs Original
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2022	4,940	-	4,940	4,803	4,803	(137)
Ministry Reorganisation 2022	16	-	16	-	-	(16)
Depreciation Expense 2022	572	-	572	535	535	(37)
Disposals/Transfers	(333)	-	(333)	-	-	333
Balance as at 31 December 2022	5,195	-	5,195	5,338	5,338	143
Balance as at 1 January 2023	5,195	-	5,195	5,338	5,338	143
Amortisation Expense 2023	673	-	673	580	578	(93)
Balance as at 31 December 2023	5,868	-	5,868	5,918	5,916	50
Net Book value 31 December 2022	1,432	1,548	2,980	2,498	2,498	(482)
Net Book value 31 December 2023	1,359	2,278	3,637	3,349	3,351	(288)

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
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Note 8: Trade payables, other payables and accruals

Actual 2022	Description	Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000		\$'000	\$'000	\$'000	\$'000
74	Creditors	1,613	369	369	(1,244)
5	Creditors other government agencies	5	-	-	(5)
79	Total Trade Payables	1,618	369	369	(1,249)

Other Payables and Accruals

Actual 2022	Description	Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000		\$'000	\$'000	\$'000	\$'000
176	Payroll Deductions	202	-	-	(202)
1,082	Accrued Expenses	935	326	326	(609)
44	Accrued Expenses Ministries/Portfolios	44	-	-	(44)
2	Accrued Expenses other government agencies	1	-	-	(1)
23	Inter-entity due to	24	-	-	(24)
-	- Other payables	-	15	15	15
1,327	Total Other Payables and accruals	1,206	341	341	(865)

Note 9: Employee entitlements

Actual 2022	Description	Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000		\$'000	\$'000	\$'000	\$'000
<i>Current employee entitlements are represented by:</i>					
394	Annual Leave	394	57	57	(337)
32	Accrued salaries	53	17	17	(36)
426	Total current portion	447	74	74	(373)

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
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Note 10: Unearned Revenues

Actual 2022	Description		Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000		Note	\$'000	\$'000	\$'000	\$'000
<i>Current Portion</i>						
182	Other unearned revenue		209	134	134	(75)
182	Total current portion		209	134	134	(75)

While under the Ministry of Education, Sunrise Adult Training Center received \$1.35M USD from DART in lieu of land for a new Sunrise Center in 2019. Cabinet mandated that this amount be set aside as required under the agreement for the building of a new Sunrise Adult Training Center. The unearned revenues relating to the Sunrise Adult Training Center does not include this amount as the funds remain with the Ministry of Finance.

Note 11: Sale of Goods and Services

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

Actual 2022	Revenue type		Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000		Note	\$'000	\$'000	\$'000	\$'000
39,809	Outputs to Cabinet		44,421	45,256	46,547	835
181	Outputs to other government agencies		164	208	208	44
-	General sales		-	57	57	57
39,990	Total sales of goods and services		44,585	45,521	46,812	936

Actual 2022	Source		Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000		Note	\$'000	\$'000	\$'000	\$'000
160	Donations		170	-	-	(170)
160	Total Donations		170	-	-	(170)

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

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 12: Personnel costs

Actual 2022	Description		Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000		Note	\$'000	\$'000	\$'000	\$'000
19,394	Salaries, wages and allowances		22,405	23,539	25,874	1,134
4,831	Health care		5,503	6,368	7,107	865
1,029	Pension		1,152	1,315	1,485	163
152	Leave		6	9	(134)	3
33	Other personnel related costs		72	111	180	39
25,439	Total Personnel Costs		29,138	31,342	34,512	2,204

Note 13: Supplies and consumables

Actual 2022	Description		Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000		Note	\$'000	\$'000	\$'000	\$'000
772	Supplies and Materials		742	1,489	791	747
5,585	Purchase of services		5,444	7,055	8,581	1,611
1,090	Lease of Property and Equipment		1,261	1,452	1,840	191
595	Utilities		570	560	509	(10)
-	- General Insurance		-	100	200	100
87	Interdepartmental expenses		88	81	76	(7)
45	Travel and Subsistence		129	359	571	230
292	Recruitment and Training		355	586	857	231
67	Provision for Doubtful Debts		36	-	(67)	(36)
12	Programme Services		21	-	(12)	(21)
376	Other		494	193	154	(301)
8,921	Total Supplies & consumables		9,140	11,875	13,500	2,735

Other includes items not captured in the other subject lines such as programme support services, community sponsorship and subscriptions.

Note 14: Finance costs (Bank overdraft)

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

Note 15: Litigation costs

Litigation costs represents anticipated provisions for current ongoing matters being handled by the Solicitor General on the Ministry's behalf. There were no legal costs incurred in 2023.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
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Note 16: Gain and Losses

Actual 2022	Description		Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000		Note	\$'000	\$'000	\$'000	\$'000
182	Loss on Derecognition of Assets		-	-	-	-
4	Net loss on foreign exchange Transactions		1	-	-	(1)
186	Total gain/ (losses)		1	-	-	(1)

Loss on derecognition of assets in the prior year is as a result of the derecognition of network infrastructure decommissioned to the Brit Cay Building.

Note 17: Revenue from non-exchange transactions

During the period ended 31 December 2023, the Ministry received services in-kind. The fair value of these services cannot be determined and therefore no other income has been recognized in these financial statements.

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

Actual 2022	Description		Actual 2023	Original Budget 2023	Final Budget 2023	Budget Variance
\$'000			\$'000	\$'000	\$'000	\$'000
4,157	Surplus/(deficit) from ordinary activities		4,955	280	280	(4,675)
	Non-cash movements					
961	Depreciation expense		893	2,025	2,025	1,132
572	Amortisation of Intangible Assets		673	-	-	(673)
182	Gain/Loss on Derecognition of Asset/Liabilities		-	-	-	-
67	Provision for Doubtful Debt		36	-	-	(36)
4	Exchange (Gain)/Loss		1	-	-	(1)
	Changes in current assets and liabilities:					
(5,146)	(Increase)/decrease in trade receivables		3,769	-	-	(3,769)
334	(Increase)/decrease in other current assets		(45)	-	-	45
493	Increase/(decrease) in trade payables		(1,692)	-	-	1,692
323	Increase/(decrease) in provisions relating to employee costs		50	-	-	(50)
1,947	Net cash flows from operating activities		8,640	2,305	2,305	(6,335)

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 19: Commitments

Actual 2022 \$'000	Type	One year or less \$'000	Two to five Years \$'000	Over five Years \$'000	Total \$'000
Capital Commitments					
	- Property, plant and equipment	1,067	-	-	1,067
	- Other fixed assets	1,949	-	-	1,949
	- Total Capital Commitments	3,016	-	-	3,016
Operating Commitments					
7,591	Non-cancellable accommodation leases	1,285	2,626	3,749	7,660
7,591	Total Operating Commitments	1,285	2,626	3,749	7,660
7,591	Total Commitments	4,301	2,626	3,749	10,676

NOTE 20: Related party and key management personnel disclosures

Related party disclosure

The Ministry is a wholly owned entity of the government from which it derives a major source of its revenue. The Ministry and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the financial period ended 31 December 2023 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

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

Actual 2022 \$'000	Number of persons	Description	Actual 2023 \$'000	Original Budget 2023 \$'000	Budget Variance \$'000	Number of persons
1,911	16	Salaries & other short-term employee benefits	2,140	-	(2,140)	14
1,911		Total	2,140	-	(2,140)	

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

NOTE 21: Events occurring after reporting date

There are no events occurring after the reporting date which require disclosure in the financial statement of which management is aware.

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
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NOTE 22: Segment Reporting

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

Investment \$'000	Innovation \$'000	Social Development \$'000	Actual 2022 \$'000	Statement of Financial Position	Note	Investment \$'000	Innovation \$'000	Social Development \$'000	Actual 2023 \$'000
Current Assets									
2,216	-	-	2,216	Cash and cash equivalents	2	10,476	-	-	10,476
2,179	6,330	4,065	12,574	Trade receivables	3	8,796	40	(5)	8,831
1,708	7	7	1,722	Other receivables	3	5,858	14	5	5,877
20	14	145	179	Inventories	4	21	305	(21)	305
22	1,032	33	1,087	Prepayments	5	24	1,822	28	1,874
6,145	7,383	4,250	17,778	Total Current Assets		25,175	2,181	7	27,363
Non-Current Assets									
15	-	21	36	Other receivables		15	-	28	43
-	2,980	-	2,980	Intangible Assets	7	-	3,637	-	3,637
97	1,545	5,627	7,269	Property, plant and equipment	6	80	2,893	6,256	9,229
112	4,525	5,648	10,285	Total Non-Current Assets		95	6,530	6,284	12,909
6,257	11,908	9,898	28,063	Total Assets		25,270	8,711	6,291	40,272
Current Liabilities									
17	13	49	79	Trade payables	8	112	1,406	100	1,618
593	485	249	1,327	Other payables and accruals	8	488	521	197	1,206
-	-	182	182	Unearned revenue	10	-	-	209	209
65	143	218	426	Employee entitlements	9	66	169	212	447
6,542	-	-	6,542	Surplus Payable	27	11,429	-	-	11,429
7,217	641	698	8,556	Total Current Liabilities		12,095	2,096	718	14,909
7,217	641	698	8,556	Total Liabilities		12,095	2,096	718	14,909
(960)	11,267	9,200	19,507	Net Assets		13,175	6,615	5,573	25,363
NET WORTH									
(960)	11,267	9,200	19,507	Contributed capital		13,175	6,615	5,573	25,363
(960)	11,267	9,200	19,507	Total Net Worth		13,175	6,615	5,573	25,363

MINISTRY OF INVESTMENT, INNOVATION AND SOCIAL DEVELOPMENT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
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NOTE 22: Segment Reporting (continued)

Investment \$'000	Innovation \$'000	Social Development \$'000	2022 Actual \$'000	Statement of Financial Performance	Note	Investment \$'000	Innovation \$'000	Social Development \$'000	2023 Actual \$'000
Revenue									
6,660	16,446	16,884	39,990	Sale of goods and services	11	6,512	18,252	19,821	44,585
-	-	160	160	Donations		18	-	152	170
-	27	18	45	Other revenue		-	33	11	44
6,660	16,473	17,062	40,195	Total Revenue		6,530	18,285	19,984	44,799
Expenses									
3,612	7,138	14,689	25,439	Personnel costs	12	3,660	8,395	17,083	29,138
1,422	4,919	2,579	8,920	Supplies and consumables	13	1,213	5,217	2,710	9,140
67	446	448	961	Depreciation	6	47	395	451	893
-	572	-	572	Amortisation of Intangible Assets	7	-	673	-	673
-	-	(40)	(40)	Revaluation legal liability provisions	15	-	-	-	-
4	-	-	4	Other (Gains)/Losses	16	-	1	-	1
3	179	-	182	Losses from derecognition of assets	16	-	-	-	-
5,108	13,254	17,676	36,038	Total Expenses		4,920	14,681	20,244	39,845
1,552	3,219	(614)	4,157	Surplus for the period		1,610	3,604	(260)	4,954

NOTE 23: Transfers to Other Ministries

The Cabinet made a decision to transfer the Cayman Islands Intellectual property Office to the Ministry of Financial Services and Commerce via a section 11(5) supplementary appropriation under the PMFA. This took effect on July 1, 2022.

NOTE 24: Financial instrument risks

The Ministry is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, advances, accounts receivable, debtor-Cabinet and creditors and other payables. The Ministry seeks to minimise exposure from financial instruments and does not enter into speculative financial instrument transactions. The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Credit risk

Credit risk is the risk that the counter party to a transaction with the Ministry will fail to discharge its obligations, causing the Ministry to incur a financial loss. In the normal course of business, the Ministry is exposed to credit risk from cash & cash equivalents, short-term deposits and trade and other receivables. Financial assets that potentially subject the Ministry to credit risk consist of Cash and Cash Equivalents, term deposits, trade receivables, and other receivables.

For each of these, the maximum credit exposure is best represented by the carrying amount in the Statement of Financial Position. Royal Bank of the Caribbean (RBC) is the Ministry's main bank with a S&P Global Ratings of AA-.

The average credit period on sales is 30 days. The Ministry manage its Credit risk by limiting the counter parties it transacts business with to counterparties it believes to be capable of performing their contractual obligations. Generally, the Ministry does not require collateral. Ongoing credit risk is managed through review of ageing analysis, together with credit limits per customer.

Short -term Investments

Short-term Investments represent term deposits with banks with original maturities greater than three months but less than twelve months.

Currency and interest rate risk

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

NOTE 24: Financial instrument risks (continued)**Liquidity risk**

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

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

Note 25: Financial instruments – fair values**Credit Risk****Expected credit losses (ECL)**

ECLs are calculated on a lifetime basis for Trade Receivables. Please see trade receivables note 4 for more information on credit risk disclosures for ECL on Trade Receivables.

Concentrations of credit risk

The Ministry does not have any significant credit risk exposure. The credit risk on cash and cash equivalents and short-term investments is limited. The Ministry's main bank is Royal Bank of the Caribbean (RBC) which has a S&P Global Ratings of AA-.

As of 31 December 2023, the carrying values of cash and cash equivalents, accounts receivable, accounts payable and employee entitlements approximate their fair values due to their relative short-term maturities.

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

The cash and cash equivalents are \$0.1m above the budget year as less cabinet billing was outstanding at the 2023-year end. The variance in Cabinet Billing was partially offset by a significant outstanding amount of Equity Injections from Cabinet. Trade receivable was \$8.8m above budget due to the outstanding cabinet billing as of December 2023 of \$8.8m. This is a \$3.7m improvement in 2022. Other receivables are \$5.8m above budget due to the amount outstanding from Cabinet for equity injections of \$5.8m. Inventory relates to National ID cards, still not distributed as at December 2023. Prepayments are \$1.8m above budget due to the various software and other licenses in use by the Computer Services Department.

Intangibles are more than budget by \$0.3m as the projects started last year are being executed with the carry forward from 2022.

NOTE 26: Explanation of variances to budget (continued)

Other payables and accruals are \$0.9m over the budget due to credit arrangements and the timing of amounts owing by the technology division and \$0.2m in payroll deductions to be submitted. Unearned revenues comprises of unspent donations to the Sunrise Adult Training Center and the Department of Children and Family Services. The amount represents unspent donations received by the Departments that have specific condition requirements. The amount as of December 2023 is \$75k higher than the anticipated budget of \$134k. Employee Entitlements consist of untaken leave and other liabilities to staff. The actual for December 2023 is \$0.4m above budgeted. Much of this is attributable to staff vacancies. The surplus payable is in excess by \$8.6m due to a delay in paying over the surplus 2022 to Cabinet. Trade payables are \$1.2m more than the original budget. This is primarily a timing difference as those payments were made after the fiscal year end.

Statement of financial performance*Revenues*

The Ministry primarily earns revenues to cover expenses by Cabinet appropriations. The total revenues were \$0.9m below budget due to a small shortfall in outputs to Cabinet by \$0.8m.

Expenses

Personnel costs were in aggregate \$2.2m below budget for the 2023 fiscal year. This is primarily because of several vacancies across the Ministry, especially in the Innovation division. Supplies and Consumables were below actual by \$2.7m because of underspending as projects such as the National ID roll out was delayed. The total slippage in supplies and raw material was \$0.7m while purchase of services was below budget by \$1.6m due mainly to slippages in professional services and similar activities.

Depreciation in property, plant and equipment was \$0.6m below budget as there were delays in acquiring some assets in the year. Amortisation of intangibles, however, was above budget by \$90k as more software was acquired and implemented in the period.

NOTE 27: Surplus repayment

Pursuant to Section 39 (3) (f) of the *Public Management and Finance Act (2020 Revision)* any net surplus is transferred to surplus repayable. The Ministry therefore recorded \$4.9m for 2023 as a surplus payable to Cabinet in the 2023 fiscal period.

NOTE 28: Budget Period

The government operates a budget period of appropriation covering two financial years. Under section 9(5) of the Public Management Finance Act (2020 Revision), an appropriation lapses at the end of the period, meaning the end of the two-year budget cycle.

Accordingly, under section 9(5) of the said Act, funds can be carried forward from the first year of the budget period to continue to execute activities and programmes in the second year in that same budget period. The funds so transferred are added to the original budget of the first year to form the revised budget of that year. As a consequence, the budget allocation of the current year was modified by the amounts carried forward from the prior year reporting period.

NOTE 28: Budget Period (continued)

The current budget period covers 2022 and 2023.

At the end of 2022, \$6.84m of unused expense budget was carried forward to supplement the 2023 original operating budget and \$3.6m of unused capital budget was carried forward to supplement the 2023 equity injection budget for capital projects. MIISD elected to carry forward unused output revenue appropriations of \$2.7m. Details are presented in note 1 (b).