



**Ministry of Health, Environment,
Culture & Housing**
Cayman Islands Government

ANNUAL REPORT
2 0 1 8



**Health & Well-being
for all in the
Cayman Islands**



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FOREWORD

This Annual Report is for the **Ministry of Health, Environment, Culture & Housing**. The report outlines the Ministry's performance during the period from January 1st, 2018 to December 31st, 2018 and compares it to the Ministry's budget for the corresponding period.

The requirement for an Annual Report is prescribed under section 44 of the Public Management and Finance Law (2018 Revision) ("PMFL"). In particular, Section 44 (2) states:

(2) The report shall –

- a) state details of the entity's activities during the year;
- b) include a statement reporting all executive financial transactions that the entity administered;
- c) include the entity's financial statements for the year; and
- d) compare the actual performance shown by the financial statements with the performance proposed in the relevant budget statement.

As well as fulfilling our statutory obligations, this Annual Report also describes how the Ministry has invested public funds for the benefit of the Cayman Islands.

CONTACT INFORMATION

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 Grand Cayman
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 Fax: (345) 949 1790
 Email:
 Website: www.gov.ky/health-wellness

ABOUT US

WHO WE ARE

The **Ministry of Health, Environment, Culture and Housing** ("the Ministry") is responsible for a wide range of services critical to the well-being of the people of the Cayman Islands.

The Ministry ensures a healthy population through the development and implementation of strategic policies and legislation; it ensures sustainable use of natural resources and the environment, as well as the development of the youth through innovative programs.

The departments/ units under the Ministry are as follows:

- ◆ Health Regulatory Services (DHRS)
- ◆ Mosquito Research & Control Unit (MRCU)
- ◆ Department of Counselling Services (DCS)
- ◆ Department of Environmental Health (DEH)
- ◆ Department of Environment (DoE)

The authorities, boards & committees under the Ministry are as follows:

- ◆ Health Services Authority
- ◆ Health Practice Commission
- ◆ Medical & Dental Council
- ◆ Council for Professions Allied with Medicine
- ◆ Nursing & Midwifery Council
- ◆ Pharmacy Council
- ◆ Cayman Islands National Museum
- ◆ Cayman National Cultural Foundation
- ◆ National Gallery
- ◆ Health Insurance Commission
- ◆ National Housing Development Trust (NHDT)
- ◆ National Conservation Council
- ◆ National Drug Council

WHERE WE ARE

The services of the Ministry are provided to all residents and visitors of the three islands of Grand Cayman, Cayman Brac, and Little Cayman.

Customers of the Ministry are wide ranging and include residents, Cabinet, and visitors as well as commercial, private, and public sector entities internationally and on a local level.

OUR MISSION

Empowering people in the Cayman Islands to achieve optimal well-being through strategic policies, innovative programmes and pro-active services, governed by the highest principles of justice, personal and public integrity, and excellence of standards.

OUR BROAD OUTCOMES

The current administration outlined eight (8) strategic broad outcome goals and specific interventions for their achievement. These include the delivery of Government programmes, Cabinet policy actions and legislative changes.

The outcomes which the Ministry of Health, Environment, Culture and Housing directly supports are:

- ◆ **Outcome # 4.** Reducing Crime and the Fear of Crime
- ◆ **Outcome # 5.** Access to Quality, Affordable Healthcare
- ◆ **Outcome # 6.** Stronger Communities and Support for the Most Vulnerable
- ◆ **Outcome # 7.** Ensuring Caymanians Benefit from a Healthy Environment
- ◆ **Outcome # 8.** Stable, Effective and Accountable Government

WHAT WE DO

Health & Environment

- ◆ Regulation and certification of healthcare facilities, health care practitioners, the provision of health insurance, and assistance in resolving health insurance complaints.
- ◆ Provision of group therapy to individuals, couples, family, and residents who require assistance in a wide variety of life challenges.
- ◆ Protection of the public from environmental health related hazards through food safety and hygiene surveillance, district sanitation and rodent control, waste collection, recycling, and disposal.
- ◆ Suppress mosquito populations and protect residents of the Cayman Islands against mosquito-borne diseases.
- ◆ Management and conservation of the environment and natural resources in the Cayman Islands.

Culture & Housing:

Monitor and review the performance of statutory authorities and cultural organizations that fall under the Ministry.





MAJOR INITIATIVES IN 2018

CAPITAL EXPENDITURE TARGETS

The Ministry's 2018 - 2019 fiscal plans included investments of \$10.9 million in property, plant and equipment for the 2018 year, and \$16.7 million for 2019.

These expenditures were primarily for the Long Term Residential Mental Health Facility (LTRMHF) and the Integrated Solid Waste Management System (ISWMS), which includes Landfill Remediation.

Other major capital expenditures for the period were directed towards the National Housing Development Trust Debt Services, and Cemetery Vaults.

We speak more about our achievements in these areas later in the report.



Integrated Solid Waste Management System (ISWMS):

The proposed ISWMS will have recycling, composting and a waste-to-energy concept at the heart of its operations.



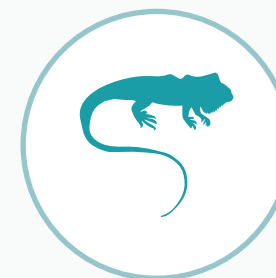
Mosquito control programme:

An expanded mosquito control programme to reduce risk of mosquito borne illnesses.



Long Term Residential Mental Health Facility:

The commencement of operations of the new Long Term Residential Mental Health Facility



Culling programme for the invasive green iguana:

Implementation of a new culling programme for the invasive green iguana.

Many of the projects and programmes initiated in 2018 are multi-year initiatives which will come to full fruition in future fiscal periods.

KEY

health insurance complaints/
queries were resolved

67%



298,106

Invasive Green Iguana Culls
between Oct -Dec 2018

Food Handlers Trained

980



APPROVAL

of the Long Term Residential
Mental Health Facility in
March 2018 by the Central
Planning Authority

tons of recyclables
were collected

1,944




1,342

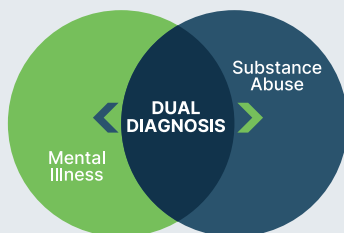
Inspections were conducted
of Food Establishments

Nearly 700,000 tires
stockpiled at George Town
landfill were shredded.
The completion of the tire
shredding project was an
important part of preparing
the landfill for the transition
to an Integrated Solid
Waste Management System
(ISWMS)

700,000



DIAGNOSIS



Introduction of a Dual
diagnosis component in
the residential treatment
programme at Caribbean
Haven Residential Centre



2018 FINANCIAL SNAPSHOT

This summary highlights key elements of the Ministry's financial performance for the fiscal year, 1st January to 31st December 2018. Detailed information is shown in the financial statements.

Expressed in Cayman Island dollars and in thousands

Financial Performance Measures:	2018 Actual	2018 Target
Revenue from Cabinet	26,230	29,284
Revenue from Ministries, Portfolios, Statutory Authorities, Government Companies	163	66
Revenue from Others	4,356	3,845
Total Revenue	30,749	33,195
Expenses	28,651	32,822
Operating Surplus/(Deficit)	2,098	373

Net Worth:

Total Assets	43,932	65,518
Total Liabilities	9,229	7,833
Net Worth	34,703	57,685

Cash Performance:

Cashflow from Operating Activities	(3,624)	(2,842)
Cashflow from Investing Activities	(719)	(13,586)
Cashflow from Financing Activities	1,201	13,586
Change in Cash Balances	(3,142)	(2,842)

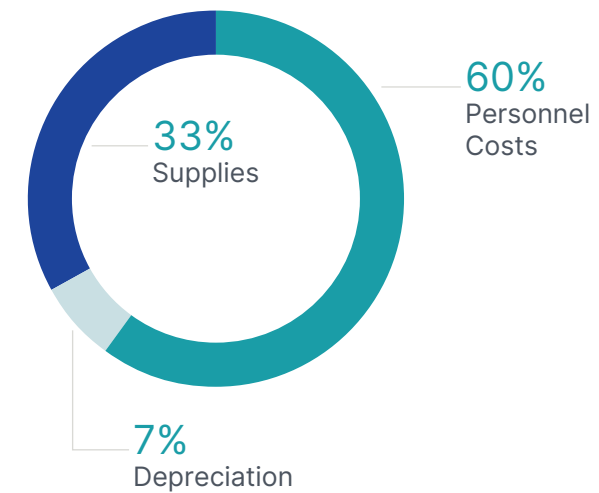
Financial Performance Ratios:	2018 Actual	2018 Target
Currents Assets: Current Liabilities)	3:1	3:1
Total Assets: Total Liabilities	5:1	8:1

Human Capital Measures:	2018 Actual	2018 Target
Total Full-Time Equivalent Staff Employed	269	185
Significant Changes to Personnel Management System	None	None

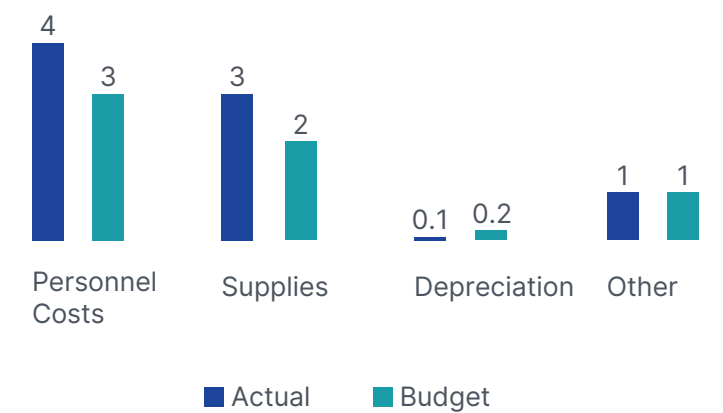
Physical Capital Measures:	2018 Actual	2018 Target
Value of Total Assets	49,932	62,831
Asset Replacements: Total Assets	5%	



How was the money spent?

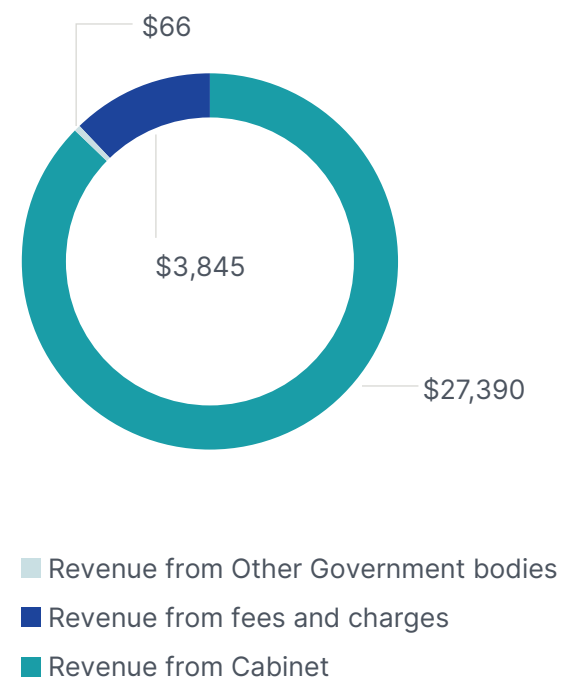


Expenditure

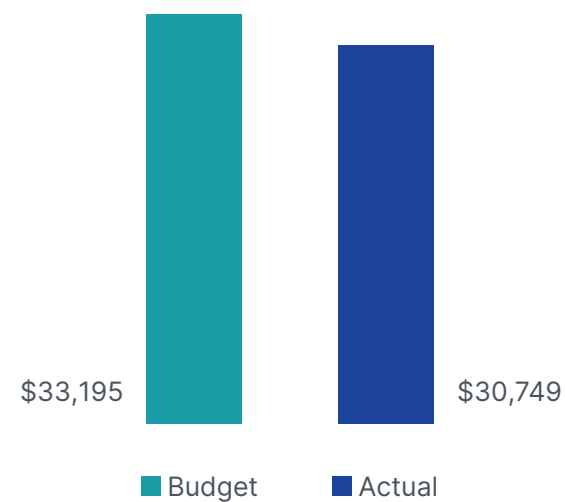


FINANCIAL OVERVIEW

Where did the money come from?



Revenue



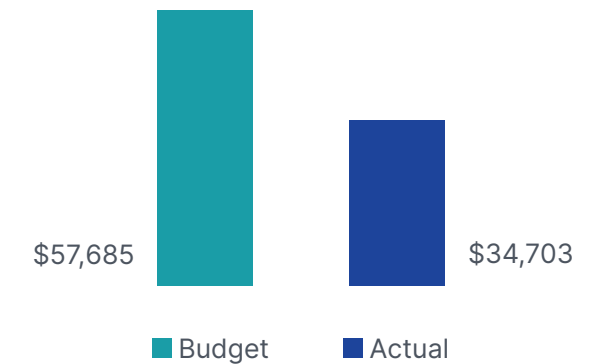
Current Ratio



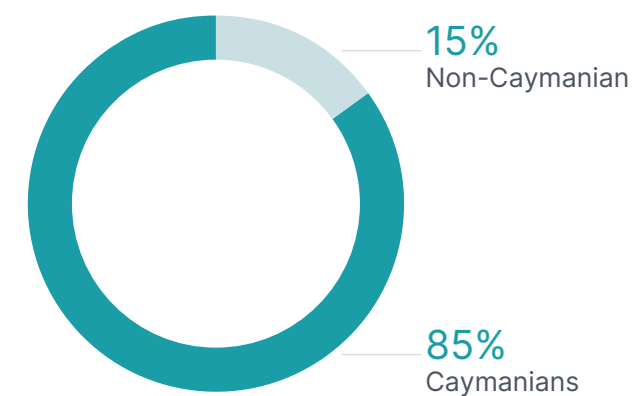
Total Assets: Total Liabilities



Total Net Worth



Staff Demographics



OUR MANAGEMENT STRUCTURE



Hon. Dwayne Seymour, JP
Minister



Ms Nellie Pouchie
Acting Chief Officer



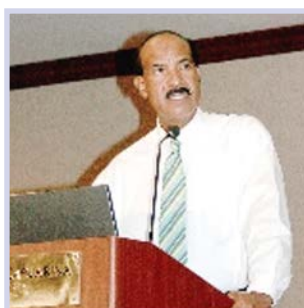
Ms. Kenisha Lumsden
Acting Chief Financial Officer



Ms. Marcia Murray
Human Resources Manager



Ms. Nancy Barnard
Deputy Chief Officer



Mr. Meryn Connolly
Director, Health &
Regulatory Services



Dr. James McNelly
Director, Mosquito Research
& Control Unit



Ms Judith Seymour
Director, Department of
Counselling Services



Mr. Richard Simms
Director, Department of
Environmental Health



Mrs. Gina Ebanks-Petrie
Director, Department of
Environment



MESSAGE FROM THE MINISTER

I am pleased to present the 2018 annual report for the Ministry of Health, Environment, Culture and Housing. The report highlights my Ministry's achievements during the year and explains the steps taken to deliver the policy priorities of the Government.

Every Caymanian deserves the right of access to an efficient, effective, and accountable healthcare system. The Ministry's work embodies this principle and continues to execute significant policy interventions to ensure quality, affordable, and accessible healthcare for our residents.

I am proud of the steps we have taken this year to ensure sustainable use of natural resources, the protection of our beautiful environment, and the effective management of certain pests and invasive species.

The Cayman Islands has a culture that is rich, diverse, vibrant, and worthy of preservation and sharing. Our cultural organizations have done a fantastic job as cultural ambassadors for our people in preserving and promoting the arts, norms, and traditions that make us a unique and proud people.

“ We continually deliver services, programmes, infrastructure and support to meet the needs of all individuals and communities as outlined in our Strategic Plan.

Our Dedication

The work of our Departments, Statutory Authorities, Boards, and Committees extends to all strata of our community and has served to progress the outcome aspirations of this administration.

The need for a Long Term Residential Mental Health Facility (LTRMHF) has long been discussed. I am pleased that the Central Planning Authority has now approved the construction of this much needed, and long-awaited facility which will aptly serve residents who suffer from mental illnesses. The development of this facility will enable local care provision with the benefits of family and friend support systems, and reduce the need for residents to travel overseas to access treatment.

A proper long-term waste management system to sustainably meet the needs of current and future generations is another project that has been long overdue. This year, my Ministry tangibly progressed the process to deliver an Integrated Solid Waste Management System (ISWMS) that will promote recycling, composting, and the conversion of waste to energy.

Part of the preparation process for this project required the shredding of approximately 700,000 previously stockpiled tires at the Georgetown landfill. This created much needed space to progress the implementation of the ISWMS.

The Ministry was also successful in commencing an effective culling programme for the invasive green iguana. This initiative was launched as a long-term effort to bring the exploding green iguana population under control.

You will read about these and other 2018 achievements in this report.

I am truly humbled and inspired to be serving the people of these Islands with my colleagues, Ministry staff, and the many public officers who thrive daily to deliver services that are truly world-class. To them, I extend my sincerest gratitude.

Yours in service,

Honorable Dwayne Seymour, MLA, JP
Minister of Health, Environment, Culture and Housing (HECH)

These and many more outcomes which came to fruition during the year indicate how the Ministry has continued to deliver significant milestones which will improve the health and well-being for all people of the Cayman Islands.



MESSAGE FROM THE ACTING CHIEF OFFICER

I am pleased to join the Hon. Minister in providing the 2018 Annual Report for the Ministry of Health, Environment, Culture and Housing.

This report fulfills an essential component of our system of accountability by providing key stakeholders with information regarding our objectives, achievements, financial performance, and use of resources.

The Annual Report also outlines the achievements of the Ministry, gives an account for the use of public funds, and provides key statistics and insight to better inform the public on our 2018 performance.

In accordance with the requirements set out in the Public Management and Finance Law, the report compares our achievements against the goals outlined in the 2018 – 2019 approved budget. Over the next few pages, I will be sharing stories of our journey this year, and the many ways we delivered public value to the people of the Cayman Islands.

It is a privilege and an honor to report on the achievements of our Ministry and the services we delivered in 2018.

“The hard work and dedication of our staff are critical enablers for the successful delivery of our services.”

Our Commitment

The achievements of 2018 are a testament to the resiliency, dedication, and professionalism of our staff who continued to deliver outstanding public services under conditions which were at times challenging.

The year saw leadership changes in core areas of the Ministry including, the Mosquito Research and Control Unit and the Department of Environmental Health. Notwithstanding, staff remained focused on their fundamental values of service and successfully overcame each situation.

In doing so, service capacity was maintained, and in many instances, also enhanced. It enabled the successful progression of numerous policy initiatives including the approval of the Long Term Residential Mental Health Facility; the conclusion of the tire-shredding project; the selection of a preferred bidder for the Integrated Solid Waste Management system; and the commencement of the culling programme for the invasive green iguana.

Our modern healthcare systems, approach to environmental preservation, waste management, and cultural preservation, were borne from the ideas, forward-thinking, and investments of those who came before us.

Our forefathers invested in our generation so we can enjoy the Islands we have today. The torch has

now been passed to my generation, and I humbly accept the responsibility and honor to do my part in supporting the Government to deliver positive outcomes for the generations that follow.

The achievements of our Ministry will be highlighted in greater detail over the next few sections of this report. These accomplishments are made possible through the hard work and dedication of our staff, partners, and the community we serve.

Looking ahead, I am inspired by the positive changes and growth evident in healthcare, conservation, resource management, culture, public health, and housing. It requires a community effort to fully unlock the potential of the future and ensure a vibrant and sustainable Cayman Islands for current and future generations.

Together, we will be successful.

Sincerely,

Ms. Nellie Pouchie

Acting Chief Officer for the Ministry of Health, Environment, Culture and Housing (HECH)

Our 2018 Strategic Priorities outline how we work together across our diverse system to achieve core objectives and pursue the achievement of the Governments stated policy outcome goals.



STRATEGIC OVERVIEW

The Ministry of Health, Environment, Culture and Housing works in support of Government's overall policy framework and in furtherance of its policy priorities. The Ministry's work principally represents strategic interventions aimed at:

- ◆ Reducing crime and the fear of crime
- ◆ Stable, Effective and Accountable Government
- ◆ Stronger Communities and Support for the Most Vulnerable
- ◆ Access to Quality, Affordable Healthcare
- ◆ Ensuring Caymanians benefit from a Healthy Environment

Reducing Crime and Fear of Crime

The Department of Counselling Services supports individuals from all strata of our community who are facing life challenges. These include services to assist individuals with issues such as drug and alcohol abuse, family and relationship challenges, or just generally coping with grief, loss, or other difficulties. Effective early interventions have shown positive benefits for the mental well-being of clients served and a reduction in the likelihood of related criminal activity.

Stable, Effective and Accountable Government

The Ministry supports a stable, effective, and accountable Government through monitoring and oversight of public funds entrusted to its stewardship. This includes assurance of value for money in the delivery of Outputs by the Statutory Authorities and cultural organizations that fall under its purview. Our work seeks to ensure an effective and accountable delivery system for healthcare, cultural preservation, and the provision of affordable housing. Further details on the performance of respective Authorities, Boards, and Committees can be found in their respective annual reports.

Stronger Communities and Support for the Most Vulnerable

The Department of Counselling Services introduced a Dual Diagnosis programme at the Caribbean Haven Residential Centre in 2018. The programme will allow for the concurrent treatment of individuals suffering from mental health disorders and substance abuse issues. The aim is to improve treatment outcomes through targeted interventions.

The Department also held its first SNAP summer camp to support children who experience emotional difficulties by providing them with the necessary skills to manage and deal with issues in a healthy manner.

Access to Quality, Affordable Healthcare

Ensuring Caymanians maintain access to quality affordable healthcare is a principal focus for the Ministry. Several initiatives were progressed in 2018 to ensure the sustainability of our local healthcare system and the provision of high-quality local healthcare.

In March, the Central Planning Authority approved plans for the proposed Long-Term Residential Mental Health Facility. Evidence shows that patients who traverse the journey of care with the benefit of an effective support system from friends and relatives usually have better health outcomes. Presently, patients who require long-term mental health care are usually transferred overseas, at high cost to the Government, and away from crucial family support systems. The construction of this facility will enable patients to be effectively treated locally, at lower costs, and close to their loved ones.

The Department of Health Regulatory Services collected \$5.3 million for the Segregated Insurance Fund in 2018, and \$515 thousand in fees for the registration of healthcare practitioners and facilities. Amounts collected for the Segregated Insurance Fund is used to assist indigent persons with medical expenses and helps to ensure access to quality healthcare for vulnerable residents. The Department also resolved more than two-thirds of all health insurance complaints received and queries raised during the year.

A study for a Standard Health Insurance Contract for people aged 65 and older was also undertaken in 2018. The outcome of this study will provide the Ministry with solutions for a more sustainable, affordable, health insurance programme for local senior citizens and retirees.

Ensuring Caymanians benefit from a Healthy Environment

The Ministry supports this policy outcome through efforts for the introduction of an Integrated Solid Waste Management system (ISWMS). The ISWMS will reduce the amount of waste ending up in our landfill and the associated negative impacts to our local environment. This will be achieved through multiple efforts to promote and enhance recycling, composting, and the conversion of waste to energy.

Over half a million tires stockpiled at the Georgetown landfill were shredded in 2018. The project cost some \$1.47 million and was an important element in preparing the landfill for the transition to an ISWMS.

The Department of Environmental Health also continued its efforts to ensure a healthy environment through effective management of our present waste management systems, food and hygiene surveillance, and continuous public awareness of relevant issues.

The Department of Environment marked the fifth-year anniversary of the National Conversation Law in 2018. Their diligent work continues to ensure that a sustainable balance is maintained between development and conservation in the Cayman Islands. In 2018, those efforts included numerous proposals to enhance the marine protected areas around the Cayman Islands, and the spearheading of the culling project for the invasive and destructive green iguana.

Our Mosquito Research and Control Unit formed an important advisory board in 2018. This Board will formulate plans for the eradication of the *Aedes aegypti* mosquito in Cayman to effectively mitigate the risks of mosquito-borne diseases and illnesses which could negatively impact the health of our residents.

“

The incidence of chronic non-communicable diseases has been increasing across all ages, and I believe one of the keys to reversing that trend is to invest in preventative care for our youth.

”

“

By building healthy habits from the very youngest age, and ensuring that our children and youth are getting regular access to preventative care, I believe we can truly turn the tide.

We need to invest in our children’s health now, to improve the health of the Cayman Islands in the future.

”

Statement to the Legislative Assembly by the

*Minister for Health, Environment, Culture and Housing
Honourable Dwayne S. Seymour, MLA, JP
on 27th June 2018*



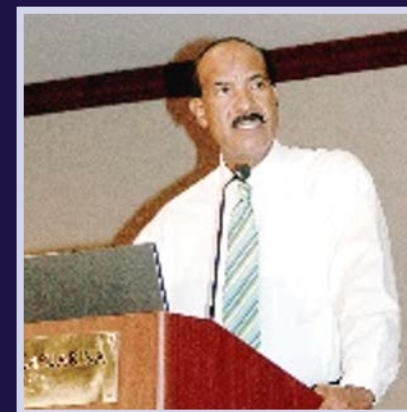
HEALTH REGULATORY SERVICES



Section 1: Overview of the Department

Section 2: Performance of the Department in 2018

The Health Regulatory Services ensures that the provision of health insurance in the Cayman Islands is well regulated and that greater assistance is provided to the public in resolving complaints. Through the Health Practice Commission, the Health Regulatory Services provides Council supervision, policy advice to the Ministry, and the regulation of healthcare facilities.



Director: Mr. Mervyn Connolly

Mr. Mervyn Connolly is the Director of the Health Regulatory Services and the Superintendent of Health Insurance. He holds a Master’s Degree in Health Services Administration and a Bachelor of Science Degree in Biology. He is a qualified Health Services Administrator with over 30 years’ experience in the health care industry. He has served on various Government Boards and Committees.

OUR MISSION

The mission of the Department of Health Regulatory Services (DHRS) is to effectively monitor and regulate the health insurance and healthcare industries in the Cayman Islands. The Department also provides assistance to the public in resolving disputes regarding the provision of health insurance and healthcare services.

OUR ACTIVITIES

The Department's scope of activities include:

- ◆ Advising the Minister on any matter relating to health insurance and health practice, including advice on amendments to the Health Insurance Law, Health Practice Law and Regulations;
- ◆ Investigating and resolving complaints, and providing advice on fees to be paid by Approved Insurers to healthcare providers for healthcare benefits provided to compulsorily insured persons;
- ◆ Monitoring, assessment and regulation of premium rates charged by Approved Insurers for the Standard Health Insurance Contract, and the collection of the Segregated Insurance Fund payments;
- ◆ Monitoring the number of insured persons, and providing public education programmes on relevant legislations and functions of the Department.



Through the Health Practice Commission, the Department is also responsible for the following:

- ◆ Registering and licensing of health care practitioners within their respective councils;
- ◆ Inspecting and certifying health care facilities for operation;
- ◆ Collaborating with international and regional agencies to ensure that standards of professional practice are maintained by all licensed practitioners.





2018 KEY STRATEGIC OWNERSHIP GOALS



Maintain public education campaign on health insurance in the Cayman Islands.



Resolve disputes, complaints, and queries arising from the provision of health insurance.



Carry out the regulatory functions of the Health Insurance Commission as prescribed under the law and regulations.



Effectively collect the Segregated Insurance Fund payments and monitor the number of insured persons in the Cayman Islands.



Manage the facility registration process and expand the process to include inspections.



Ensure public access to information regarding all registered healthcare practitioners.



Development of new and strengthening of present links with international counterparties.

PERFORMANCE OF THE DEPARTMENT IN 2018

The Department of Health Regulatory Services (DHRS) had a successful year in delivering its functions and outcomes as prescribed under the Health Insurance Law, and the Health Practice Law and Regulations.

Public Education

Part of the Department's key strategic goals during the year was to **maintain public education on health insurance in the Cayman Islands**. In fulfilling this goal, the Department provided public education sessions on various platforms, including radio, participation in forums, and seminars held in conjunction with other bodies. Department staff appeared on Radio Cayman's "Talk Today" show where topical issues on health insurance were covered. Topics included: employer and employee responsibilities under the health insurance legislation; dangers of health insurance cards being used by a person other than the insured; high-risk insurance persons; health insurance premiums; and the role of the Health Practice Commission. Information was also shared regarding preferred provider organizations; and amendments to the health insurance legislation approved insurer certifications. This platform informs the public and effectively engages residents on matters related to healthcare and health insurance.

The Health Insurance Commission (HIC) participated in a Health Insurance forum organized by the Jamaican Consulate and in the Human Service and Health Care seminar organized by the Chamber of Commerce's Leadership Cayman programme. The Department aims to continuously strengthen its communications and engagement activities to increase public education and awareness on health insurance matters and health insurance legislation.

a total of 5,937 complaints, which included policy terminations, high-risk applications, un-insurability, administrative fines, and court cases. Staff worked resiliently to address the various issues and successfully resolved 67% of the complaints/queries received.

Work to effectively resolve complaints and answer queries was significantly challenging in 2018 due to staffing levels, which were not commensurate with the demand for enforcement and investigations. Notwithstanding, staff rose to the challenge and effectively resolved almost 4,000 cases.

The Department's activities also include the provision of onsite inspections. In 2018, nine (9) onsite inspections of Approved Insurers were conducted to ensure compliance with Health insurance legislation. This included assurance that the Approved Insurers were offering the benefits provided under the new Standard Health Insurance Contract (SHIC) and that those benefits were offered at premium levels that were fair and reasonable.

This work helps to ensure legal compliance, the protection of consumers, and the availability of affordable health insurance in the Cayman Islands. Inspections also provided the added benefit of ensuring that Approved Insurers took the necessary steps to implement the new International Classification of Diseases 10th Revision (ICD10) codes into their systems for claims processing.

Enforcement & Onsite Inspections

The DHRS is responsible for **resolving health insurance complaints and queries raised by the public**. In 2018, the HIC received and processed

67%

of complaints/queries received were resolved

In 2018, The Department levied fines totaling over \$7,000 due to non-compliance with relevant provisions under local health insurance legislation.

Administration of the Segregated Insurance Fund

Effective administration of the Segregated Insurance Fund ('SIF' or the 'Fund') is an effective policy instrument for ensuring access to quality healthcare among the local indigent population. SIF contributions from Approved Insurers are collected on behalf of the Ministry of Health in accordance with health insurance regulations and held for specific purposes.

Some \$5,357,160 in SIF fees were collected for the financial year 1st January 2018 to 31st December 2018. The SIF functions to assist in defraying the

cost incurred for the provision of medical care to indigent persons in the Cayman Islands. According to statistics provided by the Department of Children & Family services, some 1,715 persons in the Cayman Islands were classified as medically indigent as of 31st December 2018.

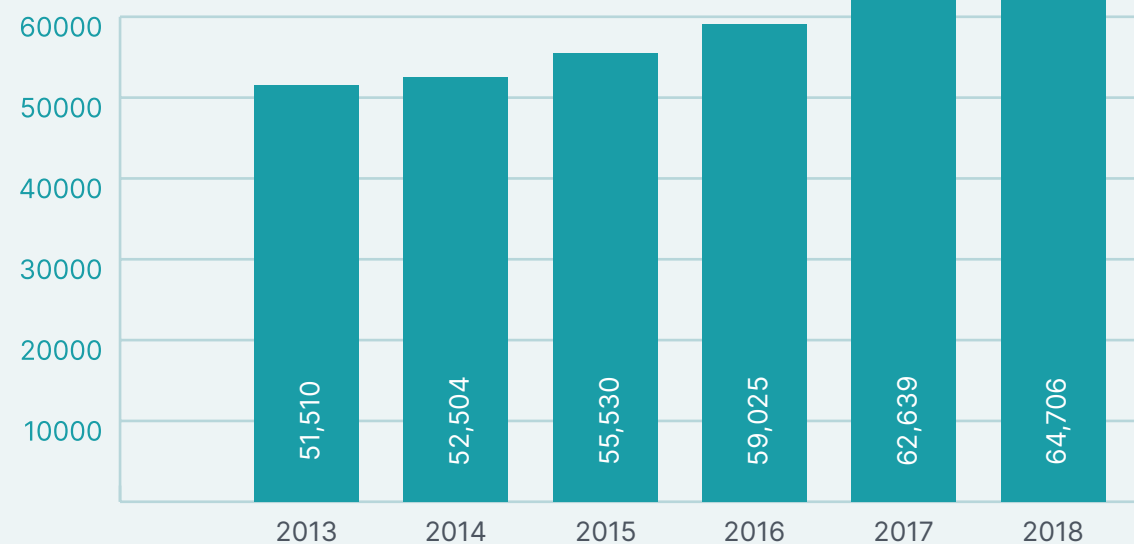
The prudent and effective stewardship of the SIF is a primary function of the Department. We therefore welcomed the positive recognition by the Public Accounts Committee, which awarded an achievement certificate in 2018 for the management and reporting of Fund activities and for consistently achieving unqualified audits.

The Department assumed administration of the Fund from the Cayman Islands Monetary Authority in 2006. This mark of distinction is a testament to the professional stewardship under the aegis of the DHRS.

Number of Insured Persons

Monitoring the number of insured persons in the Cayman Islands is another key strategic goal for the DHRS. In 2018, some 64,706 residents were covered under a health insurance contract. This accounts for approximately 98% of the local population. Approved Insurers are required to provide the HIC with monthly statistics on the number of insured persons. The trend shows a continual increase in the number of insured persons locally. This augers well with the Departments' aims to ensure full health coverage among the local populace.

Number of Insured Persons (2013 - 2018)



Note: The above figures include persons who have double coverage. For example, a civil servant who has health insurance coverage with CINICO could also be covered under their spouse's health insurance with another approved insurer or vice versa.

Amendments to Health Insurance Legislation-Approved Insurer Certification

The definition of "Approved Insurer" was amended under section 2 of the Health insurance Law in 2018 to empower the Health Insurance Commission to issue a certificate to an insurer approving such insurer to provide the Standard Health Insurance Contract.

Certificates are valid for one year and are subject to revocation if any required conditions are breached. Under the amended legislation, the HIC also has the option of ordering the holder of the certificate to cease any non-compliance or illegal activity detected.

International

Policy advice to the Hon. Minister on matters relating to health insurance, health practice, and amendments to health regulations also falls under the remit of the DHRS. In 2018, the HIC advised the Ministry of Health of the global transition from the International Classification of Diseases 9th Revision (ICD-9) to International Classification of Diseases 10th Revision (ICD10). All Approved Insurers and health providers successfully made the transition to the new ICD-10 codes, resulting in the Cayman Islands complying with the latest international standards.

Standard Health Insurance Fees

The Cabinet approved the revised Standard Health Insurance Fees (SHIF) in 2018. This fee schedule includes approximately 10,000 current procedural terminology (CPT) codes. Approved Insurers and healthcare providers commenced the use of the revised SHIF schedule to process claims As of March 2018.

Culture of Compliance

Initiatives to promote a compliance culture across Government departments and statutory authorities continue to be fully supported by the Department of Health Regulatory Services. Leadership changes in several areas, coupled with legislative amendments, have made progress in this area very challenging for the Department. Notwithstanding, the Department was successful in numerous initiatives throughout the year.

These include collaborative efforts between the DHRS and the Department of Commerce (DCI) to enable persons applying for a Trade and Business Licenses to provide the DCI with valid health insurance information, which is certified by their Approved Insurer.

The Immigration Department has also now implemented a clause in the Temporary Work Permit (TWP) application for renewals, which requires the employer to provide the applicant's health insurance details as part of the application.

Looking ahead, the DHRS, with the help of the Ministry of Health, aims to engage more Government entities to participate in the continued initiative towards promoting a culture of compliance across all sectors of our Community.

Registration and Licensing of Health Care Practitioners

The Health Practice Commission oversees the list of registered and licensed health care practitioners and their facilities. In 2018, the DHRS collected \$515,071 in regulatory fees for the registration of healthcare practitioners and facilities. The revenue collected helps in defraying the cost incurred by the Cabinet for the provision of industry regulation.

64,706

insured persons in the Cayman Islands as of July 2018

Our People

Our staff is crucial to the achievements of the Department. The Department embraces the concept of a learning organization and continually invests in the development and advancement of our people. This enables staff to work efficiently and effectively in delivering relevant outcomes in the provision of healthcare and health insurance services to the people of the Cayman Islands. Several developmental interventions and team-building activities were pursued during the year.

These include:

- ◆ **World Class Customer Service Training:** All employees of the Department took part in a training seminar conducted by Mr. Peter Gough of the Portfolio of the Civil Service. The training was very informative, and the presentation and discussion aided civil servants in developing their customer service skills to produce a world-class Civil Service. Mr. Gough explained various cases that commonly arise in customer service-related roles, along with favorable solutions to ensure a positive customer/ client experience. A key takeaway, was the requirement to actively listen to the customers, as in many cases, people just want to know they have been heard.
- ◆ **Institute of Leadership and Management (ILM):** Our management team participated in the ILM course which covered a range of topics relating to management and leadership.

Personal Development

The Department encourages staff to pursue continuous learning and development. Several employees pursued various academic qualifications during the year, including an Associate Degree in Public Administration, Master's Degree in Human Resources, and a Doctorate Degree in Business Administration.

Team Building Exercise

A strong and united team helps us to achieve our goals and promotes the Department as a great place to work. It also exemplifies the value we place on our staff as critical enablers for effective service delivery. In 2018, we invited Mr. Gregory Smith of YMCA to conduct a Team Building Exercise (TBE) for our employees. The event was held at the Field of Dreams and featured jampacked activities, presentations, and outdoor team orientated activities. Mr. Smith allowed the Department to reflect on their previous TBE survey results in comparison to the current status of the Department. Additionally, a very informative presentation highlighted vital factors that contribute to positive team building and the stages in team performance.



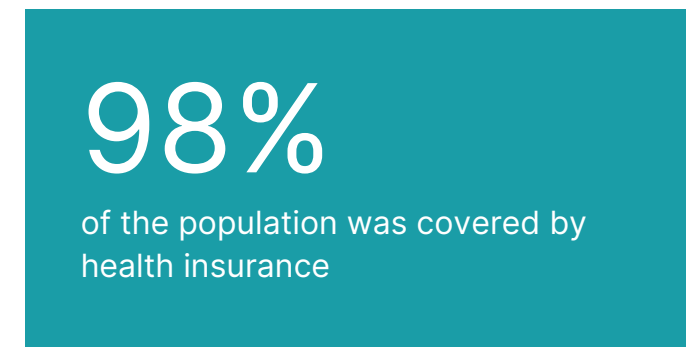
Looking Ahead

The Health Insurance Commission under the Department of Health and Regulatory Services is looking forward to pursuing the following initiatives in the 2019 financial year:

- **Continue working towards strengthening the Culture of Compliance:** The HIC will seek to partner with healthcare facilities to obtain information regarding patients who attend their facilities but are without health insurance coverage. This collaboration will enable the collection of data to improve surveillance of the industry and increase the number of insured residents.
- **Continue to pursue amendments to the Health Insurance Law (2018 Revision) related to Approved Insurers offering both individual and group coverage and the annual renewal of the Approved Insurer certificate.**
- **Monitor and update the Standard Health Insurance Fees schedule:** - The HIC will continue to monitor and update the SHIF schedule and ensure Approved Insurers use the revised schedule to process claims.
- **Continue public education campaigns to provide the general public with information on health insurance and health insurance legislation:** - As part of our key strategic goals in 2019, the Department will continue with the provision of public education regarding health insurance contracts and health legislation. The programme seeks to protect consumers by making them intelligent customers while also reducing disagreements between healthcare providers, insurers, and the insured.
- **Provide the Ministry of Health with recommendations for a sustainable health insurance programme for retirees and senior citizens:** - During 2018, the HIC set up a Departmental Tenders Committee to consider the award of a contract for actuarial studies. The Committee appointed Morneau Shepell Consultants to conduct a study concerning health insurance coverage for retirees and senior citizens. The Consultants met with various stakeholders and undertook a feasibility study for a Standard Insurance Contract (SHIC) for

persons aged 65 and older. This included a survey that asked the public how the Cayman Islands could best care for its elderly population in the coming years.

The information was collated from various stakeholders, including the public, Approved Insurers, health care providers, employers, and insured persons. These formed an integral part of the interim report submitted. Through this study, the DHRS aims to provide the Ministry of Health with recommendations that will effectively provide a robust and sustainable health insurance programme for retirees and senior citizens.





DHRS Team Members participating in activities at the Team Building Exercise





MOSQUITO RESEARCH AND CONTROL UNIT



Section 1: Overview of the Department

Section 2: Performance of the Department in 2018

The Mosquito Research and Control Unit deploys a range of intervention measures to suppress local mosquito populations, mitigate the risks associated with mosquito bites and mosquito-borne diseases, protect animals, and preserve our local economy.



Director: Dr. James McNelly

Dr. James McNelly was appointed as the new director of the Mosquito Research and Control Unit (MRCU) in 2018. He holds a PhD in Entomology, a Master of Science in Ecology, and a Bachelor of Science degree in Agriculture. He has a wealth of prior experience and depth of knowledge in mosquito control, and feels honored to lead the MRCU in its vital role of combatting mosquitos in the Cayman Islands.

OUR MISSION

To suppress mosquito populations so as to minimize discomfort from mosquito biting. To protect residents and visitors from mosquito-borne disease, and thereby enhance the quality of life and promote the economy of the Cayman Islands.

OUR ACTIVITIES

- ◆ Conducting a range of mosquito control operations designed to prevent the hatching of mosquito eggs into aquatic stages, impede the emergence of adult mosquitoes from larval forms, and to reduce the numbers of biting mosquitoes.
- ◆ Minimizing the introduction of exotic disease-vector mosquitoes into the Cayman Islands, and prevent local outbreaks of mosquito-transmitted diseases.
- ◆ Employing a variety of non-chemical and chemical control techniques, and to maintain an active and innovative research program, to ensure that mosquito control in the Cayman Islands keeps up-to-date with scientific advances and current with the highest professional standards

LOCATION OF ACTIVITIES

Mosquito control services and disease prevention measures are provided to all resident and visitors in Grand Cayman, Cayman Brac and Little Cayman.

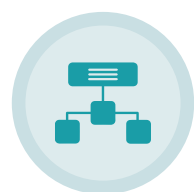
OUR CUSTOMERS



- ◆ Scientific advice, recommendations and results of research findings are provided to the Ministry and Cabinet.
- ◆ Information is also provided to Government Departments, the General Public and News Media.
- ◆ Research results are provided to overseas scientists, scientific journals and international bodies as appropriate.



2018 KEY STRATEGIC OWNERSHIP GOALS



To improve the efficiency and effectiveness of MRCU through a restructuring of the organization.



Reduce the abundance of *Aedes aegypti* mosquitoes by implementing a sterile male release programme based on the Oxitec RIDL genetically modified mosquito.



Prevent Chikungunya, Zika and Dengue from becoming endemic on the islands. To minimize the number of local cases by effective mosquito control.



Develop and implement a public education programme to enhance the effectiveness of the Department's overall mosquito control strategy by improving public awareness of the issues surrounding mosquito control and encouraging the involvement of the general public in particular control methods.



Research and develop control methods targeting Grassland Mosquitoes.



Continue to improve application efficiency by applied research in the area of spray droplet dynamics.

PERFORMANCE OF THE DEPARTMENT IN 2018

Eradication of the *Aedes aegypti* mosquitoes

During 2018, the Mosquito Research and Control Unit ('MRCU' or the 'Unit') created an advisory board of local and international experts to provide guidance and formulate strategies for the eradication of the *Aedes aegypti* mosquito from the Cayman Islands.

The Unit aims to eradicate this species by integrating surveillance and control technologies through the work of this advisory board and other stakeholders.

The *Aedes aegypti* mosquito is a non-native species in the Cayman Islands that can transmit and spread a wide range of diseases such as Dengue Fever, Yellow Fever, Zika, and Chikungunya. The Department's work in combatting these mosquitoes is vital for the protection of the health and well-being of the local population and to enable tourism and commerce to flourish.

The MRCU deploys multiple surveillance measures and works collaboratively with the community in its goal to eradicate the *Aedes aegypti* mosquito. The Department takes a bottom-up approach by working with residents to continually remove sources of standing water in commercial and residential areas.

These interventions interrupt the environments where the *Aedes Aegypti* likes to breed and develop. The *Aedes Aegypti* thrives well in urban areas and breeds well in standing water. Educating and engaging the community to monitor their properties and remove conditions that promote mosquito breeding is an effective method of reducing the local mosquito population.

Looking ahead, the Department will support crucial mosquito control methods, including door-to-door inspections, overturning containers with stagnant water, treating containers with residual larvicides, and the treatment of vegetation that serves as harborage sites for the adult *Aedes Aegypti*.

The Department will also continue to evaluate its method of using genetically modified mosquitoes in partnership with Oxitec. The inclusion of the genetically modified mosquitoes into our Integrated Mosquito Program, or eradication plan, will be determined by the results of the current tests.

The Government allocated \$800,000 to develop this new eradication plan as part of our efforts to eliminate the *Aedes aegypti* mosquito. This ongoing project will test the effectiveness of the genetically modified mosquitoes relative to traditional methods.

Public Education and Information

The provision of timely and accurate public information on issues surrounding mosquito control continued in 2018. These efforts raise public awareness and are a vital component in strategies aimed at reducing and preventing the formation of mosquito habitats on private and public properties.

Public education efforts also arm residents with information that will help to eliminate mosquito breeding sources and mitigate the risk of spreading mosquito-borne diseases. Messages stress the importance of removing stagnant water around homes, disposing of garbage that may hold water, avoiding outdoors during peak hours when mosquitoes bite, and wearing mosquito repellent containing Deet, among many other measures.

The Department had its first intern in 2018 under its newly restructured **internship programme**. The internship programme seeks to inspire young Caymanians to pursue careers in Entomology through mentorship and assistance.

DID YOU KNOW?



The first Mosquito (Research &) Control Law was passed in 1966

Our Operations in the Sister Islands began in 1970



The first vehicle mounted fogging unit went into the streets of Georgetown in 1969

Large scale larviciding operations (using temephos) were first carried out in 2003 and larviciding remains the mainstay for control of the swamp mosquitoes



Our Programs

The MRCU is dedicated to protecting residents of the Cayman Islands from mosquito-borne diseases and the irritation of mosquito bites. In 2018, the Department continued to monitor mosquito densities and mosquito-borne diseases through larval and adult surveillance.

The Department also conducted Aerial Larviciding, Aerial Regular ULV, Buffalo Turbine, and Ground ULV (Fogging) to suppress mosquito densities across the Island. The public is informed of MRCU operations through social media postings and other public announcements. Mosquito control measures are conducted in a manner that is safe and environmentally friendly, with methods that undergo stringent assessments and certifications to ensure they are safe for public use.

Our People

Dr. James McNelly took up his appointment on March 5th, 2018, as the new Director of MRCU. Dr. McNelly has a wealth of knowledge and experience in mosquito control and was the previous Director for the Mosquito Control Division of Volusia County in Florida, where he served for more than six years. Dr. McNelly replaced former director Dr. Bill Petrie, who left the MRCU after serving in the Department for three decades. Nancy Barnard acted as the interim director before Dr. James McNelly's appointment.

In 2018, the Unit held a Thanksgiving luncheon to honor and celebrate the hard work of its staff. During this session, Nellie McCoy, a laboratory technician who has served in the MRCU for 50 years, was acknowledged and thanked for her service. The Department also recognized and honored various employees through the Employee of the Month award scheme. These awards celebrate the commitment, dedication, and hard work of our staff.

2018 EMPLOYEE OF THE MONTH AWARDS RECIPIENTS



We recognize and appreciate our staff for their valuable contribution to MRCU!



Nellie McCoy being celebrated for 50 years of service at the MRCU





DEPARTMENT OF COUNSELLING SERVICES



Section 1: Overview of the Department

Section 2: Performance of the Department in 2018

The Department of Counselling Services provides high quality, cost-effective treatment services in the Cayman Islands. It comprises four agencies: The Counselling Centre, Family Resource Centre, Caribbean Haven Residential Centre, and the Brac Haven-Sister Islands Counselling Centre.



Director: Judith Seymour

OUR VISION

To be leaders in improving the quality of life for all individuals, families and the wider community while preserving and honoring the cultural foundation of the Cayman Islands.

OUR MISSION

The Department of Counselling Services enhances the lives of individuals, families and the wider community by providing a continuum of client-centered, outcome informed services, which include:

- ◆ Confidential therapy, counselling, and education, to resolve personal and interpersonal issues;
- ◆ Innovative, strength-based services that recognize and respond to community needs;
- ◆ Consultation, awareness and training that promote quality of care and best practices;
- ◆ Leadership and advocacy that encourages collaboration and partnerships in support of a healthy community.

OUR AGENCIES

The Department is comprised of four distinct agencies:



- ◆ The Counselling Centre (TCC): provides community-based counselling services to residents of Grand Cayman who may require assistance with a variety of life challenges including drug and alcohol issues, family and relationship difficulties, or issues related to personal growth and development.
- ◆ Family Resource Centre (FRC): offers parenting skills programmes, parent coaching by certified coaches, psycho-educational workshops, crisis intervention and advocacy to victims of family violence, and spearheads public awareness campaigns aimed to strengthen families and individuals and provide the foundation for a healthy society.
- ◆ Brac Haven – Sister Islands Counselling Centre: provides services from FRC and TCC to residents of the Sister Islands.
- ◆ Caribbean Haven Residential Centre (CHRC): offers intensive substance abuse treatment that is tailored to the needs of adult male and female clients to all residents in the Cayman Islands. The CHRC is located in Breakers, Grand Cayman.

OUR ACTIVITIES

- ◆ Individual, couples, family and group therapy.
- ◆ Provision of individual, group and family therapy to adolescents, in order to modify or change substance misuse, criminal offending and other at-risk behaviours.
- ◆ Intensive primary residential gender-specific treatment programmes to address substance abuse, with a dual diagnosis component that will allow for the concurrent treatment of those suffering from a mental health disorder and a substance abuse disorder.
- ◆ Extended programmes to offer continued therapeutic services and support to clients completing the residential programme that require a longer treatment stay.
- ◆ Treatment services to participants in Drug Rehabilitation Court.
- ◆ Provision of family services designed to enhance parenting skills and build more nurturing, supportive and stable families.
- ◆ Family intervention and victim advocacy.
- ◆ Provision of psycho-educational and experiential parenting programmes to support the personal, social and/ or life skills growth of young parents.
- ◆ Public awareness campaigns, workshops, media events, presentations, training sessions designed to strengthen families, increase skills to deal with interpersonal challenges, and contribute to the prevention of larger systematic problems.

2018 KEY STRATEGIC OWNERSHIP GOALS



The continued expansion of family programmes that will assist parents in the Cayman Islands to develop positive and effective parenting skills.



Delivery of a family programme for children ages 6-11 who are engaging in aggressive, anti-social behavior and/or have come into contact with authority figures at school or in the community. The programme is designed to teach effective emotion regulation and self-control, decreased aggression, enhance the child's success in school, reduce parental distress and increase parental competency and ultimately delay or reduce their involvement with the criminal justice system.



The introduction of a dual diagnosis component in the residential treatment programme at Caribbean Haven Residential Centre that will allow for the concurrent treatment of those suffering from a mental health disorder and a substance abuse disorder.



The continued enhancement and expansion of family therapy services to broaden the range of services available to residents of our community who may be struggling with issues such as trauma, grief, depression, anxiety, and substance abuse.



Enhanced provision of services to the Drug Rehabilitation Court.



Expand service provision in Cayman Brac to more adequately meet demand for therapeutic services.

PERFORMANCE OF THE DEPARTMENT IN 2018

The Department of Counselling Services (DCS) met most of the quantity measures included in the Annual Budget Statement for 2018. In some areas, the Department exceeded the projections, particularly in the provision of services to the Drug Rehabilitation Court, Workshops and Presentations, Policy Advice, Family intervention, and Victim Advocacy. The Department fell short in areas that were heavily dependent on staff availability such as the provision of Therapeutic Services to Cayman Brac and Little Cayman.

Notwithstanding, the Department worked steadfastly to achieve its departmental outcomes despite the staff shortages in critical areas during the year.

In addition to meeting or exceeding most of the output measures contained in the 2018 Budget, DCS managers engaged staff to work towards delivering the following key strategic ownership goals:

- ◆ **The introduction of a dual diagnosis component in the residential treatment programme at the Caribbean Haven Residential Centre that will allow for the concurrent treatment of those suffering from a mental health disorder and a substance abuse disorder.** A Programme Development Committee, which included staff and managers, was established to examine the clients' needs and determine what modifications to the existing programme would be required to respond more adequately to those needs. Input was sought from current and former clients, partner agencies, and colleagues across the Department. Research into other regional programmes that serve similar populations and an examination of best practices were also undertaken.

Clinical staff at the Caribbean Haven Resource Centre (CHRC) and The Counselling Centre (TCC) were also trained in Dialectical Behaviour Therapy, a modality of treatment considered to be effective with the dually-diagnosed population.

This was useful in informing the discussions of the Programme Development Committee with regards to amendments needed to the content of the treatment programme delivered at CHRC.

- ◆ **Delivery of a family programme for children ages 6-11 who are engaging in aggressive, anti-social behaviour and/or have come into contact with authority figures at school or in the community.** While the **Stop Now And Plan** (SNAP)-group based programme continued in the community, individual befriending sessions for participants were introduced to help reinforce the concepts presented in the group programme. During the summer, the first SNAP Summer Camp was offered by the Family Resource Centre catering to children who had been experiencing difficulties throughout the school year and who could benefit from an opportunity to learn emotional management skills.

The Family Resource Centre also organised for personnel within Government schools to be oriented to SNAP concepts to enable the reinforcement of those concepts within the school setting and synchronization with the skills children learned through their own engagement in the SNAP group programme. Over 25 school personnel attended the one-day training provided by the Child Development Institute of Canada in October.

- ◆ **Expansion of family programmes that will assist parents in the Cayman Islands to develop positive and effective parenting skills.** A 10-week co-parenting programme was introduced for separated or divorced parents struggling to parent their child(ren) effectively in the face of conflict in their relationship.

The Family Resource Centre also collaborated with Community Development Officers to offer family programmes in various districts across Grand Cayman. These were well received.

- ◆ **The continued enhancement and expansion of family therapy services.** During its recruitment efforts, the Department focused on hiring additional therapists who are qualified to work from a trauma-focused perspective to meet the growing need for services to persons who present in crisis or appear to be at risk of harm to themselves.

Media Highlights

In March 2018, as a part of the annual celebration of Honouring Women Month, the **Department hosted a series of workshops** led by renowned gender equality, speaker, trainer and author, Dr. Jackson Katz Ph.D. and La Shonda Coleman, Associate Dean of Student Affairs and Title IX at Pepperdine University.

The workshops built on the success of Dr. Katz's visit the previous year when he was a keynote Speaker at the International Women's Day celebration; they focused on ways professionals in leadership roles can become influencers in improving gender equality and preventing sexual harassment in the workplace and elsewhere. Introducing participants to the "bystander approach" to gender violence prevention, Katz and Coleman helped attendees recognise the multiple opportunities in which one can challenge or interrupt the attitudes, beliefs, and values that perpetuate violence against women long before a physical act is committed.

Later in the year, the Family Resource Centre produced an indie **documentary film** titled "**Men's Voice**" which screened on International Men's Day on November 19, 2018. The film was commissioned by the Family Resource Centre to highlight men's issues on the day of the United Nations observance.

The short film was produced by local filmmaker Freddie Diaz and was shot exclusively with people from the community. In keeping with this year's IMD theme "Making Positive Male Role Models," Men's Voice featured a series of one-on-one interviews

with several instantly recognisable male influencers in the Cayman Islands and students from a local school-based mentoring programme.

The film offered an arresting insight into the types of challenges faced by males in Cayman, interspersed with global statistics about male societal challenges. The contributors also gave relatable evaluations about how some stereotypes work against males. Others spoke about the need to confront the isolation that occurs when persons choose not to share problems and which sometimes leads to crises such as gang membership, depression, suicidal thoughts, and alcoholism. Some talked about the need to be positive role models for their children as a way of trying to break the cycle.

The Department also received considerable exposure when the Family Resource Centre was chosen as one of the **recipients of 2018's Island Heritage Roundabout Charity Drive**. The Charity Drive is a sponsorship programme developed and owned by Island Heritage Insurance Company Ltd to support community-based organizations such as the Family Resource Centre. The funds raised were used to offset the cost of offering new programmes free of charge to the community.

Looking Ahead

Relocation of offices: The Department received Cabinet approval to relocate the offices of the Family Resource Centre and The Counselling Centre into shared premises at the old Walker's Building on Mary Street. This will allow for greater collaboration and improved synergies between the two agencies of the Department whose services to families complement each other and will strengthen the interventions offered.

This will also allow for expanded service hours to new clients, as hours of intake will be expanded to include more evening appointments. We expect this move to occur in the first quarter of 2019.

Greater collaboration will take place with the Mental Health Department of the Health Services Authority to streamline the clients' experience. This is in

furtherance to the development of the dual diagnosis treatment programme at CHRC, and to strengthen the response to clients who present in crisis at The Counselling Centre,

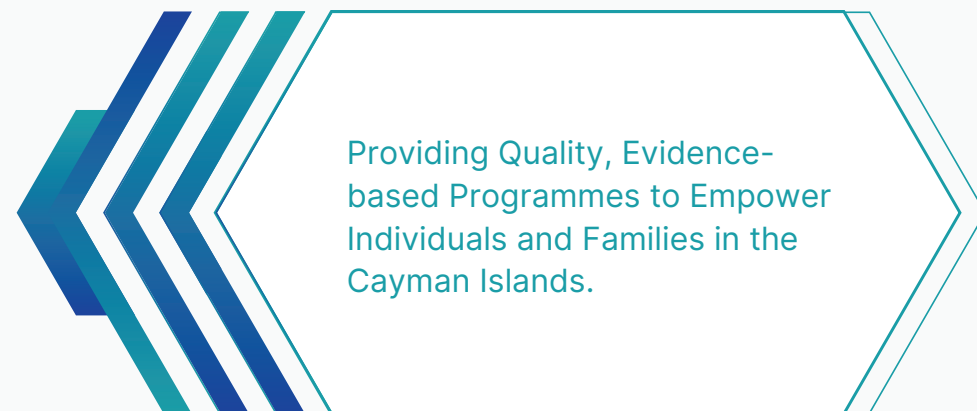
Addressing parenting challenges: New programmes will also be developed to address emerging parenting challenges.

As an example, the Family Resource Centre plans to offer a workshop titled “Parenting in the Digital Age” to introduce parents to effective ways of embracing technology while managing any potential negative impacts such as overexposure and isolation.

Following from the SNAP training offered to educators, the 13-week SNAP school-based programme will be offered within the schools starting in the First Quarter of 2019.

Staff Engagement: The Department is focused on improving staff engagement as a critical enabler to ensure the provision of consistent, high-quality service to our clients.

Efforts are planned to highlight, recognize, and incentivize excellent performance, while more effectively managing poor performance and absenteeism. A greater emphasis will also be placed on staff training to ensure the provision of tools and skills necessary to meet the changing demands of our client population.



Providing Quality, Evidence-based Programmes to Empower Individuals and Families in the Cayman Islands.



DEPARTMENT OF ENVIRONMENTAL HEALTH



Section 1: Overview of the Department

Section 2: Performance of the Department in 2018

The Department of Environmental Health (DEH) protects the public from environmental health-related hazards through measures and activities including management of food hygiene and safety; laboratory services; district sanitation and rodent control; engineering and developmental control; solid and hazardous wastes including waste collection, recycling and disposal; and public education and promotion programs.



Director: Richard Simms

Mr. Richard Simms became the Acting Director for the DEH effective July 2018. He was previously Director of the Department of Vehicle and Equipment Services. Mr. Simms is former long-serving police officer, and has also spent several years as the Deputy Director of the Department of Vehicle and Drivers' Licensing.

OUR ACTIVITIES

The scope of activities conducted by the Department of Environmental Health include the following:

- ◆ The provision of **Solid Waste Collection and Litter Collection** to residential, commercial, institutional, and industrial customers and litter collection on all main streets. The **collection of Recyclable Materials** such as plastic, cans, mixed paper/cardboard, and glass bottles from recycling depots accessed by the public and select commercial premises. The collection and receipt of end of life vehicles (ELVs) and automotive waste, and collection and incineration of hazardous medical and infectious waste from medical facilities.
- ◆ **Waste Reduction / Recycling-** the processing of all collected and delivered recyclables/ hazardous materials /ELVs for baling and packaging and marine shipping to US mainland for recycling and reuse in accordance with international standards.
- ◆ The provision of **Waste Disposal** facilities and appropriate operational strategies to ensure waste is safely deposited and adequately compacted.
- ◆ **Solid Waste Education and Awareness** - the provision of appropriate solid waste and recycling information and training to the public.
- ◆ **Rodent Control:** Provision of surveillance and baiting service for infestation or preventative measures to Government buildings, residential properties, and some commercial premises; also manage de-ratting certifications.

- ◆ **Food Safety and Hygiene:** Management of food premises, surveillance of food recalls and imported (frozen and chilled) foods, inspection of locally slaughtered animals, food-borne investigation and food safety training.
- ◆ **Environmental Health Laboratory:** Provision of laboratory support for the Department's regulatory role. Conduct analysis and produce reports on drinking water, recreational water, waste oil, hazardous substances, and sewage, as necessary.
- ◆ **Environmental Engineering and Development Control:** Provide reviews, inspections and monitoring of plans submitted to the DEH by the Planning Department and customers. Issue recommendations for certificate of occupancy and provide advice to customers. Cemetery Management through vault sales and long-term planning for vault construction, cemetery expansion, acquisition, and development.
- ◆ **Hazardous Waste and Emergency Response** – provision of trained Hazmat personnel to assist in cleaning up or identification of a hazardous substance or incident.
- ◆ **Services to Support the Ministry** – provision of sound technical advice; review, research and produce reports on relevant matters; serve on Boards, Committees and generate quarterly and annual departmental reports.





2018 KEY STRATEGIC GOALS



Ensure that financial reporting and monitoring systems are developed to assist the organization in providing greater value for money with a cost containment focus.



Establishment of relevant training programmes and succession plans for the advancement of Caymanians within the Department.



Encouragement of a performance-based organization that appreciates and rewards exceptional work.



Further develop and enhance the food hygiene and safety programmes to improve standards at establishments and institutions.



Expand environmental health programmes in the districts to improve the existing sanitary conditions including rodent control.



Enhance provision of value-added services for the department's internal and external customers.



Upgrade the existing departmental fleet of vehicles and equipment to improve service and meet contractual obligations.



Continue facilitating the process for the most appropriate Comprehensive Integrated Solid Waste Management and Waste-to-Energy facility for Grand Cayman and the Sister Islands.



Expand environmental health educational and promotional programs to students and the public to enable them to do their part in controlling or eliminating environmental health nuisances, risks, and diseases through behavior modification and civic pride.



Facilitate the promulgation of a new Environmental Health Law (EHL) and Regulations to effectively manage environmental health functions, including food safety, solid waste management, recycling, and waste-to-energy facilities.



Reorganize and improve the solid waste management operations in Grand Cayman, Cayman Brac and Little Cayman to improve efficiency and reduce risks.



Develop environmental health engineering fact sheets and provide updated guidelines for swimming pools and other areas of development.



Complete the design and functionality of the Department's website to enable it to 'be live' with relevant information and data for public access.



Continue to upgrade the Department's laboratory and information system to enable it to become certified to international standards.

PERFORMANCE OF THE DEPARTMENT IN 2018

Waste Management

The Department of Environmental Health (DEH) continued its operation of effective waste and recycling collection services in 2018. Approximately 50,079 tons of waste was collected from residential and commercial areas across the island.

Our 2018 operations were carried out under challenging circumstances, with multiple equipment failures and temporary reductions in manpower. Investments of some \$4 million in capital expenditures planned for 2019 will address some of the equipment issues by acquiring more garbage trucks and other small vehicles. The new trucks will help reduce waste collection backlogs and ensure residents receive reliable service.

Recycling

The DEH currently has six conveniently located recycling depots in supermarket parking lots across Grand Cayman. Some 1,944 tons of recyclables were collected during the year and will be processed in defined areas of the waste management facility.

In 2018, the Department deployed 11 new recycling containers to recycling depots located at supermarkets, convenience stores, and other strategic locations. Recycling depots are facilities where recyclable materials such as plastic, glass bottles, tin and aluminum, cardboard boxes, and paper can be dropped off. These efforts, along with the Department's educational campaigns, seek to promote and encourage recycling among residents.

Removal of Derelict Vehicles

The Department also continued its efforts to remove derelict vehicles and clean up illegal dumpsites from communities around Grand Cayman. Some 934 derelict vehicles were processed in 2018. The Department acknowledges the work carried out by

the Royal Cayman Islands Police Service (RCPIS) and members of the public who assisted the DEH in its efforts to remove derelict vehicles.

Tire Shredding Project

The tire-shredding project concluded in July 2018 with the shredding of nearly 700,000 tires that were stockpiled at the Georgetown landfill. This was a significant milestone as more than half a million tires had accumulated at the landfill for more than a decade. The converted tires weighed approximately 6,700 metric tons and were converted into aggregate for use in local development projects.

Elements will also be utilized at the landfill for cover material, drainage works, erosion control, and road access base which is in line with the goal of environmental sustainability.



The tire-shredding project was an important aspect of preparing the Georgetown landfill for the planned Integrated Solid Waste Management System (ISWMS). The ISWMS is expected to bring greater efficiency to the management of solid waste and ensure the future sustainability of local waste disposal through recycling, composting, and waste-to-energy.

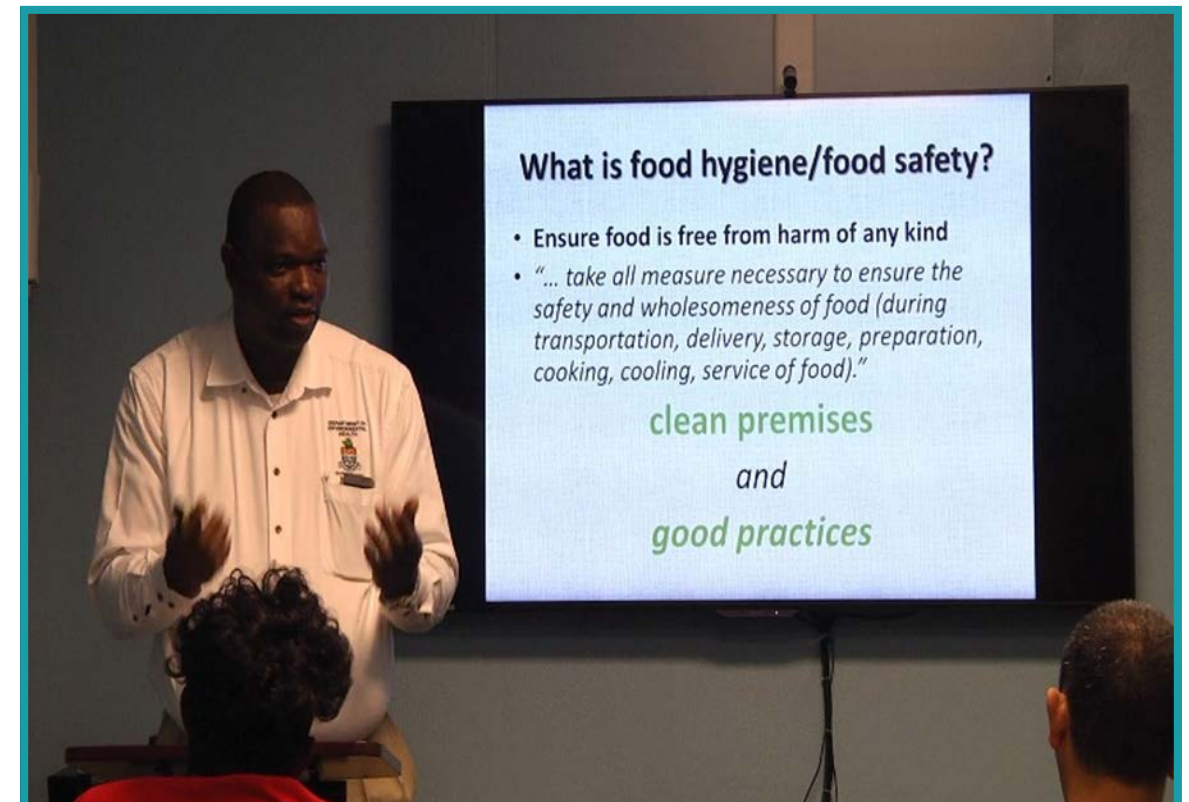
Food safety & Hygiene Surveillance

The DEH plays a crucial role in ensuring food safety and the protection of people in the Cayman Islands from foodborne illnesses. The need to ensure food safety has continually increased due to the globalization of food supply chains and the increasing number of food establishments across the Island.

The Department executed several intervention measures in 2018 to ensure safe local food consumption. These measures were principally carried out through the food and safety hygiene section of the DEH and included the inspections of food premises, imported foods, and locally slaughtered animals. Steps were also taken to ensure the condemnation and withdrawal of foods that do not meet safety requirements, and the provision of food hygiene training to commercial food handlers.

The DEH provides basic food safety training to individuals involved in the sale, preparation, storage, and delivery of food for public consumption. Some 980 commercial food handlers were trained by staff in the food and hygiene section during 2018 on the requirements to handle food safely. Topics covered included: bacteriology, cleaning and sanitation, food storage, food preparation, cross-contamination, and temperature control. Food handlers who completed the training received a three-year certification in safe food handling.

DEH staff continually work to prevent foodborne illness by promoting safe and hygienic handling. The small but active group of food and hygiene officers maintain strong links with the food and beverage industry and work tirelessly to ensure that food consumed by the public is safe.



ENSURING FOOD SAFETY THROUGHOUT THE CAYMAN ISLANDS

1,526

Inspections of locally
slaughtered animals

347

Food recall surveillance

36

Food condemnation
inspections

1,342

Food premises inspections

980

Food Handlers trained

2,248

Inspections of imported
containers



Our People

A performance-based organization that appreciates and rewards exceptional work is a crucial strategic goal for the DEH. During a Christmas dinner held at the Holiday Inn Resort, the Department recognized fourteen of its employees for their outstanding service to the Department throughout the year. Supervisors and Section heads nominated the recipients of the awards based on attitude towards work, attendance, teamwork, job performance, personal development, professionalism, and communication skills.

The Department's ability to deliver services to the people of the Cayman Islands is only possible through the hard work, dedication, and contribution of DEH staff. This commitment to the work of the Department under conditions that are, at times, extremely challenging is an embodiment of what it means to be a civil servant. The awardees also expressed their gratitude to the Department for recognizing their efforts and hard work.

Richard Simms joined the Department as the Acting Director in 2018, along with Mark Bothwell, who served as the Acting Assistant Director. Both individuals are highly experienced and joined the DEH team with the aim of building a strong working relationship with the Department's 140+ employees.

Training

DEH continues to make smart investments in the training and development of staff. During the year, the DEH laboratory organized a two-day training session on Legionellosis: 'Risk Management for Building Water Systems,' which was attended by eighteen Environmental Health professionals from the Department of Environmental Health (DEH) and Water Authority Cayman.

The training was held at the University College of the Cayman Islands (UCCI), with presenters Ms. Ruth Otero and Mr. Armando Chamorro, environmental consultants from CIH Environmental Solutions Inc., facilitating.

The training included classroom instructions as well as practical assessments of water sources. Legionellosis has been increasing globally. Although no cases have been linked to the Cayman Islands, this training provides the DEH with tools to take the necessary steps to ensure that the Cayman Islands can reduce the risk of legionella and appropriately assess and remediate it should the need arise. Presenter Armando Chamorro positively commented on the enthusiasm displayed by training participants.

During the year, DEH managers and supervisors also received an informative presentation on employee engagement. The presentation took place in the DEH's boardroom and was structured around the 2017 Civil Service Engagement Survey findings. Presenters included Marcia Murray, the Human Resource Manager of the Ministry of Health, who explained some of the crucial conditions in fostering employee engagement. During her presentation, she encouraged participants to find ways to engage and motivate their staff while highlighting the need for team members to shoulder some responsibility for their own engagement.

Former Chief Officer, Ms. Jennifer Ahearn, was also amongst the presenters and highlighted the importance of employee engagement in creating a more productive workforce.

Connecting with the Community

During the year, the Department's officials made rounds at local media houses and used social media to promote awareness of waste collection matters. These included appearances on the Rooster 101.9 Cross Talk Show, where representatives discussed the role of the DEH in ensuring food and safety in the Cayman Islands and addressed concerns regarding residential garbage collection.

The 2018 public awareness campaign also covered the importance of safely packing and handling garbage and provided garbage handling tips, which will facilitate a more efficient waste collection process.

The DEH also increased public awareness of the various services offered by the Department, including the 24-hour drop-off facility located at the entrance of the George Town Landfill. Continuous public dialogue and increased public knowledge help to ensure a healthier and more informed populace while also contributing to the efficient operation of the Department and the delivery of services.

In keeping with the "Global Food Safety & Sustainability" theme for World Environmental Health Day 2018, the Department urged the public to take the necessary precautions to protect themselves and their loved ones from foodborne illness. Additionally, Joel Victorine taught a course on food safety and hygiene to staff from a local restaurant.

School Outreach Programs

The Department organized a jingle competition for primary school students themed "Reduce, Reuse, Recycle," to increase awareness and education on the need for sustained waste reduction activities throughout the Cayman Islands. Jingles were aired on Radio Cayman as part of the waste reduction and recycling campaign.

The team from St. Ignatius won first place with their rap song "Trash Talk," winning \$500 in gift certificates. Students from the Edna. M Moyle school won second place, and the Cayman Prep team won third place. The teams received gift certificates worth \$350 and \$150, respectively. The competition served as a creative way to engage young students and encourage the public to participate in waste reduction efforts in the Cayman Islands.

The Department also invited grade eleven students enrolled at all Cayman Islands High Schools to tour its Environmental Health Laboratory in 2018. Staff conducted short career talks and demonstrations and provided opportunities for the students to participate in laboratory activities. The tour and information provided were well received.

DEH staff also attended the John Gray Careers Fair, where they spoke to young people about viable career paths at the Department.

NICE Programme

The Department collaborated with the Ministry of Commerce, Planning and Infrastructure (CPI) in facilitating the 2018 National Community Enhancement (NiCE) summer project. This project provides a paid two-week work opportunity for unemployed Caymanians to enhance the physical environment for the benefit of the community. The project covered repairs and maintenance, gardening, the cleaning of parks, beaches, beach access, garbage collection, and roadside verges. The Department was pleased to participate in this important project as it provides work for unemployed Caymanians, giving them new skills and extra funds while providing tangible benefits to the community.



DEPARTMENT OF ENVIRONMENT



Section 1: Overview of the Department

Section 2: Performance of the Department in 2018

The Department of Environment is the main Government agency responsible for the management and conservation of the environment and natural resources in the Cayman Islands. The Department undertakes activities that include environmental management recommendations; sustainable development and environmental policy advice; environmental research, monitoring and assessment; marine protection services; public education and secretariat and permitting services for conservation boards and committees.



Mrs. Gina Ebanks- Petrie is the Director of the Department of Environment. She holds a Master of Science (M.Sc.) in Environmental Management and a Bachelor of Science (BSc (Hons) in Biology/ Biological Sciences. She is passionate about her work and proud to lead a fervent, dynamic, and highly skilled team that is committed to the conservation of the environment and natural resources in the Cayman Islands.

Director: Mrs. Gina Ebanks-Petrie

ABOUT US

The Department of Environment (DoE) seeks to develop and support environmental citizenship by promoting awareness, understanding, and appreciation of Cayman's natural environment. The Department works to facilitate responsible management and sustainable use of the natural environment and resources of the Cayman Islands through various environmental protection and conservation programmes and strategies.

The DoE works closely with the Department of Environmental Health.

OUR STRUCTURE

The Department of Environment is divided into four main sections:

1. Administration Section: Handles much of the clerical work including accounting, filing and routing public inquiries to the appropriate DoE staff;
2. Enforcement Section: Works primarily with the enforcement of the marine conservation law to ensure that the Marine Park regulations and other environmental laws are adhered to on a daily basis;
3. Operations Section: Deals with the day-to-day maintenance of the Cayman Islands' Marine Parks System; and the
4. Research & Assessment Section: comprises of the following three units:
 - ◆ Marine Resource Unit: Is responsible for the design and implementation of the Department's marine and coastal research agenda with the main emphasis on research projects that deal with local management issues such as the conservation of local fisheries or other natural resources, as well as providing aquaculture support and development services.

- ◆ Terrestrial Resources Unit: It focuses on the monitoring and management of species and habitats on land and the conservation and protection of our unique biodiversity. TRU is thus overseeing a vast array of species and ecosystems. Since the passing of the NCL, one of the main tasks at hand is establishing a framework from which illegal destruction and taking of terrestrial biodiversity can be controlled, and the law enforced.
- ◆ Sustainable Development Unit: Spearheads the formation of a national policy-level strategy for sustainable development. To date, the SDU has worked on a National Sustainable Development Framework, draft National Conservation Law, drafted the Grand Cayman Development Plan, revised National Tourism Management Policy, Go East Initiative, National Assessment of Living Conditions study and Public Health Review, the Enhancing Climate Change Adaptation in the Caribbean project, implementation of the Kyoto Protocol, and continues to advise on planning and coastal works applications.



2018 KEY STRATEGIC OWNERSHIP GOALS



Increase protection of marine and terrestrial habitats



Enhance capacity:

- ◆ Sustainable development Unit
- ◆ Cayman Brac



Address threat of alien invasive species



Continue implementation of the National Conservation Law

PERFORMANCE OF THE DEPARTMENT IN 2018

Protected Areas

The Department of Environment (DoE) pursued numerous conservation and protection initiatives in 2018. The Department was consulted and provided input regarding proposals to enhance the marine protected areas around the three islands of Grand Cayman, Cayman Brac, and Little Cayman.

DoE also participated in the third round of terrestrial protected area nominations through the statutory public consultation process under the National Conservation Law (NCL). The NCL was approved on December 13th, 2013, five years later, it is now responsible for more than 3,500 acres of protected land across the three islands.

Invasive Species: Green Iguana Cull Project

Part of our key strategic goals for the 2018 year was to address the threat posed by alien invasive species. There are three species of iguana established in the Cayman Islands. Green Iguanas are a harmful invasive species and are not native to the Islands. They are responsible for significant damage to flora and are now having a negative impact on bird species. To address this threat, the DoE developed a business case for a green iguana control project and appointed a cull management contractor.

The project commenced in October 2018 with approximately 500 Cullers. Cullers are paid \$4.50 for each Green Iguana culled, and \$5 if they meet monthly and annual targets. The goal is to cull approximately 1.3 million invasive green Iguanas during the first year to ensure that the rate of destruction outpaces the rate of reproduction.

The programme got off to a successful start with cullers depositing some 298,106 green iguanas at the Georgetown landfill during the first three months.

The programme is expected to continue for at least three years to achieve the impact necessary to limit the growth of this invasive species. The DoE is leading and supporting the project by providing training for individuals who intend to register as cullers and collecting vital information from the cull to inform future phases of the project. The training will also seek to protect native iguanas during the culling process.

Species Conservation

Conservation of Mangroves

A species conservation plan for Mangroves was finalized and submitted for Cabinet approval in 2018. The species conservation plan seeks to protect the Red, White, and Black Buttonwood mangroves from destruction due to the ongoing loss of mangroves in the Cayman Islands. The project will assist in preserving the ecological benefits mangroves provide to the people of the Cayman Islands and the local environment.

298,106

Green Iguana culls between Oct 2018-Dec 2018

October: 32,536
November: 154,829
December: 110,741

Blue Iguana Recovery Program

A programme was launched in 2018 to assess the blue iguana population in the Salina Reserve. The DoE assisted with the annual health screening of the native blue iguana, which was once considered to be on the verge of extinction. Through protection efforts, more than 1,000 blue iguanas are now estimated to be in the wild.

The National Roads Authority (NRA), assisted in 2018 with the installation of signs warning motorists of the presence of blue iguanas in East End along Sunny Field Road and the Queen's Highway. This measure seeks to reduce the number of blue iguanas accidentally killed by motorists in the district.

Sea Turtle Nesting

Artificial lighting on turtle nesting beaches presents one of the greatest threats to our sea turtle population in the Cayman Islands. To address this threat, the DoE facilitated and conducted a workshop in March 2018 to train architects, lighting designers, and installers in various aspects of **Turtle Friendly Lighting (TFL)**.

The Department also met with several residential property owners within the critical turtle nesting habitats at the north end of Seven Mile Beach to discuss retrofitting their properties with turtle-friendly lighting. The discussions have been successful, with numerous property owners expressing interest in implementing TFL.

Proposals were also made to Caribbean Utilities Company (CUC), and the National Roads Authority (NRA) for the replacement of 32 standard streetlights with lighting that is more turtle-friendly within critical habitat areas. The installation of TFL will encourage more turtle nesting in the Cayman Islands and improve the survival of baby turtles.

The Department's **sea turtle nesting beach monitoring programme** marked its 20-year anniversary in 2018. Turtle nesting season runs from April to November each year. During this period, staff and volunteers walk over 1,400 miles to check

turtle nesting beaches as part of the monitoring programme to assist with the protection of turtle nests.

A **turtle monitoring app** was developed and donated by two of our volunteers Lorri and Michael Lamb, at no cost to the DoE. The app has made it possible to collect and record data in real-time and is a huge help in managing and analyzing the significant amount of data collected by the DoE's programme each year. The app tracked approximately 1,800 members of the public who had encounters with our staff and volunteers last year. These encounters allowed for the dissemination of crucial information regarding sea turtle conservation.

Some 408 turtle nests were identified and recorded in 2018. This compares favorably to the 39 observed in the 1998/99 fiscal year. It is truly gratifying to see the results of our continued collective efforts and the positive impacts on the number of sea turtles in the Cayman Islands.

Darwin Project

This project resulted in the drafting of an assessment, protection, and conservation action plan for important sea bird populations in the Cayman Islands. The plan is a crucial conservation milestone for local sea birds.

Wild Parrot

The DoE's capacity in Cayman Brac was enhanced in 2018 as part of our key strategic goals for the year. This allowed for the assessment of the current population of wild parrots in Cayman Brac. The Cayman Islands is home to two subspecies of the Cuban Parrot: the Grand Cayman Parrot and the Cayman Brac Parrot. The Department continues to take steps to ensure the protection of the parrots on the island, as the Cayman Parrots are a protected species under the National Conservation Law (NCL).

Environmental Management

In 2018, the DoE reviewed and provided technical advice on 28 Coastal Works Applications, 431 Planning applications, and an additional 18 Section 41 consultations under the National Conservation Law. This work was carried out on behalf of the National Conservation Council.

Two applications were also screened for Environmental Impact Assessment (EIA) with neither being determined to require an EIA.

EIAs evaluate the likely positive and negative consequences of a proposed project on the environment.



International

DoE participated in an invasive species horizon scanning workshop for the United Kingdom Overseas Territories, which was held in the Cayman Islands in 2018. The workshop allowed for active engagement with the international conservation community. It was followed by a discussion that looked at analyzing entry pathways in consultation with the Department of Agriculture and Customs.

Staff from the DoE also represented the Cayman Islands at the IUCN Iguana Specialist Group, Birds Caribbean meetings, and Gulf and Caribbean Fisheries Institute meetings over the year.

Connecting with the Community

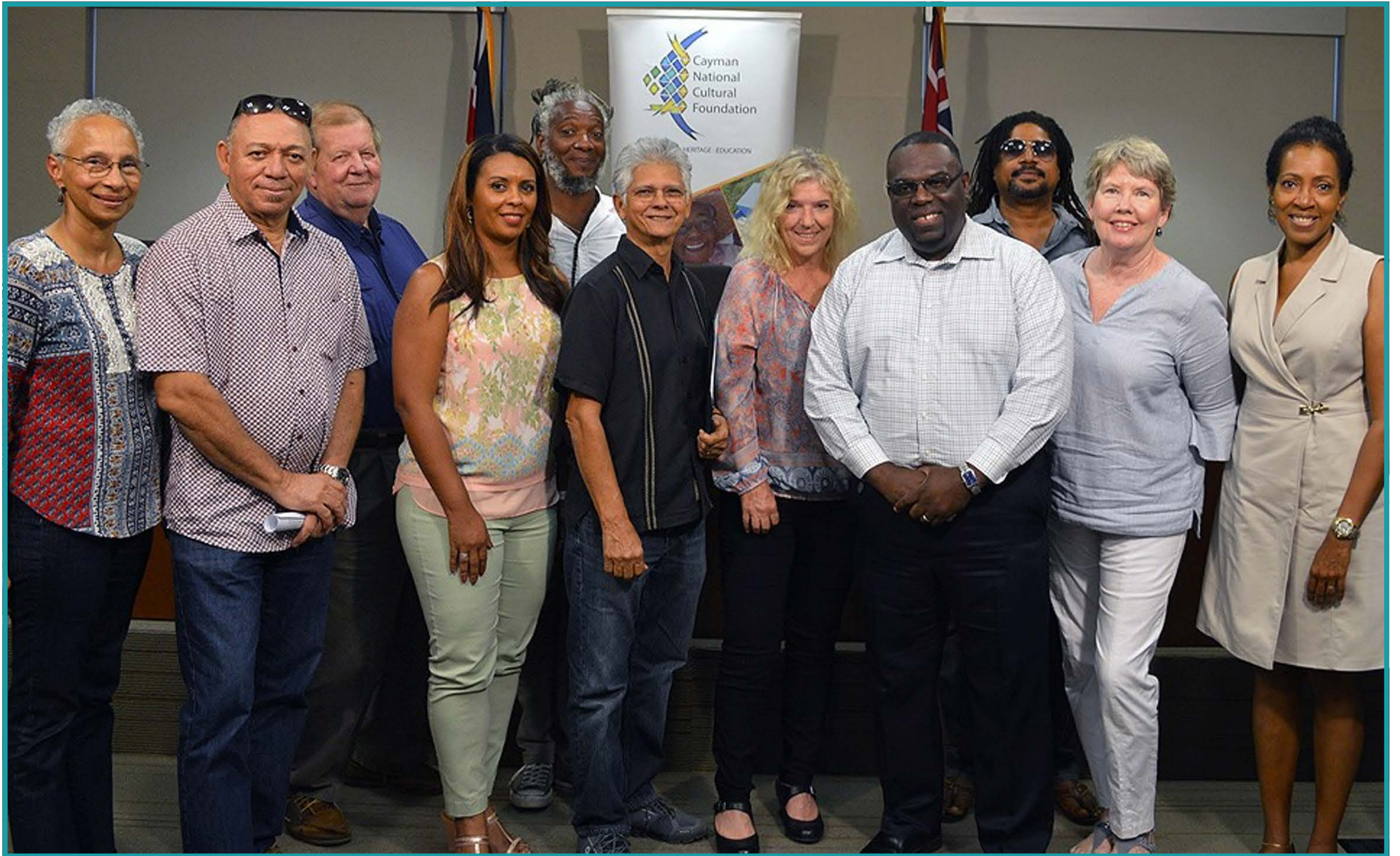
The Department offers volunteer positions and summer internships for students who are interested in gaining experience in marine science, terrestrial ecology, sustainable development, and related fields.

During 2018, the DoE hosted 20 high school interns and hired the first Public education and outreach officer.

The DoE strives to educate the public and raise awareness on conserving and managing the natural environment of our Islands.

The Department also made presentations this year to students from Cayman Prep and High school about the work of the DoE. It provided the students with the opportunity to participate in a turtle nest excavation assignment.

We continuously seek to impart knowledge to our young people by encouraging and inspiring them to better manage and conserve the natural environment for current and future generations.





FINANCIAL STATEMENTS

This section of the report includes the Auditor General's report, a Management Discussion and analysis of the financial results for the Ministry over the year and the corresponding Statements of Financial Position, Statement of Performance and Statement of Changes in Net Worth

Audit Opinion

The Ministry's financial statements are subject to an annual audit by the Office of the Auditor General as prescribed by the Public Management and Finance Law.

Following her review, the Auditor General concluded that the 2018 Financial Statements presents fairly, in all material respects, the financial position of the Ministry as at 31st December 2018 and its financial performance and cash flows for the year ended 31st December 2018 in accordance with International Public Sector Accounting Standards. This is referred to as a "clean" audit opinion and reflects the dedication and professionalism of the Ministry's financial staff.

Results of Operation

Fiscal year 2018 ended with a surplus of \$2.1 million. The Ministry is largely funded from Cabinet revenue and does not operate with a profit motive. The better-than-expected results largely stemmed from restrained expenses in personnel costs and savings realized from the purchase of supplies and consumables. These areas of savings were partially offset by a \$1 million higher-than-expected depreciation expense.

Total revenues were \$2.4 million less than the budget anticipated, while total expenses were \$4.2 million lower than budget. Further analysis of the areas of performance are as follows:

Revenue

Some 85% of the Ministry's revenue is derived from providing services/outputs to the Cabinet. The other significant portion (accounting for 14%) is derived from fees and charges for services delivered to the public. The negative overall budget variance of \$2.4 million was largely due to lower-than-expected services to Cabinet (\$3.1 million), which was partially offset by higher-than-expected fees from public-facing activities (\$511 thousand).

Expenses

Personnel costs are the Ministry's largest area of expenditure and account for \$0.60 of every dollar spent. The Ministry realized savings in personnel costs of approximately \$1.5 million in 2018. These savings were largely concentrated in underspends for salaries and wages (\$1.6 million) and health and pension costs (\$349 thousand). These savings were partially offset by higher-than-expected costs for other personnel-related costs and accrued leave at the end of the fiscal year.

Supplies and Consumables account for approximately 33% of the Ministry's annual expenditures. The Ministry realized 2018 savings of \$3.6 million in this area led by lower than expected costs from the purchase of insecticides and professional services.

Current Assets

Current assets represented more than two-thirds (\$29.4 million) of the Ministry's overall asset base of \$43.9 million at the close of the 2018 financial year. Current assets largely consisted of trade receivables (\$18.1 million) and cash and cash equivalents (\$7.3 million). Other receivables \$2.9 million.

The high concentration of current assets resulted in a liquidity ratio of 3:1 which means the Ministry had \$3.10 in current assets for every dollar of current liabilities owed. This is a positive financial position and shows that the Ministry can settle its obligations in a timely manner as they fall due.

Fixed Assets

The Ministry's fixed assets fell into 12 distinct categories at the close of the 2018 fiscal year. Buildings and leasehold improvements accounted for some 49% of the assets held (\$7.1 million), followed by motor vehicles which accounted for 28% (\$4.1 million), and plant and equipment at 6% (\$878 thousand).

The net book value of the Ministry's fixed assets was approximately 44% of their original cost at the end of the period under review. This means that, on average, more than 50% of the asset's useful life has already been consumed.

Liabilities

The statement of financial position shows some \$9.2 million in liabilities at the close of the financial year. Liabilities all fell within the "current" category and predominantly consisted of surplus repayable to Cabinet (\$7.1 million) and other payables and accruals (\$1.4 million).

Under the Public Management and Finance Law, the Ministry must repay its annual surplus to the Cabinet unless special dispensation is granted by the Ministry of Finance.

Net-Assets

The Ministry's net assets of \$34.7 million were some \$23 million below the final budget estimate. The budget estimate was predicated on a significant equity injection to the Ministry by the Cabinet. Those plans did not materialize by the fiscal year-end.

Conclusion

The 2018 financial year was a successful one for the Ministry. The results of operation showed a modest 7% surplus, the Ministry had a strong financial position at the fiscal year-end, and the Office of the Auditor General issued a clean opinion on the accounts presented.

While revenue was lower than anticipated, the Ministry aptly compensated with savings in the key areas of personnel costs and supplies and consumables. The balance sheet mix augers well for continued successful operations with sufficient current assets to settle liabilities as they fall due.



APPENDICES

This section of the report summarizes the specific laws governing the Departments within the Ministry.

Definitions and explanations of abbreviations used throughout this report are also provided, as well as the Contact Information for each Department under the Ministry.

Executive Transactions Administered

Appropriation Number	Appropriation Name	Original Budget \$'000	Supplementary Budget \$'000	Final Budget \$'000
HES 1	Policy Advice and Ministerial Services for Health, Environment, Culture and Housing	3,694	19	3,713
HES 2	Health Regulatory Services	1,368	18	1,386
HES 7	Collection, Recycling and Disposal of Waste	4,103	449	4,552
HES 8	Public Health Services	1,802	18	1,820
HES 9	Environmental Health Monitoring Services	394	5	399
HES 10	Emergency Response Services	144	2	146
HES 11	Mosquito Control Services	7,432	41	7,473
HES 18	Counselling and Support Services	3,360	105	3,465
HES 19	Policy Advice and Awareness Programmes	174	2	176
HES 21	Environmental Services and Research	4,919	1,235	6,154
	Total	27,390	1,894	29,284
EI 53	Ministry of Health, Environment, Culture and Housing: Equity Injection to purchase entity assets	10,900	2,686	13,586
	Total	10,900	2,686	13,586
Replacement vehicles and operational equipment for Department of Environmental Health and fit out cost for the Department of Counselling Services				

LEGAL FRAMEWORK

The specific laws which govern the work of the Ministry of Health, Environment, Culture & Housing are:

Ministry Administration

- ◆ Public Management and Finance Law
- ◆ Public Service Management Law
- ◆ Freedom of Information Law
- ◆ Procurement Law and Regulations

Department of Health Regulatory Services

- ◆ Health Insurance Law
- ◆ Health Insurance Commission Law
- ◆ Health Insurance Regulations
- ◆ Health Practice Law
- ◆ Health Practice Registration Regulations

Mosquito Research & Control Unit

- ◆ Mosquito Research & Control Law

Department of Environment

- ◆ National Conservation Law
- ◆ Marine Conservation Law

Department of Environmental Health

- ◆ The Litter Law (1997 Revision)
- ◆ Public Health Law (2002 Revision)
- ◆ Public Health Law (2002 Revision) Public Health (Infectious Waste) Regulations (2002 Revision)
- ◆ Public Health Law (2002 Revision) (Garbage and Refuse Disposal) Regulations (2011 Revision)
- ◆ Public Health Law (2002 Revision) (Miscellaneous Fees) Regulations (2011 Revision)
- ◆ Public Health Law (2002 Revision) (Quarantine) (Amendment) Regulations 2011
- ◆ Public Health Law (2002 Revision) the Ships (Sanitation Control) Regulations 2011

Internal and external audit updates

The Ministry is compliant and has submitted and met all relevant Legislative deadlines.

GLOSSARY OF ABBREVIATIONS

Acronym	Definition
CHRC	Caribbean Haven Residential Centre
CIMA	Cayman Islands Monetary Authority
DCI	Department of Commerce
DCS	Department of Counselling Services
DEH	Department of Environmental Health
DHRS	Department of Health Regulatory Services
DoE	Department of Environment
FOI	Freedom of Information
FRC	Family Resource Centre
HIC	Health Insurance Commission
IDC10	International Classification of Diseases 10th Revision
ILM	Institute of Leadership and Management
ISWMS	Integrated Solid Waste Management System
MRCU	Mosquito Research & Control Unit
NRA	National Roads Authority
NHIS	National Health Insurance System
SHIC	Standard Health Insurance Contract
SHIF	Standard Health Insurance Fees
SIF	Segregated Insurance Fund
SNAP	Stop Now and Plan
TBE	Team Building Exercise
TCC	The Counselling Centre
TWP	Temporary Work Permit

FREEDOM OF INFORMATION (FOI)

As a public agency, the Ministry of Health, Environment, Culture, and Housing is committed to openness, transparency, and serving the public interest in compliance with the Freedom of Information Law, 2007.

The Freedom of Information (FOI) Law was passed on October 19th, 2007 and came into effect in January 2009. It gives the public a right of access to all types of records held by public authorities but also sets out some exemptions to that right.

Each public agency covered by the Freedom of Information Law has a legal duty to adopt and maintain a publication scheme in accordance with s. 5 of the FOI Law.

The primary purpose of a publication scheme is to make information readily available without the need for specific written requests. Schemes are intended to encourage organizations to publish proactively and develop a greater culture of openness.

The Law states that information to be published by public authorities should include:

- ◆ The functions of the authority, what work it does, and how it sets about its tasks.
- ◆ The departments and agencies of the authority.
- ◆ The subjects handled by each department or authority, with the locations of the departments and agencies and the opening hours of all offices.
- ◆ The title and business address of the Principal Officer and other key officers within the authority.
- ◆ Classes of records held.
- ◆ Manuals, interpretations, rules, guidelines, practices or precedents.

Ministry of Health, Environment, Culture & Housing **Contact** Information

Ministry Administration

P.O Box
Tel: (345) 949 7900 / 244 2318
Fax: (345) 949 1790
Email:
Website: www.ministryofhealth.gov.ky

Department of Counselling Services

P.O Box 10142, Grand Cayman KY1-1002
Tel:(345) 949-8789
Fax:(345) 949-0767
Email: FOI.DCS@gov.ky
Website: www.dcs.gov.ky

Department of Health and Regulatory Services

P.O Box 132, Grand Cayman KY1-9000
Tel: (345) 946 2084
Fax: (345) 946 2845
Email: FOI.HIC@gov.ky
Website: www.dhrs.ky

Mosquito Research & Control Unit

P.O Box 486, Grand Cayman KY1-1106
Tel: (345) 949 2557
Fax: (345) 949 8912
Email: contact@mrcu.ky
Website: www.mrcu.ky

Department of Environment

P.O Box 10202, Grand Cayman KY1-1002
Tel: (345) 949-8469
Fax: (345) 949-4020
Email: DOE@gov.ky
Website: www.doe.ky

Department of Environmental Health

P.O Box 1820, Grand Cayman KY1-1109
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Email: dehcustomerservice@gov.ky
Website: www.deh.gov.ky



CAYMAN ISLANDS GOVERNMENT

MINISTRY OF HEALTH, ENVIRONMENT, CULTURE AND HOUSING
*(FORMERLY THE MINISTRY OF HOME AFFAIRS, HEALTH & CULTURE –
HEALTH & CULTURE)*

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2018



Cayman Islands Government

MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Health, Environment, Culture & Housing (the "*Ministry*") in accordance with the provisions of the *Public Management and Finance Law (2018 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 Law (2018 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.


As Chief Officer and Chief Financial Officer, we are responsible for the preparation of the Ministry's financial statements, representation and judgements made in these statements.

The financial statements fairly present the financial position, performance, and cash flows of the Ministry for financial year ended 31 December 2018.

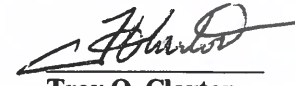
To the best of our knowledge, we represent that these financial statements:

- (a) completely and reliably reflect the financial transactions of the Ministry for the financial year ended 31 December 2018;
- (b) fairly reflect the financial position as at 31 December 2018 and performance for the financial year ended 31 December 2018; and
- (c) comply with the provisions of the *Public Management and Finance Law (2018 Revision)* and International Public Sector Accounting Standards.

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.


Nellie Pouchie
Chief Officer

Date: 6 February 2024


Troy O. Claxton
Chief Financial Officer

Date: 6 February 2024

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AUDITOR GENERAL'S REPORT (continued)

AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of the Ministry of Health, Environment, Culture and Housing

Opinion

I have audited the financial statements of the Ministry of Health, Environment, Culture and Housing (the "Ministry"), which comprise the statement of financial position as at 31 December 2018 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year ended 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 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 2018 and its financial performance and its cash flows for the year ended 31 December 2018 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

I have undertaken the audit in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2018 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

6 February 2024
Cayman Islands

MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

Prior Period Actual \$'000		Note	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
Current Assets						
10,456	Cash and cash equivalents	3	7,314	16,673	12,093	4,779
13,444	Trade receivables	4	18,069	6,068	7,962	(10,107)
2,002	Other receivables	4	2,976	732	3,418	442
357	Inventories	5	697	700	700	3
24	Prepayments	5b	367	77	77	(290)
26,283	Total Current Assets		29,423	24,250	24,250	(5,173)
Non-Current Assets						
-	Prepayments	5c	59	-	-	(59)
15,711	Property, plant and equipment	6	14,450	38,582	41,268	26,818
15,711	Total Non-Current Assets		14,509	38,582	41,268	26,759
41,994	Total Assets		43,932	62,832	65,518	21,586
Current Liabilities						
1,117	Trade payables	7	104	1,160	1,160	1,056
1,823	Other payables and accruals	7	1,374	2,553	2,553	1,179
253	Employee entitlements	8	327	420	420	93
257	Unearned revenue	9	284	1,226	1,226	942
4,736	Repayment of surplus	18	7,140	2,474	2,474	(4,666)
8,186	Total Current Liabilities		9,229	7,833	7,833	(1,396)
8,186	Total Liabilities		9,229	7,833	7,833	(1,396)
33,808	Net Assets		34,703	54,999	57,685	22,982
NET WORTH						
38,932	Contributed capital		39,827	70,184	72,870	33,043
324	Revaluation reserve		324	730	730	406
(5,448)	Accumulated surpluses/(deficits)		(5,448)	(15,915)	(15,915)	(10,467)
33,808	Total Net Worth		34,703	54,999	57,685	22,982

The accounting policies and notes on pages 9-33 form an integral part of these financial statements.

MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2018
(Stated in Cayman Islands Dollars)

Prior Period Actual (18 Months) \$'000			Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
Revenue						
38,146	Sale of goods and services	10	30,749	31,301	33,195	(2,446)
1	Donations	11	0	-	-	-
19	Other revenue		-	-	-	-
38,166	Total Revenue		30,749	31,301	33,195	(2,446)
Expenses						
20,397	Personnel costs	12	17,271	18,812	18,812	1,541
12,646	Supplies and consumables	13	9,337	11,026	12,920	3,583
2,703	Depreciation	6	1,980	945	945	(1,035)
151	Litigation costs	14	66	145	145	79
(10)	Other gains and losses	15	(3)	-	-	3
35,887	Total Expenses		28,651	30,928	32,822	4,171
2,279	Surplus for the year		2,098	373	373	1,725

The accounting policies and notes on pages 9-33 form an integral part of these financial statements.

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1: Description and Principal Activities

The Ministry of Health, Environment, Culture & Housing, formerly referred to as the Ministry of Home Affairs, Health & Culture – Health & Culture (the “Ministry”) is a Government owned entity as defined by Section 2 of the *Public Management and Finance Law (2018 Revision)* and it is domiciled in the Cayman Islands. Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Cabinet from the Minister of Health, Environment, Culture & Housing as defined in the Annual Plan and Estimates for the Government of the Cayman Islands for the year ended 31 December 2018.

During the year ended 31 December 2018, the Ministry comprised the following departments: Health Regulatory Services, Department of Environmental Health and the Mosquito Research & Control Unit. In 2017, the Department of Counselling Services and the Department of Environment were transferred into the Ministry, following the General Elections in May 2017.

Note 2: Significant Accounting Policies

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will impact these financial statements.

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

(a) Basis of Preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis (Buildings are stated at valuation). All figures are rounded to the nearest thousand unless otherwise indicated.

The financial year end of the Ministry was changed from 30 June to 31 December in order to facilitate more efficient monitoring of revenues and expenditures by the Government during a financial year. This change facilitated Government’s ability to make meaningful adjustments to its expenditure plans to mitigate any adverse revenue performance. Accordingly, the current financial statements are prepared from 1 January 2018 to 31 December 2018 and as a result, the comparative figures for the 18-month period from 1 July 2016 to 31 December 2017 stated in the Statement of Financial Performance, Statement of Changes in Net Worth, Cash Flow statement and related notes are not directly comparable.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2018 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2018 reporting period and have not been early adopted by the Ministry. The Ministry’s assessment of the impact of

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 2: Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

the new standards is set out below. The impact of these standards will be assessed more fully closer to the effective date of adoption

IPSAS 40, Public sector combinations was issued in January 2017 and shall be applied for annual financial statements covering periods beginning on or after 1 January 2019

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 41 establishes new requirements for classifying, recognizing, and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: recognition and measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Ministry’s financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognised and how they are measured. It is anticipated that IPSAS 42 will not have an impact on the ministry’s financial statements, but this will be assessed more fully closer to the effective date of adoption.

Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so. The financial statements show comparison of actual amounts with amounts in the original and final budget. Explanations of material differences between original budget and actual amounts are provided as required by IPSAS 24.

(b) Budget Amounts

The original budget amounts for the financial year ended 31 December 2018 are as presented in the 2018/19 Annual Budget Statement and were approved by the Legislative Assembly in December 2017.

The financial information in the Annual Budget Statement was prepared based on the accrual accounting concept and the going concern basis.

The original budget amounts for the year reflect the figures in the Ministry’s Budget Statement and the amounts are rolled up to the Annual Plan and Estimates, both of which are presented to the Legislative Assembly pursuant to the statutory budget process. Any changes to the original budget are reflected in the final budget and disclosed in the notes to the financial statements and significant variances between actual and budget figures are explained in the notes to the financial statements. Throughout these financial statements, positive variances between actual and budget are shown as whole numbers and negative variances are shown in brackets.

As required by the Law, budgets are presented on the same basis as the annual financial statements.

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 2: Significant Accounting Policies (continued)

(c) Judgments and Estimates

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

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

Changes in Accounting Estimates

IPSAS 3 requires disclosure of any changes in accounting estimates and the nature, amount and the financial effect on present, past and/or future period. There were no changes in accounting estimates.

(d) Revenue

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

The Ministry derives a significant percentage of its revenue through the provision of services to Cabinet. A relatively small component of the Ministry's revenue comes from other agencies in government and third parties. Cabinet revenue is recognised at the unit price agreed in the Annual Budget Statement for 2018. Other revenues are recognised at the fair value of services provided.

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 accommodation in the central government building, computer repairs and software maintenance by the Computer Services Department and human resources management by 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 reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of an item of property, plant and equipment, such service in-kind is recognized in the cost of property, plant and equipment.

(e) Expenses

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

(f) Operating leases

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

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 2: Significant Accounting Policies (continued)

(g) Cash and Cash Equivalents

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

(h) Prepayments

The portion of recognized expenditure paid in advance of receiving goods or services has been recognized as a prepayment in the Statement of Financial Position.

(i) Inventories

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

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

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost and net realizable value. Costs are assigned to inventories using first-in first-out (FIFO) as appropriate.

The write-down from cost to current replacement cost or net realizable value is recognized in the Statement of Financial Performance in the period when the write-down occurs.

(j) Property, Plant and Equipment

Property, plant and equipment, is stated at historical cost less accumulated depreciation except for buildings which are stated at valuation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

Asset Revaluation

Properties (buildings and structures) were revalued as at 30 June 2016 by in-house professionals with the exception of specialised buildings which were contracted to independent evaluators and are stated at revalued amounts less accumulated depreciation.

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

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 2: Significant Accounting Policies (continued)

(j) Property, Plant and Equipment (continued)

Valuation methods

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

- Fair Value (Market Value) defined in accordance with IFRS 13 Fair Value Measurement as follows: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."
- Fair Value (Existing Use Value) extends the definition of Fair Value (Market Value) in "assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost."
- Specialized Assets: specialised assets are those for which no market exists for the current use. Specialized assets are valued using the Depreciated Replacement Cost method (DRC valuation). The definition of 'Depreciated Replacement Cost', as contained in The Standards, is as follows: "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."

Valuation assumptions

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

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

Where an asset has been valued by Depreciated Replacement Cost (DRC) it is subject to the prospect and viability of the asset continuing to be used for the existing use.

These valuations do not take into account any form of selling or purchase costs, tax (including Stamp Duty), inflation or finance costs. In Cayman, there is no tax on property except for Stamp Duty which is ordinarily required to be paid by a purchaser.

Valuations of each 'specialized building' state their total asset value and the (depreciated) value of the respective building. Those with a depreciated building value greater than \$0.5 million also state figures for their 'component' parts. Buildings valued by the investment or comparison methods of valuation also state figures for their respective land values. These do not compute to reflect actual building values but indicate the inherent value attributing to the land only.

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 2: Significant Accounting Policies (continued)

(j) Property, Plant and Equipment (continued)

Valuation assumptions (continued)

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

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

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

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

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

Buildings were revalued as an entire class of asset.

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	10 – 60 years
• Motor vehicles	4 – 12 years
• Furniture and fittings	3 – 20 years
• Computer equipment and software	3 – 10 years
• Office equipment	3 – 20 years
• Other plant and equipment	5 – 25 years
• Other assets	3 – 25 years
• Leasehold improvement	Unexpired period of lease or useful life
• Other infrastructure	5 – 25 years
• Boats	3 – 20 years
• Aeroplanes	5 – 20 years

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 2: Significant Accounting Policies (continued)

(j) Property, Plant and Equipment (continued)

Impairment

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the period end. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value for use in service.

Work in Progress

Work-in-progress items are valued at cost, less any recognised impairment loss. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

No depreciation is applied to work-in-progress items until such time as they are commissioned.

Disposals

Gains and losses on disposal 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.

(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.

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 2: Significant Accounting Policies (continued)

(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 recognized in the Statement of Financial Position.

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

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favorable. 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 unfavorable. Financial instruments comprise trade payables, other payables and accruals and repayments of surplus.

Recognition

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

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

De-recognition

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

MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 2: Significant Accounting Policies (continued)

(m) Contingent Liabilities and Assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realised.

(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 the settlement of such transactions are recognized in the Statement of Financial Performance.

At the end of the reporting period the following exchange rates are 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.

(o) Property and Liability Insurance

Effective 2018, the Ministry no longer includes the cost of insurance premiums in its budget. This budget was transferred to the Ministry of Finance, which makes those payments on its behalf. In particular, the Risk Management Unit within the Ministry of Finance has been given the primary responsibility for the management of insurance premiums. For the eighteen months ended 31 December 2017, the cost of insurance premiums was \$442K.

Note 3: Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and bank accounts in the name of the Ministry of Health, Environment, Culture and Housing maintained at the Royal Bank of Canada. The Ministry's unrestricted cash balances as at 31 December 2018 are presented below. No restricted cash balances were held by the Ministry as at 31 December 2018.

Prior Period Actual \$'000	Description	Foreign Currency	Exchange Rate	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
	Cash on hand			-	-	-	-
	Cash in transit	5	1.0000	5	49	49	44
9,651	CI\$ operational current account	6,654	1.0000	6,654	16,096	11,516	4,862
449	US\$ operational current account	135	0.8375	113	92	92	(21)
66	Payroll current account	253	1.0000	253	133	133	(120)
290	Bank Accounts held at other financial institutions	289	1.0000	289	303	303	14
10,456	Total			7,314	16,673	12,093	4,779

MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 4: Trade and Other Receivables

At year end all overdue receivables have been assessed and appropriate provisions made. The provision for doubtful debts has been calculated based on expected losses for the Ministry and a review of specific debtors. Expected losses have been determined based on an analysis of the Ministry losses in previous periods.

Prior Period Actual \$'000	Trade Receivables	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
8,878	Sale of goods and services	9,341	10,490	12,384	3,043
12,515	Outputs to Cabinet	17,061	3,733	3,733	(13,328)
3	Outputs to other government agencies	3	3	3	-
(7,952)	Less: provision for doubtful debts	(8,336)	(8,158)	(8,158)	178
13,444	Total Trade Receivables	18,069	6,068	7,962	(10,107)

Prior Period Actual \$'000	Other Receivables	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
33	Advances (salary, Official Travel, etc)	6	67	67	61
(1)	Dishonoured cheques	(1)	6	6	7
1,969	Other receivable	2,970	-	2,686	(284)
1	Inter-entity receivable	1	2	2	1
-	Other	-	657	657	657
2,002	Total Other Receivables	2,976	732	3,418	442

Prior Period Actual \$'000	Receivables	Trade Receivable \$'000	Other Receivable \$'000	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
	Current						
15,447	Past due 1-30 days	8,976	6	8,982	-	-	(8,982)
-	Past due 31-60 days	459	259	718	3,732	8,312	7,594
-	Past due 61-90 days	153	2,033	2,187	2,332	2,332	145
-	Past due 90 and above	8,481	678	9,158	736	736	(8,422)
15,447	Total	18,069	2,976	21,045	6,800	11,380	(9,665)

MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 4: Trade and Other Receivables (continued)

At year end all overdue receivables have been assessed and appropriate provisions made. The provision for doubtful debts has been calculated based on expected losses for the Ministry and review of specific debtors. Expected losses have been determined based on an analysis of the Ministry losses in previous periods.

Prior Period Actual \$'000	Description	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
(7,934)	Balance at 1 July	(7,952)	(7,158)	(7,158)	794
(18)	Additional provisions made during the year	(384)	(1,000)	(1,000)	(616)
(7,952)	Total	(8,336)	(8,158)	(8,158)	178

Note 5: Inventories

Prior Period Actual \$'000	Description	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
357	Inventory held for use in the provision of goods and services	697	700	700	3
357	Total	697	700	700	3

Note 5b: Prepayments (Short-term: current assets)

Prior Period Actual \$'000	Description	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
4	Accrued Prepayments	367	31	31	(336)
20	Prepaid Insurance	-	46	46	46
24	Total	367	77	77	(290)

Note 5c: Prepayments (long-term: non-current assets)

Prior Period Actual \$'000	Description	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
-	Accrued Prepayments	59	-	-	(59)
-	Total	59	-	-	(59)

MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
Note 6: Property, Plant & Equipment

Note 6: Property, plant & equipment

Cost or Opening Valuation	Plant and equipment \$'000	Buildings and Leasehold \$'000	Furniture and Office Equipment \$'000	Computer Hardware \$'000	Office Equipment \$'000	Leasehold Improvements \$'000	Other assets \$'000	Infrastructure \$'000	Motor Vehicles \$'000	Marine Vessels \$'000	Aircraft \$'000	Assets under construction (WIP) \$'000	Total \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
Balance at 1 Jul 2016	4,338	6,163	295	232	113	102	130	5	14,937	-	1,809	297	28,421	30,576	30,576	2,155
Prior year adjustments	4	6	(3)	(6)	-	-	-	-	-	-	-	(1)	-	12,426	12,426	12,426
Additions	274	29	4	31	33	-	305	-	630	51	6	810	2,173	-	-	(2,173)
Disposals	(3)	(6)	-	-	-	-	-	-	(967)	(9)	-	-	(985)	-	-	985
Transfers	498	1,807	258	171	69	-	42	54	968	1,120	-	(427)	4,560	1,984	1,984	(2,576)
Balance at 31 December 2017	5,111	7,999	554	428	215	102	477	59	15,568	1,162	1,815	679	34,169	44,986	44,986	10,817
Balance at 1 January 2018	5,111	7,999	554	428	215	102	477	59	15,568	1,162	1,815	679	34,169	44,986	44,986	10,817
Prior-year adjustments	-	-	-	9	(12)	-	(12)	-	-	-	-	(0)	(3)	-	-	3
Additions	227	16	-	26	9	-	161	-	118	39	25	639	1,260	10,900	13,586	12,326
Disposals	(8)	-	-	(3)	-	-	-	-	(1,645)	-	-	-	(1,656)	-	-	1,656
Transfers	-	-	-	-	-	-	-	-	-	-	-	(576)	(576)	-	-	576
Balance at 31 December 2018	5,330	8,015	554	460	224	102	626	59	14,041	1,201	1,840	742	33,194	55,886	58,572	25,378

Accumulated Depreciation and Impairment Losses	Plant and equipment \$'000	Buildings and Leasehold \$'000	Furniture and Office Equipment \$'000	Computer Hardware \$'000	Office Equipment \$'000	Leasehold Improvements \$'000	Other assets \$'000	Infrastructure \$'000	Motor Vehicles \$'000	Marine Vessels \$'000	Aircraft \$'000	Assets under construction (WIP) \$'000	Total \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
Balance at 1 Jul 2016	3,511	-	260	168	108	77	35	5	9,132	-	841	-	14,137	14,418	14,418	281
Transfers	402	104	214	154	37	-	29	23	793	847	-	-	2,603	(22)	(22)	(2,625)
Depreciation Expense	311	458	15	41	14	23	65	1	1,605	29	141	-	2,703	1,962	1,962	(741)
Eliminate on Disposal	-	-	(3)	(6)	-	-	-	-	(967)	(9)	-	-	(985)	-	-	985
Balance at 31 December 2017	4,224	562	486	357	159	100	129	29	10,563	867	982	-	18,458	16,358	16,358	(2,100)
Balance at 1 January 2018	4,224	562	486	357	159	100	129	29	10,563	867	982	-	18,458	16,358	16,358	(2,100)
Prior-year adjustments	11	-	-	30	-	-	-	-	(71)	(8)	-	-	(38)	-	-	38
Depreciation Expense	225	376	16	33	18	-	62	1	1,082	73	94	-	1,980	945	945	(1,035)
Eliminate on Disposal	(8)	-	-	(3)	-	-	-	-	(1,645)	-	-	-	(1,656)	-	-	1,656
Balance at 31 December 2018	4,452	938	502	417	177	100	191	30	9,929	932	1,076	-	18,744	17,304	17,304	(1,440)
Net Book Value 31 December 2017	887	7,437	68	71	56	2	348	30	5,005	295	833	679	15,711	28,627	28,627	12,916
Net Book Value 31 December 2018	878	7,077	52	43	47	2	435	29	4,112	269	764	742	14,450	38,582	41,268	26,818

MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 6b: Property, Plant & Equipment (continued)

Intangible Assets

Cost	Computer Software	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
Balance at 1 Jul 2016	29	29	7	7	22
Balance at 31 December 2017	29	29	7	7	22

	Computer Software	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
Balance at 1 January 2018	29	29	7	7	22
Balance at 31 December 2018	29	29	7	7	22

Accumulated Depreciation and impairment losses	Computer Software	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
Balance at 1 Jul 2016	29	29	7	7	22
Balance at 31 December 2017	29	29	7	7	22

	Computer Software	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
Balance at 1 January 2018	29	29	7	7	22
Balance at 31 December 2018	29	29	7	7	22

Net Book value 31 December 2017	-	-	-	-	-
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Net Book value 31 December 2018	-	-	-	-	-
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MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 7: Trade Payables, Other Payables & Accruals

Prior Period Actual \$'000	Description	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
1,117	Creditors	99	1,160	1,160	1,061
-	Creditors other government agencies	5	-	-	(5)
1,117	Total Trade Payables	104	1,160	1,160	1,056
160	Payroll deductions	134	144	144	10
1,589	Accrued expenses	938	2,341	2,341	1,403
-	Accrued expenses Ministries/Portfolios	156	-	-	(156)
-	Accrued expenses other government agencies	8	-	-	(8)
-	Inter-entity payable	4	-	-	(4)
74	Other payables	134	68	68	(66)
1,823	Total Other Payables and Accruals	1,374	2,553	2,553	1,179
2,940	Total Trade Payables, Other Payables and Accruals	1,478	3,713	3,713	2,235

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

Note 8: Employee entitlements

Prior Period Actual \$'000	Description	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
	<i>Employee entitlements are represented by:</i>				
253	Annual leave	327	277	277	(50)
-	Accrued salaries	-	143	143	143
253	Total Employee Entitlements	327	420	420	93

The annual leave entitlements are calculated on current salary paid to those employees eligible for this benefit.

Note 9: Unearned Revenue

Prior Period Actual \$'000	Details	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
	<i>Current Portion</i>				
257	Other unearned revenue	284	1,226	1,226	942
257	Total Unearned Revenue	284	1,226	1,226	942

MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

Note 10: Sales of Goods and Services

Prior Period Actual (18 Months) \$'000	Revenue type	Current Year Actual (12 Months) \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
31,965	Outputs to Cabinet	26,230	27,390	29,284	(3,054)
-	Outputs to other government agencies	163	66	66	97
6,143	Fees and charges	4,230	3,719	3,719	511
-	General Sales	126	120	120	6
38	Other	-	6	6	(6)
38,146	Total Sales of Goods and Services	30,749	31,301	33,195	(2,446)

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

Outputs to other government agencies comprise trade between the Ministry and other government bodies. These are arm length transactions governed by Service Level Agreements (SLAs) between the contracting parties.

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

Note 10b: Revenue from Non-Exchange Transactions

During the year ended 31 December 2018, the Ministry received services in-kind in the form of accommodation in the central government building, computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. The fair value of these services cannot be determined and therefore no expense has been recognized in these financial statements for the year ended 31 December 2018 (2016-17: \$nil).

Note 11: Donations

Prior Period Actual (18 Months) \$'000	Source	Current Year Actual (12 Months) \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
	Description	-	-	-	-
1	Donations	-	-	-	-
1	Total Donations	-	-	-	-

MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

Note 12: Personnel Costs

Prior Period Actual (18 Months) \$'000	Description	Current Year Actual (12 Months) \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
16,503	Salaries, wages and allowances	13,138	14,699	14,699	1,561
3,099	Health care	3,007	3,233	3,233	226
730	Pension	677	800	800	123
17	Leave	74	10	10	(64)
48	Other personnel related costs	375	70	70	(305)
20,397	Total Personnel Costs	17,271	18,812	18,812	1,541

Note 13: Supplies and Consumables

Prior Period Actual (18 Months) \$'000	Description	Current Year Actual (12 Months) \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
5,671	Supplies and materials	2,776	3,600	5,494	2,718
5,381	Purchase of services	4,922	5,874	5,874	952
190	Lease of property and equipment	293	312	312	19
499	Utilities	488	471	471	(17)
442	General insurance	-	1	1	1
29	Interdepartmental expenses	137	153	153	16
144	Travel and subsistence	166	96	96	(70)
55	Recruitment and training	51	102	102	51
18	Provision for doubtful debts	384	1,000	1,000	616
217	Other	120	(583)	(583)	(703)
12,646	Total Supplies and Consumables	9,337	11,026	12,920	3,583

Note 14: Litigation Costs

Prior Period Actual (18 Months) \$'000	Description	Current Year Actual (12 Months) \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
151	Legal fees	66	145	145	79
151	Total Litigation Costs	66	145	145	79

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 15: Other (Gains) / Losses

Prior Period Actual (18 Months) \$'000	Description	Current Year Actual (12 Months) \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
(9)	Net (gain) / loss on disposal of property, plant and equipment	-	-	-	-
(1)	Net (gain) / loss on foreign exchange Transactions	(3)	-	-	3
(10)	Total (Gain) / Losses	(3)	-	-	3

Note 15b: Related Party and Key Management Personnel Disclosures

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 year ended 31 December 2018 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

A total of \$74K of goods and services were procured from organizations that were declared as related organisations to employees. These included; Hire of equipment services totaling 4K for the year 2018 from Massive Equipment, 67k was paid to HSA for the Acting CMO, MO and medical board review, and 3k paid to YMCA

Key management personnel, for the purposes of this disclosure, is defined Chief Officer and Deputy, Human Resources Manager, Chief Financial Officer, Heads of Department and the Senior Policy Advisor and Project Manager. The summary of the remuneration paid to the key management personnel is as outlined below. There were 14 (2016/17: 13) key management personnel during the year ended December 31, 2018.

No loans were granted to key management personnel or their close relatives during the year ended 31 December 2018.

Prior Period Actual (18 Months) \$'000	Description	Current Year Actual (12 Months) \$'000	Number of Persons
1,524	Salaries & other short-term employee benefits	1,666	14
-	Compensation & other payments	394	1
1,524		2,060	

During the year, a deed of compromise was entered by MHECH (on behalf of CIG) and a member of key management personnel. This resulted in total payments of \$394K, inclusive of 50K to respective employee's attorneys. Of this amount, \$320K was paid out in 2018, with the balance of \$74K being accrued at year end.

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 16: Reconciliation of net cash flows from operating activities to surplus/(deficit)

Prior Period Actual (18 Months) \$'000	Description	Current Year Actual (12 Months) \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
2,279	Surplus for the year	2,098	373	373	(1,725)
	Non-cash movements				
2,703	Depreciation expense	1,980	945	945	(1,035)
	Impairment	-	-	-	-
(18)	Provision for doubtful debts	(384)	-	-	384
(9)	(Gain)/losses on sale of property plant and equipment	-	-	-	-
(5)	Other (Gain)/losses	0	-	-	(0)
	Changes in current assets and liabilities:				
(472)	Increase in trade receivables	(4,241)	(418)	(2,312)	1,929
	Provision for doubtful debts	-	-	-	-
(56)	Increase in other receivables	(974)	(297)	(2,983)	(2,009)
(6)	Increase in prepayments	(402)	-	-	402
226	Increase in inventories	(340)	-	-	340
710	Decrease in trade payables	(1,013)	-	-	1,013
1,350	Decrease in other payables and accruals	(449)	1,135	1,135	1,584
17	Increase in employee entitlements	74	-	-	(74)
	Increase in unearned revenue	27	-	-	(27)
6,719	Net Cash Flows from Operating Activities	(3,624)	1,738	(2,842)	782

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 17: Segment Reporting

	Environment		Mosquito Research and Control		Health Regulatory Services		Environmental Health		Counselling Services		Health Administration		CONSOLIDATED TOTAL	
	2018	2016-17	2018	2016-17	2018	2016-17	2018	2016-17	2018	2016-17	2018	2016-17	2018	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue														
Sale of Goods and Services	6,119	1,942	5,543	9,616	1,368	1,765	10,950	20,486	3,301	1,582	3,468	2,755	30,749	38,146
Other revenue		20												20
Total Revenue	6,119	1,962	5,543	9,616	1,368	1,765	10,950	20,486	3,301	1,582	3,468	2,755	30,749	38,166
Expenses														
Personnel	2,562	1,305	2,359	3,446	1,011	1,268	7,258	11,431	2,314	1,172	1,767	1,775	17,271	20,396
Supplies & Consumables	2,082	486	3,420	6,128	110	81	2,260	4,097	637	284	828	1,570	9,337	12,646
Depreciation	202	(56)	518	827	10	33	1,132	1,824	112	47	6	28	1,980	2,703
Other expenses				(10)							63	151	63	141
Total Expenses	4,846	1,735	6,297	10,391	1,131	1,382	10,650	17,352	3,063	1,503	2,664	3,524	28,651	35,886
Surplus/(Deficit) from Operating Activities	1,273	227	(754)	(775)	237	383	300	3,134	238	79	804	(769)	2,098	2,280
Assets														
Current Assets	2,808	1,011	1,738	309	193		6,830	6,469	1,003	753	16,851	17,741	29,423	26,283
Non-Current Prepayment									59				59	
Fixed Assets	978	887	6,766	4,788	45	75	4,705	8,211	1,217	1,187	739	563	14,450	15,711
Total Assets	3,786	1,898	8,504	5,097	238	75	11,535	14,680	2,279	1,940	17,590	18,304	43,932	41,994
Liabilities														
Current Liabilities	584	497	145	456	10	4	647	1,165	58	72	7,785	5,991	9,229	8,186
Total Liabilities	584	497	145	456	10	4	647	1,165	58	72	7,785	5,991	9,229	8,186

The Ministry's segment report is prepared on the basis of the various segments of environment, mosquito research and control, health regulatory services, environmental health, counselling services and health administration.

The Department of Environment and the Department of Counselling Services were transferred to the Ministry on 1 July 2017 following the general elections.

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 18: Explanation of Major Variances Against Budget

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

Statement of financial position:

Cash and cash equivalents

The actual year-end cash balances were below the final budget by \$4.779 million due to outstanding cabinet billings/funding at year-end. Budget estimates were based on the last month of the financial year outstanding, however; billings were outstanding at the year-end due to the timing of drawdown submissions to Cabinet.

Trade receivables

The actual receivables were above the final budget by \$10.107 million, mainly due to the outstanding cabinet billings at the year-end.

Other current assets

Other receivables were below the final budget by \$0.442 million, mainly due to equity contributions from Cabinet that had been received at year-end.

Property, plant and equipment

Actual property, plant and equipment as at 31 December 2018 were lower than the final budget estimates by \$26.818 million, which is mainly due to the full budget not being utilised during the year due to time constraints and delays in assets purchase and/or construction.

Trade and other payables

Trade and other payables were lower than the final budget by \$2.235 million, mainly due to the timely payment of outstanding liabilities during the year.

Other current liabilities

Employee entitlements were below the final budget by \$0.093 million, mainly due differences in the number or employees hired and left during the year, as compared to the budget.

Repayment of surplus were above budget by \$4.666 million due to higher surplus made than budgeted.

Repayment of Surplus

Surplus repayable to central Government at end of the December 31, 2018 were as follows:

Prior Period Actual \$'000	Source	Current Year Actual \$'000	Original Budget \$'000	Final Budget \$'000	Variance (Final vs Actual) \$'000
4,736	Surplus payable at 1 January 2018	4,736	2,101	2,101	(2,635)
	Surplus payable for the year	2,098	373	373	(1,725)
	Prior period surplus adjustment payable	306	-	-	(306)
4,736	Total Surplus Payable at 31 December 2018	7,140	2,474	2,474	(4,666)

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 18: Explanation of Major Variances Against Budget (continued)

Statement of financial position (continued):

Contributed Capital

Contributed capital were below the final budget by \$30.357 million mainly due to lower equity investment being needed during the year than budgeted. \$5 million was budgeted for the Long Term Residential Mental Health Facility, but was not fully utilised due to delays in construction, while \$5.9 million was budgeted for the Integrated Solid Waste Management System, but was not fully utilised.

Statement of financial performance:

Revenues

Revenues earned were lower than the final budget by \$2.446 million mainly due to lower revenues from garbage fees earned by the Department of Environmental Health and lower outputs produced than budgeted.

Personnel costs

Personnel costs were below the final budget by \$1.541 million, mainly due to increase all budgeted staff positions not being filled due to time constraints.

Supplies and Consumables

Actual expenses were below the final budget by \$3.583 million, mainly due to lower supplies and consumables costs on the purchase of insecticides for mosquito control and on professional services.

Statement of cash flows:

Cash from operating activities

The increase in cash from operating activities by \$0.782 million, is mainly due to lower receivables from outputs to Cabinet and lower provision for doubtful debts at year end, as compared to the final budget.

Cash from investing activities

Cash flows used in investing activities were below budget by \$4.779 million, mainly due to the full budget not being utilized for the acquisition of fixed assets.

Cash from financing activities

Cash flows from financing activities were below budget by \$12.867 million, due to the full budget for equity injection not being utilized during the year, as a result of time constraints. \$5 million was budgeted for the Long Term Residential Mental Health Facility, but was not fully utilised due to delays in construction, while \$5.9 million was budgeted for the Integrated Solid Waste Management System, but was not fully utilised.

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 18: Explanation of Major Variances Against Budget (continued)

Statement of Changes in Net Worth

Net worth was lower than budget by \$22.982 million, mainly due to underutilization of equity injections during the year.

Note 19: Financial Risk Management

The Ministry is exposed to a variety of financial risks including credit risk and liquidity risk. The Ministry's risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of up to date and reliable information systems. These risks are managed within the parameters established by the *Financial Regulations*.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Ministry. Financial assets which potentially expose the Ministry to credit risk comprise cash and cash equivalents and trade and other receivables.

The Ministry is exposed to potential loss that would be incurred if the counterparty to the bank balances fails to discharge its obligation to repay. All bank balances are with one financial institution located in the Cayman Islands which management considers being financially secure and well managed.

The Ministry is also exposed to a significant concentration of credit risk in relation to accounts receivables, in particularly those due from third parties. No credit limits have been established. As at 31 December 2018, a provision for doubtful debts has been made and is noted in Note 4.

The carrying amount of financial assets recorded in the financial statements represents the Ministry's maximum exposure to credit risk. No collateral is required from debtors.

Liquidity Risk

Liquidity risk is the risk that the Ministry is unable to meet its payment obligations associated with its financial liabilities when they are due. The ability of the Ministry to meet its debts and obligations is dependent upon its ability to collect the debts outstanding to the Ministry in a timely basis. Management manages liquidity risk through monitoring cash flows from debtors, maximizing day's credit taken from suppliers, and if the circumstances required it to obtain funding from Cabinet to temporarily fund any shortfalls.

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 19: Financial Risk Management (continued)

Financial Instruments – Fair Values

As of 31 December 2018, the forecasted carrying value of cash and cash equivalents, trade and other receivables, trade and other payables and employee entitlements approximate their fair values due to their relative short-term maturities. Fair values estimates are made at a specific point in time, based on market conditions and the information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

Note 20: Contingent Liabilities and Assets

The Ministry has no contingent assets and liabilities as at 31 December 2018 (2016-17: \$nil).

Note 21: Commitments

The Ministry has accommodation leases for a warehouse for storage on Grand Cayman and office space in Cayman Brac for the Department of Environmental Health and the Department of Counselling Services. The leases are on an annual and biennial basis, respectively.

Capital commitments for property, plant and equipment mainly include the expected cost of construction of the Long Term Residential Mental Health Facility (LTRMHF) and the purchase of vehicles that were committed to at year-end.

As at 31 December 2018, the Ministry's commitments were as follows:

	One year or less \$'000	One to five Years \$'000	Over five Years \$'000	Total \$'000
Capital Commitments				
Property, plant and equipment				
Asset Under Construction				
Long Term Residential Mental Health Facility	287	-	-	287
Property, plant and equipment				
Other (Vehicle)	28	-	-	28
Total Capital Commitments	315	-	-	315
Operating Commitments				
Non-cancellable accommodation leases	357	1,393	-	1,750
Total Operating Commitments	357	1,393	-	1,750
Total Commitments	672	1,393	-	2,065

**MINISTRY OF HEALTH, ENVIRONMENT, CULTURE & HOUSING
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FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 22: Comparative Figures

Certain comparative figures have been restated where necessary to conform with current year presentation.

Note 23: Subsequent Events

The Poinciana Residential Mental Health facility, formerly the Long Term Residential Mental Health facility ("LTRMHF") which is part of a continuum of mental health services fully funded by the Cayman Islands Government through the Ministry was initially expected to be completed in 2022. The Government announced that the expected handover to the Ministry was expected at the end of September 2023. However, this date was not met. The total expected capital cost of the project is \$21.5 million.

The Integrated Solid Waste Management Systems ("ISWMS"), a multi-facility development, including an energy recovery facility (ERF) and supporting non-ERF waste processing, treatment and disposal facilities, was a project under the remit of the Ministry.

The ISWMS project is a public-private partnership that was recommended as providing the best value for money using a Design, Build, Finance, Operate and Maintain (DBFOM) contract through a competitive procurement process, in which the DECCO Ltd., a company that specialises in project development and construction management was selected as the preferred bidder in 2017, following the completion of the Outline Business Case in 2016. The Waste management facilities under the DBFOM will be turned back to the Cayman Islands Government at the end of the 25-year contract period, after their completion, and the Cayman Islands Government will make annual payments to DECCO for that contract period.

CIG through the Ministry entered into contracts to provide professional services relating to the preparation of a national solid waste management strategy, an outline business case for the integrated solid waste management system, procurement support and legal consulting services for the implementation of the integrated solid waste management system.

On 26 March 2021, the Government signed a project agreement to enter into a 25-year contract with Dart Consortium ('Dart') to design, build, finance, maintain and operate a new integrated solid waste management system including remediation of the George Town Landfill. The project was subsequently named Regen. Once completed, the Regen facilities are expected to reduce green house emissions, contribute to renewable energy, improve recycling performance and divert up to 95% of waste from being landfilled.

In October 2021, an announcement was made by the Cayman Islands Government that responsibility for the project will be transferred to the newly created Ministry of Sustainability and Climate Resiliency. The transfer of responsibility to the new Ministry was made effective from January 1, 2022. By the end of the 2021 financial year, a total of \$4.7 million in professional fees as well as travelling expenses had been incurred.

There were some significant changes to KMP in subsequent periods. A substantive CO was appointed in 2021 and subsequently a CFO. In August 2019, the final portion of the compensation was paid out to a member of KMP.

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Note 24: Rounding Difference in Budget

Some of the original budget figures have been updated in these financial statements to adjust rounding differences between figures presented on and between the face and notes of the original budget.

Note 25: Budget Changes for the Year

The original budget amounts for the financial year ended 31 December 2018 are as presented in the 2018/19 Annual Budget Statement and were approved by the Legislative Assembly in December 2017.

The original budget amounts for the year reflect the figures in the Ministry's Budget Statement, and the amounts are rolled up to the Annual Plan and Estimates, both of which are presented to the Legislative Assembly pursuant to the statutory budget process. Any changes to the original budget are reflected in the final budget and disclosed in the notes to the financial statements and significant variances between actual and budget figures are explained in the notes to the financial statements. Supplementary funding approved for the year ended December 31, 2018 were as follows:

Appropriation Number	Appropriation Name	Original Budget \$'000	Supplementary Budget \$'000	Final Budget \$'000
HES 1	Policy Advice and Ministerial Services for Health, Environment, Culture and Housing	3,694	19	3,713
HES 2	Health Regulatory Services	1,368	18	1,386
HES 7	Collection, Recycling and Disposal of Waste	4,103	449	4,552
HES 8	Public Health Services	1,802	18	1,820
HES 9	Environmental Health Monitoring Services	394	5	399
HES 10	Emergency Response Services	144	2	146
HES 11	Mosquito Control Services	7,432	41	7,473
HES 18	Counselling and Support Services	3,360	105	3,465
HES 19	Policy Advice and Awareness Programmes	174	2	176
HES 21	Environmental Services and Research	4,919	1,235	6,154
	Total	27,390	1,894	29,284

Appropriation Number	Appropriation Name	Original Budget \$'000	Supplementary Budget \$'000	Final Budget \$'000
EI 53	Ministry of Health, Environment, Culture and Housing: Equity Injection to purchase entity assets	10,900	2,686	13,586
	Total	10,900	2,686	13,586



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