

MINISTRY OF HOME AFFAIRS

ANNUAL REPORT 2025

Reporting period: 1 January-30 June 2025

Cayman Islands Government



Cayman Islands Fire Service recruits in formation at George Town Fire Station.

Source: Cayman Islands Government.

Explanatory Note on the Reporting Period

This Annual Report covers the activities of the Ministry of Home Affairs for the period 1 January – 30 June 2025.

Following the General Election and the formation of a new Government, revised ministerial arrangements took effect on 1 July 2025. The Ministry of Home Affairs ceased operating in its previous form, and responsibility for several of its departments and entities transferred to the newly established Ministry of District Administration and Home Affairs.

Consequently, this report covers only the first six months of 2025. Activities undertaken from 1 July–31 December 2025 by the following entities are reported separately in the Ministry of District Administration and Home Affairs Annual Report for 1 July – 31 December 2025:

- Department of Public Safety Communications;
- Department of Community Rehabilitation;
- Cayman Islands Fire Service;
- Cayman Islands Cadet Corps; and
- His Majesty’s Cayman Islands Prison Service.

Readers seeking a full-year account of any of these entities should refer to both reports.

The Cayman Islands Regiment (CIR) formed part of the Ministry of Home Affairs during this reporting period but transferred to the Office of the Commissioner of Police effective from 1 July 2025.

This reporting approach ensures that activities and results are attributed to the ministry responsible for each entity during the relevant period.

Contents

Explanatory Note on the Reporting Period.....	1
Foreword from the Minister	5
Foreword from the Chief Officer	6
Our Purpose.....	7
Departments and Units	7
Government Boards and Committees	7
Legislative Framework	8
Overarching Strategic Direction.....	9
Core Values.....	9
Ministry Overview	11
Outcome One: Strategise.....	11
Outcome Two: Coordinate.....	11
Outcome Three: Deliver.....	11
Our People.....	14
Learning and Development.....	14
Legislation and Policy Direction.....	15
Multi-Agency Collaboration	15
Achievements for 2025	15
Financial Performance and Analysis.....	17
Table 1: Ministry of Home Affairs (All Entities).....	17
Table 2: Core Ministry.....	17
Table 3: Department of Public Safety Communications	18
Table 4: Cayman Islands Fire Service	18
Table 5: His Majesty’s Cayman Islands Prison Service	18
Table 6: Department of Community Rehabilitation	18
Table 7: Cayman Islands Regiment	19
Table 8: Cayman Islands Cadet Corps	19
Strategic Policy Statement (SPS) and Broad Outcomes.....	19
Measuring Success	22
Strategic Objectives at 30 June 2025.....	23
DEPARTMENT OF PUBLIC SAFETY COMMUNICATIONS	26
Department overview	26

January-June 2025 achievements.....	26
Emergency communications and investigative support.....	26
Electronic monitoring	27
Resilience and modernisation.....	27
People and service development.....	27
Priorities at 30 June 2025	28
Supplementary electronic-monitoring activity	29
CAYMAN ISLANDS FIRE SERVICE	30
Department overview	30
January-June 2025 achievements.....	30
Emergency response and operational readiness.....	30
Prevention, inspection and public education	31
Recruitment and workforce development	31
Fleet, equipment and infrastructure	31
Workforce and organisational development.....	32
Wellbeing and organisational culture.....	32
Priorities at 30 June 2025	32
HIS MAJESTY’S CAYMAN ISLANDS PRISON SERVICE	34
Department overview	34
January-June 2025 achievements.....	34
Safe custody and public protection	34
Rehabilitation and reintegration.....	35
Estate development and operating pressures.....	35
Partnerships and community contribution.....	35
Employee recognition and capability.....	36
Key pressures	36
Priorities at 30 June 2025	36
DEPARTMENT OF COMMUNITY REHABILITATION	Error! Bookmark not defined.
Department overview	39
January-June 2025 achievements.....	39
Court, supervision and through-care services	40
Intervention, victim support and specialist cases.....	40
Multi-agency offender management.....	40

Quality assurance and service improvement	41
Workforce and operating pressures	41
Capability and quality assurance	41
Priorities at 30 June 2025	42
CAYMAN ISLANDS REGIMENT.....	43
Department overview	43
January-June 2025 achievements.....	43
Core capabilities and readiness	43
Recruitment and Caymanian leadership.....	44
Regional training and interoperability	44
Community and ceremonial service	45
People and readiness	45
Priorities at 30 June 2025	45
CAYMAN ISLANDS CADET CORPS.....	47
Department overview	47
January-June 2025 achievements.....	47
Youth development model	47
Civic and community participation	48
Training progression and practical experience	48
Safeguarding and adult-leader capacity	48
Standards, wellbeing and organisational capacity.....	49
Governance and people.....	49
Priorities at 30 June 2025	49

Foreword from the Minister

I am pleased to present the Ministry of Home Affairs Annual Report for the period 1 January to 30 June 2025, a six-month period that nonetheless demonstrates the breadth and importance of the Ministry's contribution to the safety, security and resilience of the Cayman Islands, set in the context of a change of Government following a General Election in April 2025.



Notwithstanding the General Election, across the portfolio teams continued to deliver essential services while strengthening the systems that underpin Cayman's public safety resilience. The Department of Public Safety Communications maintained critical 911, radio, CCTV and electronic monitoring functions; the Cayman Islands Fire Service responded to fire and rescue incidents that are increasing in complexity; the Prison Service continued work to strengthen security, rehabilitation and the future prison estate; and the Department of Community Rehabilitation advanced multi-agency offender management and victim-focused services.

The period also reflected our commitment to national resilience and the development of our people. The Cayman Islands Regiment maintained operational readiness and supported civil authorities while developing Caymanian reservists and specialist capability. The Cayman Islands Cadet Corps provided young people with structured experiences that promote leadership, community service, civic responsibility, and skills that help build pathways to public safety careers for cadets across Grand Cayman and the Sister Islands.

The work undertaken during these six months provided a strong platform for the continued modernisation of public safety, offender management, emergency response and national resilience.

I extend my sincere appreciation to the Chief Officer, departmental leaders, staff, reservists, volunteers and our many partners across the public sector and the wider community. Their professionalism, service and commitment continue to strengthen our beloved Cayman Islands.

Hon. Nickolas DaCosta

Minister for District Administration and Home Affairs

Foreword from the Chief Officer

The first six months of 2025 were characterised by sustained operational delivery alongside important work to strengthen capability, governance and collaboration across the Ministry of Home Affairs. The policy and operational highlights captured in this condensed reporting period demonstrate that purpose in practical terms.



Our teams at the Department of Public Safety Communications (DPSC) continued to evolve as a key technology partner across criminal justice, national security and emergency management. At the same time, the Cayman Islands Fire Service (CIFS) managed operations on land and in the maritime domain while delivering extensive training, prevention, investigation and regulatory activities. His Majesty's Cayman Islands Prison Service (HMCIPS) progressed design work for a modern correctional facility while continuing to deliver rehabilitation, security and workforce-development activities with law-enforcement, education and community-supervision partners. In parallel, the Department of Community Rehabilitation (DCR) improved information sharing, risk-assessment capability and multi-agency offender-management arrangements as its teams worked towards a more rigorous quality-assurance and performance framework.

The Cayman Islands Regiment (CIR) and Cayman Islands Cadet Corps (CICC) also continued to build national capability from the ground up. The Regiment strengthened its reservist base, readiness and specialist training, while the Cadet Corps expanded programmes alongside partners including the Cayman Islands Coast Guard, CIFS and CIR.

Across the portfolio, these efforts reinforce the importance of investing in people as deliberately as we invest in infrastructure. I thank every member of staff, our departmental leadership teams, reservists, volunteers and partner agencies for their contributions during this reporting period. Their professionalism and commitment provide the foundation for the next phase of modernisation and reform.

Michael Ebanks

Chief Officer

Our Purpose

The Ministry of Home Affairs is focused on strengthening Cayman's resilience through strategy, policy, and operations related to national security and public safety. The Ministry is responsible for providing policy direction and monitoring the overall performance of the following departments, statutory authorities, government companies and boards

Departments and Units

- **Department of Public Safety Communications (DPSC)**
To save lives, protect property and enhance public safety on a 24/7/365 basis by delivering a wide range of critical emergency communication, surveillance and monitoring services.
- **Cayman Islands Fire Service (CIFS)**
To provide a professional fire and rescue operational response, as well as fire and community safety related services. Delivered through our Domestic, Aerodrome and Specialised teams we will save lives, reduce injuries and protect property for residents, businesses and visitors across the Cayman Islands.
- **His Majesty's Cayman Islands Prison Service (HMCIPS)**
To deliver services which improve the life chances of people in our care, enabling them to fulfil their potential and to become active and responsible citizens.
- **Department Of Community Rehabilitation (DCR)**
To provide a range of services to adult offenders to influence positive behavioural change, promote victim interests and enhance public safety.
- **Cayman Islands Cadet Corps (CICC)**
To provide progressive cadet training of a challenging and exciting nature to foster confidence, self-reliance, initiative, responsibility, loyalty, self-respect, alertness, physical and mental endurance and camaraderie.
- **Cayman Islands Regiment (CIR)**
To provide humanitarian aid, disaster relief, and emergency assistance to civil authorities.

Government Boards and Committees

- Cayman Islands Cadet Corps Committee
- Mass Migration Committee

Legislative Framework

There are a number of pieces of legislation that guide the strategic and operational activities of the entities operating under the auspices of the Ministry of Home Affairs. These are listed below.

Criminal Justice, Rehabilitation & Public Safety

Alternative Sentencing Act (2008 Revision)

Bail Act (2015 Revision)

Criminal Procedure Code (2021 Revision)

Criminal Procedure Rules, 2019

Penal Code (2022 Revision)

Conditional Release Act (2019 Revision)

Conditional Release of Prisoners Regulations, 2016

Prisons Act (2021 Revision)

Prisons Rules (1999 Revision)

Prison Officers (Discipline) Regulations (1998 Revision)

Drug Rehabilitation Court Act (2015 Revision)

Criminal Records (Spent Convictions) Law (2018 Revision) (*Expungement Board*)

Children, Youth & Community Protection

Children Act (2012 Revision)

Children Act (Summary Court) Rules (2024 Consolidation)

Children Act (Summary Court) Rules, 2013

Youth Justice Act (2021 Revision)

Cadet Corps Act (2021 Revision)

Juveniles Act (Validation) Act, 2013

Emergency Services, Defence & National Security

Fire Brigade Act (2006 Revision)

Defence Act, 2020

Defence (Administrative Action) Governor's Orders, 2023

Defence (Personnel Matters) Governor's Orders, 2023

Defence (Enlistment and Service) Orders, 2021

National CCTV Programme Code of Practice (2011)

Communications, Data & Technology

Information and Communications Technology Authority Act (2019 Revision)

Data Protection Act (2021 Revision)

Confidential Information Disclosure Law, 2016

Mental Health & Social Protection

Mental Health Act (2023 Revision)

Overarching Strategic Direction

<i>MHA Vision</i>	Resilient communities through world-class security, readiness, and service. The Ministry envisions a Cayman Islands that is secure and confident in the strength of its public services. Resilience is the unifying concept — representing the country’s ability to withstand shocks, adapt to change, and recover stronger.
<i>MHA Mission</i>	To strengthen Cayman’s resilience by protecting its communities, and delivering essential public services with accountability, innovation, and people at the core. This mission reflects MHA’s central role in national resilience, encompassing the protection of life and property, the facilitation of legitimate trade and travel, and the promotion of rehabilitation, community readiness, and inclusive development.

Core Values

Value	Meaning in Practice
Integrity	We uphold the highest standards of ethics, engagement, and professionalism.
Service Excellence	We are committed to leadership quality, responsiveness, and talent investment.
Collaboration	We work across agencies, communities, and borders to achieve common goals.
Innovation	We continuously seek smarter solutions that enhance efficiency and outcomes.
Accountability	We are transparent, data-driven, and responsible stewards of public confidence.
Resilience	We anticipate challenges and adapt to maintain continuity and safety.

STRATEGIC THEME	STRATEGIC DIRECTION
Community Resilience & Equity	Sister Islands infrastructure and housing investments reflect the NCFC commitment to equitable service delivery, disaster readiness, and sustainable infrastructure development.
Justice & Rehabilitation Reform	Modernising the legislation, resources, and infrastructure underpinning prison and probation services supports rehabilitation, reduced recidivism, and safer communities.
Governance & Accountability	The Ministry's adoption of Enterprise Risk Management (ERM) and financial governance frameworks reinforce trust, efficiency, and outcome-based decision-making.
National Security & Public Safety Policy	Growing migration pressures, cyber, illicit finance, cross-border organised crimes, and climate-related hazards necessitate advanced intelligence, deep inter-agency coordination, and dynamic operational preparedness.
Public Awareness & Community Engagement	Support and champion public relations strategies, including branding campaigns and public engagement.
People Development	Invest in our people through training and development opportunities and succession planning to future-proof, professionalise and modernise our organisations in line with international standards and best practices.
Wellness Strategy	Enhance employee well-being, promote trauma-informed agencies, and improve staff engagement.
Technology & Interoperability	Investments in public safety communications, intelligence systems, and enterprise data integration ensure coordinated responses across agencies and improved transparency.



Ministry of Home Affairs

Cayman Islands Government

Ministry Overview

The Core Ministry Team is responsible for the strategic policy, governance, human resources, and fiscal oversight of the Ministry of Home Affairs. The key to the ministry's effectiveness is the unrelenting focus on outcomes. The Core Team supports six departments that provide public safety and national security

services in order to accomplish the mission and vision of the Ministry: Build a safer Cayman Islands community through intelligence-driven, innovative, and effective solutions in public safety; and Enhancing public safety and resiliency by strengthening operations and achieving strategic reform in the areas of –

- Offender Management and Rehabilitation
- Emergency and Rescue Response
- Humanitarian Aid and Disaster Response
- Youth Leadership Development

Outcome One: Strategise

To support the Minister in shaping policy, priorities, and strategic action that advance Government's Broad Outcomes and respond to the evolving national security, public safety, and service delivery landscape.

Outcome Two: Coordinate

To facilitate and coordinate efficient collaboration, strategic partnerships, and the effective sharing of resources that contribute to the development of innovative solutions and improved mechanisms to progress towards the identified objectives.

Outcome Three: Deliver

To provide support to the Minister in the delivery, implementation and evaluation of



*Multi-agency training and development are key to enhancing leadership, coordination, and risk awareness.
Source: Cayman Islands Government.*

policy and legislative directives to enhance national security and public safety.

Output performance: HAF 1

During the first six months of 2025, the Core Ministry supported executive decision-making and public accountability through four Cabinet Papers and notes, four briefing papers and speeches, one consultation, policy or research paper and one Annual Report. It also issued 108 press releases and advisories, substantially exceeding the full-year budget range of 20–30 and reflecting a particularly active public-information programme. Parliamentary Questions and Private Members’ Motions did not engage the Ministry. Reported quality, timeliness and geographic-coverage measures remained within their established standards.

Budget Statement reference: HAA 1. The budget column contains full-year targets or standards; the actual column records results for 1 January–30 June 2025 as reported in the output schedule supplied during the audit.

Measure	2025 full-year budget	Actual: 1 Jan–30 Jun 2025
Quantity		
Government strategy supporting the objectives for Home Affairs	1	0
Annual Report detailing delivery of the strategy	1	1
Cabinet Papers and notes	10–15	4
Responses to Parliamentary Questions or Private Members’ Motions	4–6	0
Briefing papers and speeches	8–10	4
Consultation, policy or research papers	2–4	1
Press releases and advisories	20–30	108
Quality		
Ministerial documents based on appropriate consultation, the best available evidence and applicable templates	90–100%	90–100%
Legislative proposals supported by comparative analysis, best-practice research and stakeholder consultation	90–100%	90–100%
Consultation conducted openly, broadly and transparently, with supported recommendations published	90–100%	90–100%
Timeliness		
Work completed within statutory, international and Ministry timeframes	90–100%	90–100%
Location		
Services delivered in the Cayman Islands	100%	100%
Cost		
Output cost	CI\$2,254,948	CI\$949,706

Our People

The senior leadership team of the Ministry of Home Affairs comprised the following:

Acting Chief Officer	Michael Ebanks
Acting Deputy Chief Officer	Julian Lewis
Acting Deputy Chief Officer	Lisa Malice
Chief Financial Officer	Carrol Cooper
Senior Policy Analyst	Kacey Mobley
Senior Policy Analyst	Neesah Godet-McKenzie

At 30 June 2025, the Core Ministry workforce comprised permanent Core Ministry employees and two shared personnel from another Ministry.

Learning and Development

Recruitment, training and wellbeing remained important enablers of the Core Ministry's work during the reporting period. Staff continued to access professional development in policy, strategic planning, information management and leadership, alongside academic and professional certification opportunities.

During the reporting period, the Ministry launched its Emerging Leaders Programme – a policy initiative designed to identify and develop high-performing employees with leadership potential. Participants were exposed to a structured series of workshops, seminars and practical exercises aimed at strengthening leadership capability, critical thinking, sound decision-making and risk awareness. The programme supports succession planning while building a stronger pipeline of capable and adaptable leaders across the Ministry.



The Ministry launched an Emerging Leaders Program as part of its commitment to professional development at all levels. Source: Cayman Islands Government.

Legislation and Policy Direction

In 2025, the Core Ministry continued to lead and support strategic policy development and legislative reform across its expanding areas of responsibility. This included continued work in public safety, emergency response services and offender management.

The Ministry's legislative and policy focus remained centred on ensuring that laws, regulations, and institutional frameworks are fit for purpose, aligned with Government's strategic priorities, and responsive to emerging risks and operational realities. Building on prior reform efforts, this work supports a more modern, joined-up, and intelligence-led Ministry capable of delivering stronger outcomes in national security, resilience, and public service delivery.

Multi-Agency Collaboration

The Ministry actively contributed to ad hoc working groups and special committees including the National Security Council (NSC), the Mass Migration Committee, the National Road Safety Committee (NRSC), the National Emergency Operations Centre (NEOC), the Cayman Islands Child Safeguarding Board (CICSB), the Joint Offender Management Strategic Working Group and the Lanzarote Working Group.

Achievements for 2025

During the period 1 January to 30 June 2025, MHA's achievements reflected operational delivery across emergency response, offender management, rehabilitation, national resilience and youth development, supported by continued modernisation of public safety systems and stronger inter-agency working.



The Ministry leads the Emergency Response Sub-Committee under the National Road Safety Committee. Source: Cayman Islands Government.

Emergency communications and public safety technology

DPSC maintained continuous Public Safety Communications Centre and Electronic Monitoring Centre operations across all 4,344 hours in the reporting period. The reviewed output schedule records 29,983 incoming 9-1-1 calls answered, 22,602 dispatched Calls for Service, and 1,700 radios using the national system infrastructure, which maintained 98% availability.

The National CCTV Programme continued to expand its role as both a deterrence and investigative platform,

while work progressed on resilient communications infrastructure and modernisation of core dispatch and radio systems.

Fire and rescue readiness

CIFS maintained 24-hour emergency-response coverage across all 181 days in the reporting period. It completed 652 premises inspections, reviewed 174 development drawings, prepared 357 assessment reports and 1,207 fire assessment reports, and conducted 37 cause-and-origin investigations.

The department received and commissioned key equipment, strengthening aviation and domestic firefighting capability, while specialist training and recruitment activity continued to build frontline capacity.

Corrections, rehabilitation and offender management

HMCIPS maintained secure custody for an average of 256 prisoners per day while continuing planning and stakeholder engagement for the new correctional facility. The Service facilitated an average of 571 family visits per month, served 871 meals per day and sustained its focus on rehabilitation, workforce development, intelligence capability and operational resilience.

DCR provided bail supervision or monitoring to 1,138 persons and managed 276 high-risk cases, while progressing a national offender-management framework through updated information-sharing arrangements, inter-agency risk-management training, work toward MAPPA governance and stronger quality assurance.

National resilience and youth development

The Cayman Islands Regiment delivered five training sessions, operated one local camp, completed one readiness exercise and attended two parades, while maintaining the capacity to deploy approximately 50 personnel within two hours. Its programme continued to build national humanitarian-assistance and disaster-relief capability.



CIFS engages in a programme of specialist training and multi-agency exercises. Source: Cayman Islands Government.

CICC delivered 132 training sessions, participated in nine parades and camps and facilitated seven community projects. It also strengthened safeguarding through Stewards of Children/Darkness to Light training for the Commandant and eleven Officer Cadets and supported national and community events.

Together, these achievements demonstrate the Ministry's continued focus on safer communities, stronger institutions, resilient infrastructure, rehabilitation, national preparedness and the development of Caymanian leadership.

Financial Performance and Analysis

For the six months ended 30 June 2025, the Ministry recorded operating expenditure of CI\$30.045 million against a final budget of approximately CI\$31.205 million. This represented 96.3% budget utilisation and an overall favourable variance of approximately CI\$1.160 million.

Table 1: Ministry of Home Affairs (All Entities)

Financial Performance	ORIGINAL 2025 BUDGET	FINAL 2025 BUDGET	ACTUALS AT 30 JUNE 2025	VARIANCE (ACTUALS VS FINAL BUDGET)
Personnel	42,887,327	22,774,730	21,112,407	1,662,322
Supplies & Consumables	10,347,206	5,900,537	6,547,267	(646,730)
Depreciation	4,978,468	2,529,234	2,385,200	144,034
Total Expenses	58,213,001	31,204,501	30,044,874	1,159,626

Table 2: Core Ministry

Financial Performance	ORIGINAL 2025 BUDGET	FINAL 2025 BUDGET	ACTUALS AT 30 JUNE 2025	VARIANCE (ACTUALS VS FINAL BUDGET)
Personnel	1,930,544	965,272	951,275	13,997
Supplies & Consumables	307,404	153,702	115,097	38,605
Depreciation	17,000	8,500	4,552	3,948
Total Expenses	2,254,948	1,127,474	1,070,923	56,551

Table 3: Department of Public Safety Communications

Financial Performance	ORIGINAL 2025 BUDGET	FINAL 2025 BUDGET	ACTUALS AT 30 JUNE 2025	VARIANCE (ACTUALS VS FINAL BUDGET)
Personnel	2,872,975	1,751,687	1,148,205	603,482
Supplies & Consumables	2,064,313	1,312,958	1,890,455	(577,498)
Depreciation	1,338,990	669,495	276,504	392,991
Total Expenses	6,276,278	3,734,139	3,315,164	418,975

Table 4: Cayman Islands Fire Service

Financial Performance	ORIGINAL 2025 BUDGET	FINAL 2025 BUDGET	ACTUALS AT 30 JUNE 2025	VARIANCE (ACTUALS VS FINAL BUDGET)
Personnel	14,961,614	7,725,807	7,310,637	415,170
Supplies & Consumables	1,920,826	960,413	1,136,104	(175,691)
Depreciation	1,298,856	649,428	719,288	(69,860)
Total Expenses	18,181,296	9,335,648	9,166,029	169,619

Table 5: His Majesty's Cayman Islands Prison Service

Financial Performance	ORIGINAL 2025 BUDGET	FINAL 2025 BUDGET	ACTUALS AT 30 JUNE 2025	VARIANCE (ACTUALS VS FINAL BUDGET)
Personnel	16,440,769	8,220,385	8,545,042	(324,657)
Supplies & Consumables	4,826,900	2,596,450	2,885,337	(288,887)
Depreciation	1,965,000	982,500	881,705	100,795
Total Expenses	23,232,669	11,799,335	12,312,083	(512,749)

Table 6: Department of Community Rehabilitation

Financial Performance	ORIGINAL 2025 BUDGET	FINAL 2025 BUDGET	ACTUALS AT 30 JUNE 2025	VARIANCE (ACTUALS VS FINAL BUDGET)
Personnel	4,441,272	2,557,569	1,855,054	702,515
Supplies & Consumables	451,949	404,042	142,239	261,803
Depreciation	62,101	71,051	178,037	(106,987)
Total Expenses	4,955,322	3,032,661	2,175,331	857,330

Table 7: Cayman Islands Regiment

Financial Performance	ORIGINAL 2025 BUDGET	FINAL 2025 BUDGET	ACTUALS AT 30 JUNE 2025	VARIANCE (ACTUALS VS FINAL BUDGET)
Personnel	1,513,549	934,377	1,020,366	(85,990)
Supplies & Consumables	401,000	228,898	178,200	50,698
Depreciation	253,320	126,660	219,485	(92,825)
Total Expenses	2,167,869	1,289,935	1,418,051	(128,117)

Table 8: Cayman Islands Cadet Corps

Financial Performance	ORIGINAL 2025 BUDGET	FINAL 2025 BUDGET	ACTUALS AT 30 JUNE 2025	VARIANCE (ACTUALS VS FINAL BUDGET)
Personnel	726,604	619,634	281,828	337,806
Supplies & Consumables	374,814	244,075	199,835	44,240
Depreciation	43,201	21,601	105,630	(84,029)
Total Expenses	1,144,619	885,310	587,293	298,017

Strategic Policy Statement (SPS) and Broad Outcomes

The following summary aligns the Ministry's principal January-June 2025 activities with the Government's 2024-2026 Strategic Policy Statement and Broad Outcomes.

Broad Outcome: Improve Quality of Life for Caymanians and Residents

Specific Outcome: Strengthening, preserving and enhancing public safety and security in the community

Strategy: Maintain effective emergency communications, surveillance and monitoring services.

Deliverables:

- DPSC sustained continuous public-safety communications and electronic-monitoring operations for all 4,344 hours in the six-month period, answered 29,983 incoming 9-1-1 calls and dispatched 22,602 Calls for Service.
- The National CCTV Programme continued to support public-space deterrence and RCIPS investigations, while resilient radio, dispatch and backup communications remained central to the department's modernisation programme.

Strategy: Strengthen fire, rescue and prevention capability.

Deliverables:

- CIFS maintained 24-hour community response across all 181 days in the reporting period and achieved 100% against the related timeliness standard.
- The Service completed 652 premises inspections, reviewed 174 development drawings, prepared 357 assessment reports and 1,207 fire assessment reports, conducted 37 cause-and-origin investigations, and delivered 65 educational demonstrations and 12 workshops.
- The aviation HRET vehicle was received and commissioned, and recruitment and specialist training continued to strengthen operational capacity.

Strategy: Maintain secure custody while advancing rehabilitation and reintegration.

Deliverables:

- HMCIPS maintained secure custodial operations for an average of 256 prisoners per day, delivered 44 drug tests and 78 room and area searches per month, and facilitated an average of 571 family visits per month while progressing rehabilitation and the future correctional facility.
- DCR provided bail supervision or monitoring to 1,138 persons and managed 276 high-risk cases. Reported quality measures remained within the 95–100% standard, and reports were submitted within Court, Conditional Release Board and RCIPS timeframes in 95–100% of cases.

Broad Outcome: Future Proof to Increase Resiliency

Specific Outcome: Building resilient national capability and infrastructure

Strategy: Strengthen critical public safety infrastructure and operational readiness.

Deliverables:

- DPSC advanced resilient emergency communications and technology modernisation, including work on core dispatch, radio, CCTV, electronic monitoring and backup capabilities.
- CIFS continued fleet and equipment modernisation and identified infrastructure, staffing and technology priorities needed to meet future demand.
- HMCIPS progressed stakeholder engagement and design planning for a modern, fit-for-purpose correctional facility.

- The Cayman Islands Regiment maintained readiness across HADR, USAR, emergency medical support, security assistance and general duties, supporting civil authorities and storm-season preparedness.

Broad Outcome: Modernise Government to Improve Public Sector Performance

Specific Outcome: More integrated, accountable and evidence-led public services

Strategy: Strengthen governance, data, workforce capability and inter-agency coordination.

Deliverables:

- DCR drafted KPIs and Critical Success Factors, enhanced data-reporting processes, undertook initial service and records audits, and progressed a quality-assurance framework to support outcome-based reporting.
- DPSC continued to develop performance, safeguarding and governance arrangements alongside modernisation of mission-critical technology.
- HMCIPS and DCR strengthened joint offender-management arrangements, while portfolio agencies continued to invest in professional development, specialist training and information sharing.

Broad Outcome: Protect and Promote Caymanian Culture, Heritage and Identity

Specific Outcome: Protecting the wellbeing of Cayman's youth and developing future leaders

Strategy: Deliver structured youth leadership, service and national-development opportunities through the Cayman Islands Cadet Corps.

Deliverables:

- CICC delivered 132 training sessions, completed nine parades and camps and facilitated seven community projects; the two recruit passing-out parades in Cayman Brac and Grand Cayman formed part of the broader parades-and-camps measure.
- The Corps strengthened safeguarding through Stewards of Children/Darkness to Light training and continued practical leadership and service opportunities. Community-project controls and instructor-course completion achieved 100%, while instructor competency and modular-delivery measures were reported at 87% and 95% respectively.

Strategy: Develop Caymanian national-service and resilience capability.

Deliverables:

- The Cayman Islands Regiment delivered five training sessions, operated its planned local camp, completed one readiness exercise and attended two parades while continuing to build Caymanian reservist capability, leadership and specialist skills.
- The Regiment achieved 100% across its reported training-quality and readiness measures, including the ability to deploy approximately 50 personnel within two hours, and delivered Exercise EVENT HORIZON with local and regional emergency-management partners.



Measuring Success

For the January-June 2025 period, success is evidenced through a combination of operational performance, service quality, preparedness, workforce capability, rehabilitation outcomes and stronger governance. The departmental reports provide measurable indicators and baselines for the period:

- Emergency communications and monitoring: 29,983 incoming 9-1-1 calls answered; 22,602 dispatched Calls for Service; continuous PSCC and EMC coverage across 4,344 hours; and 98% radio-network availability.
- Fire and rescue: 181 days of continuous response coverage; 652 premises inspections; 174 development-drawing reviews; 357 assessment reports; 1,207 fire assessment reports; 37 cause-and-origin investigations; 65 demonstrations; and 12 workshops.
- Prison custodial services: an average of 256 prisoners held per day; 44 drug tests and 78 room and area searches per month; 871 meals per day; and 571 family visits per month, with reported quality and timeliness measures meeting their respective standards.
- Community rehabilitation: 1,138 persons received bail supervision or monitoring and 276 high-risk cases were managed; quality measures remained within the 95–100% standard and report timeliness reached 95–100%.

- National resilience and youth development: CIR delivered five training sessions, one camp, one readiness exercise and two parades; CICC delivered 132 training sessions, nine parades and camps and seven community projects.

Going forward, the Ministry will increasingly measure success through outcome-based performance frameworks: response and service-quality standards; infrastructure and system reliability; offender risk and reintegration indicators; workforce training, engagement and retention; cadet enrolment, retention and progression; operational assurance; and delivery of agreed capital, policy and legislative milestones.

Strategic Objectives at 30 June 2025

The Ministry's strategic direction is grounded in the priorities identified by its departments and focuses on completing critical modernisation work, strengthening frontline capability and embedding more consistent performance and governance arrangements.

1. Strengthen emergency communications and public safety technology

Progress DPSC's resilient infrastructure and technology programme, including CAD modernisation, the 911 Backup Centre relocation, sustained radio-tower maintenance, National CCTV expansion and procurement of the Electronic Monitoring platform and hardware upgrade.

Address service-performance gaps, including Priority 1/P dispatch timeliness, while completing recruitment, strengthening safeguarding and data-protection compliance, and embedding leadership, training and wellness programmes.

2. Enhance fire and rescue capability

Deliver training to strengthen firefighting, rescue and emergency medical proficiency; progress advanced equipment and fleet priorities; and improve interoperability through joint exercises with emergency partners.

Expand fire-prevention and public-education activity, strengthen community engagement, establish peer-support and quality-assurance arrangements, and assess future fire-station, staffing and equipment requirements.

3. Modernise corrections and strengthen rehabilitation

Advance the new prison project with strengthened planning, design and oversight; continue targeted improvements to the existing estate; and strengthen security and intelligence capability.

Implement structured succession planning, workforce development and staff-welfare initiatives, while expanding accredited education, vocational and targeted rehabilitation programmes and strengthening release and reintegration arrangements.

4. Embed a multi-agency offender-management and victim-protection framework

Continue development and piloting of MAPPA and associated information-sharing arrangements, risk-assessment tools and joint offender-management processes across relevant agencies.

Finalise DCR's KPIs and Critical Success Factors, implement revised monthly data reporting, pilot the quality-assurance framework and establish baseline performance data by the end of 2026.

Expand client empowerment, vocational, mentoring and support pathways, including more equitable access to services across the Sister Islands, while progressing the legislative framework for probation and community-service roles.

5. Professionalise national resilience and disaster-response capability

Support CIR's 2026-2027 professionalising phase through validated training across its five core capabilities, Annual Assurance Exercises, regional and UK training partnerships and development of Caymanian leadership and succession pathways.

Progress practical infrastructure and fleet improvements that strengthen readiness, equipment security, maintenance and long-term sustainability.

6. Strengthen youth leadership, safeguarding and national-service pathways

Advance CICC's four strategic objectives: strengthen identity and international alignment; standardise and modernise cadet training; implement a unified assessment framework; and expand cadet participation and mentorship.

Strengthen governance, safeguarding, volunteer policies, facilities, digital record-keeping and partnerships with schools, public safety agencies and regional/international cadet organisations.

7. Strengthen Ministry-wide governance, people and performance

Use departmental KPIs, risk registers, quality-assurance processes and operational data to improve oversight, accountability and evidence-based decision-making across the portfolio.

Continue investment in workforce development, succession planning, wellbeing, inter-agency coordination and public communication, ensuring that modernisation of systems and infrastructure is matched by investment in the people who deliver frontline services.



DEPARTMENT OF PUBLIC SAFETY COMMUNICATIONS

Department overview

The Department of Public Safety

Communications (DPSC) provides the

critical communications and technology services that support emergency response and public safety across the Cayman Islands. Its responsibilities include the Public Safety Communications Centre, the Electronic Monitoring Centre, the National CCTV Programme, and the National Public Safety Radio Programme.



*Sean Vazquez, Acting Director
Department of Public Safety
Communications*

January-June 2025 achievements

During the reporting period, the Public Safety Communications Centre maintained continuous operations for all 4,344 hours, answered 29,983 incoming 9-1-1 calls and dispatched 22,602 Calls for Service. Ninety-nine per cent of 9-1-1 calls were answered within ten seconds.

The Electronic Monitoring Centre maintained operating capacity for all 4,344 hours in the reporting period. The audited output schedule records 328 against the measure for offenders monitored simultaneously, while authorised offender-violation information requests were processed within 48 hours in 100% of cases.

DPSC also continued to operate and develop the National CCTV and public safety radio systems, supporting emergency response, investigations and inter-agency coordination. Work progressed on the resilience and modernisation of core dispatch, radio, surveillance and backup infrastructure.

Emergency communications and investigative support

The Public Safety Communications Centre remained the national point for receiving and dispatching emergency and non-emergency public-safety calls. Across the reporting period, it answered 29,983 incoming 9-1-1 calls and dispatched 22,602 Calls for Service, coordinating police, fire and emergency medical responses and supporting responder safety.

DPSC processed 298 logging-recorder requests, compared with 205 in the corresponding period—a 45% increase. These requests provide authorised recordings and supporting information for police investigations and court proceedings. The increase indicates growing demand for reliable evidential records alongside the Centre's live dispatch responsibilities.

Electronic monitoring

Electronic-monitoring activity increased through the period after a February low of 804 monitoring days, reaching 1,400 days in June. The six-month total of 6,386 monitoring days equates to an average of 35.2 monitored persons per day. The Centre supported referrals and supervision arrangements involving the Summary and Grand Courts, specialist courts, RCIPS, Customs and Border Control, HMCIPS and the Conditional Release Board.

In the second quarter, DPSC began scoping the replacement and upgrade of the electronic-monitoring platform and associated hardware. This work was intended to move the service onto current technology while preserving continuity for a function directly supporting court orders, bail conditions and release arrangements.

Resilience and modernisation

The Department continued work on the resilience of the national CCTV, radio, computer-aided dispatch and emergency-call platforms. The programme included planning for replacement infrastructure at Northward, renewal of dispatch hardware and software, assessment of next-generation 911 requirements and improvement of secondary dispatch capability. These projects address ageing systems, continuity risk and the need for secure backup arrangements.

DPSC also maintained the National CCTV and public-safety radio services used by multiple agencies. These shared systems support incident coordination, investigations and the movement of operational information across the public-safety sector; their reliability is therefore material to the performance of the wider emergency-response system rather than DPSC alone.

People and service development

Minimum PSCC staffing was increased to three telecommunicators, providing greater operational headroom in the 24-hour service. Three telecommunicators attended APCO and NENA conferences, strengthening exposure to emergency-



DPSC management celebrated Telecommunicators Week alongside internal and external partners – highlighting the diverse operations and people of the department, April 2025. Source: Cayman Islands Government

communications practice and next-generation 911 standards. Staff also completed continuing education and mandatory training, supported by workplace-wellness initiatives.

The Department reported reduced staff turnover and used Telecommunicators Week to increase public awareness of the professional and technical work performed behind each emergency call. Continued recruitment, training and certification remain important because system capability ultimately depends on skilled personnel being available on every shift.

Priorities at 30 June 2025

The Department's continuing priorities were to strengthen workforce capacity, progress the replacement and modernisation of ageing communications platforms, improve data quality and performance reporting, and complete infrastructure projects that reduce operational risk and improve continuity of service.

Output performance: HAF 4

The Public Safety Communications Centre and Electronic Monitoring Centre maintained continuous operations throughout all 4,344 hours in the six-month period. The audited output schedule records 29,983 incoming 9-1-1 calls answered and 22,602 dispatched Calls for Service. The radio network supported 1,700 radios and maintained 98% availability. Timeliness met or exceeded all budgeted standards, including 99% of 9-1-1 calls answered within ten seconds and 100% of authorised offender-violation requests processed within 48 hours.

Budget Statement reference: EMC 1, EMC 2 and EMC 3.

Measure	2025 full-year budget	Actual: 1 Jan–30 Jun 2025
Quantity		
Public Safety Communications Centre operating hours	8,760	4,344
Incoming 9-1-1 telephone calls answered (source measure: monthly average)	8,000–9,000	29,983
Dispatched Calls for Service (source measure: monthly average)	3,000–3,500	22,602
Electronic Monitoring Centre operating-capacity hours	8,760	4,344
Offenders monitored simultaneously	65–75	328
Archived CCTV-video requests received from RCIPS during the fiscal year	325–375	146
Radios using the system infrastructure	1,600–1,700	1,700
Quality		

Measure	2025 full-year budget	Actual: 1 Jan–30 Jun 2025
Calls for Service quality-assurance reviews	250	148
Electronic Monitoring Centre action quality-assurance reviews	150	33
Call-taking quality-assurance score	97%	96%
Dispatching quality-assurance score	95%	97%
Electronic Monitoring Centre action quality-assurance rating	95%	95%
Overall network availability	98%	98%
Timeliness		
9-1-1 calls answered within ten seconds	98%	99%
Authorised offender-violation information requests processed within 48 hours	98%	100%
Authorised archived CCTV-video requests processed within five calendar days	99%	99%
Critical-system response during normal hours, within 15 minutes	95–98%	98%
Critical-system response outside normal hours, within 45 minutes	95–98%	98%
Other-system response in Grand Cayman within one hour	90–95%	95%
Other-system response in Cayman Brac and Little Cayman by the next available flight	90–95%	95%
Location		
Services delivered in the Cayman Islands	100%	100%
Cost		
Cabinet-funded output cost	CI\$5,996,220	CI\$2,881,140

The monitoring-days table below provides supplementary operating context. The 2025 gross output cost was CI\$6,276,279; expected third-party revenue of CI\$280,058 reduced the Cabinet-funded amount to CI\$5,996,220.

Supplementary electronic-monitoring activity

Monitoring days are retained as supplementary operating context and are not a HAF 4 output measure.

Month	Monitoring days	Average monitored per day
January	976	31.5
February	804	28.7
March	934	30.1
April	1,068	35.6
May	1,204	38.8
June	1,400	46.7



CAYMAN ISLANDS FIRE SERVICE

Department overview

The Cayman Islands Fire Service (CIFS) provides domestic, aerodrome and

specialised fire and rescue services across the three Cayman Islands. Its work includes emergency response, fire prevention and public education, fire-safety inspections, building-control consultation, fire investigation, aviation rescue and firefighting as well as maritime search and rescue.



*Randy Rankin, Chief Fire Officer
Cayman Islands Fire Service*

January-June 2025 achievements

CIFS maintained round-the-clock domestic and aerodrome response throughout all 181 days in the reporting period. Its operational remit included fire alarms, brush and vehicle fires, emergency medical assists, water-related rescues and aviation emergencies.

The Service completed 652 premises inspections, 174 development-drawing reviews, 357 assessment reports, 37 cause-and-origin investigations and 1,207 fire assessment reports. It also delivered 65 educational demonstrations and 12 workshops.

The department continued with its ongoing program of fleet and specialist equipment procurement, with assets designed to build capability across all three Islands. At the same time, specialist domestic, aviation and maritime training continued, alongside recruitment and promotion activity intended to strengthen frontline and leadership capacity.

Work also continued on the review of the Fire Brigade Act and on planned station-infrastructure improvements.

Emergency response and operational readiness

CIFS maintained round-the-clock domestic and aerodrome response across Grand Cayman, Cayman Brac and Little Cayman. Its remit covers structural and vehicle fires, fire alarms, aircraft incidents, emergency medical assists, road-traffic collisions, water rescue and other special-service calls. Aerodrome coverage supports continued safe operation at Owen Roberts and Charles Kirkconnell International Airports and Edward Bodden Airfield.

Operational readiness depends on coordinated working with DPSC, RCIPS, Emergency Medical Services, Hazard Management Cayman Islands and other responders. During the period, the Service continued specialist domestic, aviation and maritime training intended to strengthen command, rescue and inter-agency response capability.

Prevention, inspection and public education

The Fire Prevention function complemented emergency response through premises inspections, development-plan review, building-control assessments, fire-risk assessments and cause-and-origin investigations. These activities identify hazards before incidents occur, inform code compliance and generate evidence that can improve building and fire-safety standards.

Public education included 65 demonstrations and 12 workshops, supported by safety messages through social media, radio and government communications. Outreach to schools, businesses and community groups is intended to improve prevention, early action and preparedness.

Recruitment and workforce development

Recruitment drives were held at George Town Fire Station on 17 May and in Cayman Brac on 21 May, generating strong public interest in fire-service careers. The recruitment exercise was designed to strengthen frontline capacity and expand opportunities for Caymanians across the Islands.

Fleet, equipment and infrastructure

The new aviation High Reach Extendable Turret vehicle was received and commissioned in Grand Cayman, strengthening aircraft rescue and firefighting capability. Procurement and planning also progressed for further appliances and specialist equipment, including dual appliances for Little Cayman, while station and infrastructure needs remained under review.

The review of the Fire Brigade Act reached the legal drafting stage. Modernising the legislative framework is important to clarify operational duties, inspection and code-compliance powers and the standards expected of a contemporary fire and rescue service.



CIFS held a recruitment exercise during May 2025 with community engagement in Grand Cayman and Cayman Brac.

Source: Cayman Islands Government

Workforce and organisational development

CIFS continued to invest in professional development, succession planning, staff wellbeing and organisational stability. Training included aviation, incident command, maritime search and rescue, mental-health first aid, safeguarding, anti-bullying and harassment, and cyber-security awareness.

Wellbeing and organisational culture

CIFS launched a Social and Wellness Committee and chaplaincy support arrangements and implemented its engagement-survey action plan. These measures recognised the physical and psychological demands of emergency work and sought to strengthen staff support, cohesion and organisational stability.

Priorities at 30 June 2025

Priorities for the remainder of the year included completing the firefighter recruitment process, advancing appliance and equipment procurement, maintaining operational readiness, strengthening prevention and public education, and progressing the review of facilities and the legislative framework.

Output performance: HAF 5

CIFS maintained uninterrupted 24-hour emergency-response coverage throughout all 181 days in the reporting period. Prevention and regulatory activity included 652 premises inspections, 174 development-drawing reviews, 357 assessment reports, 37 cause-and-origin investigations and 1,207 fire assessment reports. Public education activity was particularly strong, with 65 demonstrations and 12 workshops already exceeding the full-year budget ranges. Quality and response-time measures met or exceeded their stated standards; no aircraft-fuel distribution inspection was recorded during the period.

Budget Statement reference: FRE 9, FRE 10, FRE 11, FRE 12 and FRE 13.

Measure	2025 full-year budget	Actual: 1 Jan–30 Jun 2025
Quantity		
Days providing 24-hour community response	365	181



CIFS personnel demonstrate hydraulic rescue equipment during the George Town recruitment drive, May 2025.
Source: Cayman Islands Government

Measure	2025 full-year budget	Actual: 1 Jan–30 Jun 2025
Premises inspected	3,000–3,500	652
Development drawings inspected	250–350	174
Assessment reports prepared	400–600	357
Cause-and-origin investigations	150–250	37
Fire assessment reports	500–560	1,207
Educational demonstrations	4–8	65
Workshops	4–8	12
Inspections of aircraft-fuel distribution	2–3	0
Quality		
Compliance with the Cayman Islands Fire Brigade Act and CIFS Operational Orders	90–100%	90–100%
Inspections conducted by qualified personnel	80–100%	90–100%
Reports identify key issues and recommend action consistent with applicable Acts and Codes	90–100%	90–100%
Age-appropriate fire-safety content and guidance	90–100%	90–100%
Personnel trained to required ICAO rescue and firefighting standards	75–85%	80–90%
Rescue equipment compliant with ICAO standards	85–90%	90–100%
Timeliness		
24-hour service, 365 days per year	75%	100%
Response within 20 seconds of a call for service	75%	80–100%
Inspection completed within three days of notification	90–100%	90–100%
Inspection report completed within three days after inspection	90–100%	90–100%
Fire investigation conducted within 48 hours	90–100%	100%
Information requests answered within three business days	90–100%	90–100%
Aerodrome rescue and firefighting response reaches either end of the runway within two to three minutes	90–100%	90–100%
Location		
Services delivered in the Cayman Islands	100%	100%
Cost		
Output cost	CI\$18,181,296	CI\$8,861,684



HIS MAJESTY'S CAYMAN ISLANDS PRISON SERVICE

Department overview

His Majesty's Cayman Islands
Prison Service (HMCIPS) is

responsible for the safe, secure and humane custody of persons committed by the Courts. Its mandate combines public protection with rehabilitation and reintegration through education, vocational training, psychological support, substance-misuse interventions and structured preparation for release.



Daniel Greaves, Director

His Majesty's Cayman Islands Prison Service

January-June 2025 achievements

HMCIPS maintained custodial operations while advancing work to strengthen security, rehabilitation, workforce capability and the future prison estate. Planning and stakeholder engagement continued for a modern, fit-for-purpose correctional facility intended to improve safety, rehabilitation, staff working conditions and operational efficiency.

The Service continued to strengthen intelligence-led risk management, information sharing and collaboration with criminal-justice, health and community partners. Education, vocational and rehabilitative services remained central to efforts to reduce reoffending and support successful reintegration.

Staff development included updated control-and-restraint training, mental-health support and professional development. One Correctional Counsellor commenced employment on 12 May 2025.

Safe custody and public protection

HMCIPS managed persons on remand and serving short- and long-term sentences, including individuals requiring enhanced supervision because of security risks or complex needs. Core controls included secure custody, court and medical escorts, intelligence-led risk management and regular review of security procedures.

Security procedures, intelligence activity and movement risk assessments were kept under review to protect staff, persons in custody and the wider public. Capacity limitations and the configuration of the existing estate continued to complicate separation, protection and specialist care arrangements.

Rehabilitation and reintegration

Education, vocational training, psychological support and substance-misuse interventions formed the principal rehabilitative offer. The Vocational Department continued to operate as a certified City & Guilds centre, while education instructors strengthened their capability to provide instruction to younger persons in custody.

The Service continued to develop through-care partnerships intended to connect work in custody with support after release. This included collaboration with DCR and community organisations, recognising that successful reintegration depends on coordinated access to accommodation, employment, health, family and rehabilitative support.

Estate development and operating pressures

Planning and stakeholder engagement advanced for a replacement correctional facility. The project is intended to provide safer accommodation, better conditions for staff, more appropriate rehabilitative space and improved operational efficiency. In the interim, maintenance of the ageing estate required continued prioritisation of repairs and risk controls.

Other pressures included rising catering costs, aging kitchen equipment, mental-health and substance-misuse needs and indoor-air-quality concerns. HMCIPS pursued practical mitigation while continuing to operate essential custodial services, but these matters reinforce the need for longer-term infrastructure and service reform.

Partnerships and community contribution

HMCIPS continued engagement with criminal-justice agencies, health services, volunteer groups and community organisations. Staff and persons in custody also contributed to practical community activity, including work at the Bodden Town Heritage Site and assistance connected with the Agriculture Department's annual display.

These activities provide constructive work and learning opportunities, support public understanding of rehabilitation and help build the external relationships needed for reintegration. They also demonstrate that correctional outcomes depend on contributions from beyond the prison estate.



Director of Prisons and senior staff welcome the Grand Court's Justice Emma Peters for a tour of HMP Northward, April 2025. Source: Cayman Islands Government

Employee recognition and capability

The Service operated an Employee of the Month programme during the period. Supervisor John Miller, Officer Paula McFarlane, Supervisor Cohen Daley, Officer Derick Johnson, Sergeant Casey Day and Officer Dewayne Brown were recognised for January through June respectively. Prison Officer Dennis Oli was also recognised at the CIG Employee of the Year ceremony held on 15 May 2025 as the May 2024 CIG Employee of the Month finalist.

Workforce development included updated control-and-restraint training, mental-health first-aid support and structured acting opportunities across supervisory and management roles. These initiatives supported succession planning and helped staff build experience in a demanding operational environment.



Prison Officer Dennis Oli receives recognition at the CIG Employee of the Year awards ceremony, May 2025. Source: Cayman Islands Government.

Key pressures

The principal operational pressures remained limited custodial capacity, the maintenance requirements of an ageing estate, complex mental-health and substance-misuse needs, and the cost and continuity of essential services such as catering and healthcare.

Priorities at 30 June 2025

HMCIPS's continuing priorities were to progress the design of a new correctional facility, strengthen intelligence and security capability, expand accredited education and vocational opportunities, develop succession and professional standards, and deepen formal partnerships that support through-care and reintegration.

Output performance: HAF 3

HMCIPS managed an average daily custodial population of 256, above the budgeted range of 210–240. This demand was reflected in an average of 871 meals served per day and 571 family visits facilitated each month. Monthly activity included 44 drug tests, 78 room and area searches, 27 prisoners attending the National Induction Programme and 47 disciplinary breaches. Reported quality and timeliness measures met their respective standards, although monthly room and area searches remained below the budgeted activity range.

Budget Statement reference: PRI 13 and PRI 15.

Measure	2025 full-year budget	Actual: 1 Jan–30 Jun 2025
Quantity		
Average prisoners held in custody per day	210–240	256
Drug tests carried out per month	30–35	44
Room and area searches per month	130–150	78
Prisoners attending the National Induction Programme per month	20–25	27
Prisoner disciplinary breaches per month	50–60	47
Meals provided to prisoners per day	600–720	871
Family visits per month, including virtual visits	250–300	571
Quality		
Prisoners held lawfully, with no detention or release errors	95–100%	95%
Searches conducted in accordance with the relevant Prison Service Instruction	90–100%	95%
Drug tests conducted in accordance with the relevant Prison Service Instruction	100%	100%
Induction delivered to all admitted remand and convicted prisoners	90–100%	100%
Disciplinary investigation, charging and adjudication compliant with Prison Rules and Prison Service Instructions	98–100%	100%
Menus nutritionally assessed by a qualified nutritionist	100%	100%
Visits conducted in accordance with Prison Service Instructions and Prison Rules	100%	100%
Timeliness		
Prisoner accommodation areas searched at least once per quarter	100%	100%
Prisoners attend induction within two weeks of admission	90–100%	95%
Disciplinary adjudications completed within the applicable timescale	98–100%	100%

Measure	2025 full-year budget	Actual: 1 Jan–30 Jun 2025
Monthly drug-testing requirement concluded by the 25th	85–100%	95%
Annual nutritional assessment completed before the end of January	100%	100%
Location		
Services delivered in Grand Cayman	100%	100%
Cost		
Cabinet-funded output cost	CI\$23,097,669	CI\$11,977,224



DEPARTMENT OF COMMUNITY REHABILITATION

Department overview Offender Management Services

continue to evolve at pace on a global scale, driven by increasing complexity, heightened public expectations, and a growing emphasis on evidence-based practice. In response, the Department of Community Rehabilitation (DCR) manages and reduces offender risk in the community and in custody.

DCR prepares reports for the Courts, the Conditional Release Board and HMCIPS; supervises court orders and conditional-release licences; delivers individual and group interventions; supports victims; and works with partner agencies to strengthen public safety and reintegration.

Services are delivered across Grand Cayman, Cayman Brac and Little Cayman to adult offenders, victims and their families, as well as criminal-justice and community partners.

As the local criminal justice system continued to mature, breaking down traditional silos and strengthening cross-agency partnerships, the department plays a central and influential role in the management of offender risk across the full continuum of the criminal justice system.

January-June 2025 achievements

During the reporting period, DCR provided bail supervision or monitoring to 1,138 persons, submitted 796 reports to the Courts, completed 179 risk assessments, provided 329 court-duty services and supervised 1,820 court orders.

Through-care and after-care activity included 240 reports to the Secretary of the Conditional Release Board, 1,494 through-care cases, 221 through-care reports, 148 risk assessments, 265 parole licences supervised and 114 case plans completed.

The Department delivered six psycho-educational programmes, 71 community or institutional support-group sessions, 772 community-payback service cases and support in 1,250 victim or witness cases. Specialist caseloads included domestic-violence, mental-health, Drug Rehabilitation Court and high-risk or very-high-risk cases.



*Melissa Rivas, Acting Director
Department of Community Rehabilitation*

Court, supervision and through-care services

DCR's work spans the criminal-justice pathway: assessment and advice before sentence, supervision of court orders and licences in the community, intervention during custody and preparation for release. Reports and risk assessments assist the Courts, Conditional Release Board and HMCIPS to identify appropriate controls, treatment needs and reintegration arrangements.

The volume of through-care work reflected closer collaboration with HMCIPS and the needs of a custodial population described by the Department as increasingly complex and high risk. The 240 reports to the Conditional Release Board Secretary and 221 completed through-care reports are presented as supplementary operational activity; the formal HAF 2 measures are reported below.



Intervention, victim support and specialist cases

DCR delivered individual and group interventions in the community and prison settings. Services targeted criminogenic needs, encouraged insight into offending behaviour and strengthened victim empathy. During the period, the Department delivered six (6) psycho-educational programmes and 71 support-group sessions, alongside community-payback and victim-support activity.

Specialist caseloads included domestic violence, mental health, Drug Rehabilitation Court and high or very high-risk cases. DCR also piloted a trauma-informed workshop for women in custody and a community-based interpersonal-violence programme for male domestic-violence offenders, while assigning dedicated probation support to persons on conditional-release licences.

Multi-agency offender management

The Department reviewed and re-signed an information-sharing agreement with HMCIPS and RCIPS for high-risk offender management and supported proposals to extend participation to other public-safety agencies. Joint work included specialist training on the management of sexual and violent offenders and development of governance measures for a Multi-Agency Public Protection framework.

DCR also contributed to review of specialist-court arrangements, including the domestic-violence court, and worked with criminal-justice, health and social-service partners. This approach recognises that risk

factors such as mental illness, substance misuse, unstable housing and family circumstances cannot be managed effectively by one agency in isolation.

Quality assurance and service improvement

A quality-assurance programme reviewed departmental outputs, reporting processes, operational records and programme effectiveness. DCR began developing standard operating procedures across operational, human-resources, administrative and finance functions, and strengthened privacy notices, data-protection training and internal review arrangements.

The Department also introduced pre- and post-group assessments to improve measurement of intervention impact. This work is important because activity volumes alone do not show whether risk reduced, compliance improved or victims were better protected; more reliable outcome measures remain a priority.



DCR teams engage in community/public outreach to highlight the department and career opportunities. Source: Cayman Islands Government.

Workforce and operating pressures

Staff managed increased volumes and more complex referrals without a corresponding increase in the departmental budget or workforce. Recruitment filled critical support roles and internal development strengthened professional capability, but intensive high-risk cases continued to require substantial time, judgement and inter-agency coordination.

Limited access to specialist mental health services, particularly in the Sister Islands—along with housing and cost-of-living pressures affected clients' stability and the Department's ability to focus solely on rehabilitative work. These constraints form part of the wider operating environment in which offender-management outcomes must be achieved.

Capability and quality assurance

DCR advanced multi-agency offender management through updated information-sharing arrangements, inter-agency risk-management work and development of governance arrangements for a Multi-Agency Public Protection framework. It also continued work on programme evaluation, data protection, quality assurance and more consistent performance measurement.

Professional development delivered by 30 June included mediation, interviewing, staff safety, hazard management, DISC, and specialist sex-offender interviewing and supervision. Mandatory Cayman Islands Government training was completed by March 2025.

Priorities at 30 June 2025

The Department's continuing priorities were to formalise the legislative basis for probation and community-service functions, implement a quality-assurance framework, improve records and case-management capability, strengthen victim services, and establish reliable baseline measures for service quality and outcomes.

Output performance: HAF 2

DCR provided bail supervision or monitoring to 1,138 persons and managed 276 high-risk cases during the reporting period. Its reported quality performance remained within the 95–100% standard across reports, programmes and services. Community supervision also met the required timeliness range, while timely submission of reports reached 95–100%, exceeding the budgeted standard of 80–90%.

Budget Statement reference: DCR 9, DCR 10, DCR 11, DCR 12 and DCR 16.

Measure	2025 full-year budget	Actual: 1 Jan–30 Jun 2025
Quantity		
Persons on bail supervision or monitoring	1,800–2,000	1,138
High-risk cases	500–650	276
Quality		
Reports completed to established standards and best practice	95–100%	95–100%
Programmes and services delivered to departmental guidelines and best practice by trained staff	95–100%	95–100%
Timeliness		
Community supervision maintained for the period specified by the relevant order, licence or court condition	95–100%	95–100%
Reports submitted within Court, Conditional Release Board and RCIPS timeframes	80–90%	95–100%
Location		
Services delivered in the Cayman Islands	100%	100%
Cost		
Output cost	CI\$4,955,224	CI\$2,099,765



CAYMAN ISLANDS REGIMENT

Department overview

The Cayman Islands Regiment (CIR) is a predominantly reservist organisation that strengthens national resilience and supports civil authorities during disasters, emergencies and major events. Its core capabilities include humanitarian assistance and disaster relief, urban search and rescue, emergency medical support, security assistance and general duties.



*Lt. Col. Graham Muir, Commanding Officer
Cayman Islands Regiment*

January-June 2025 achievements

The Regiment recruited and graduated a new cohort of reservist troopers through recruit training delivered by CIR instructors. In this process of capacity-building, CIR also promoted Caymanian personnel across the officer and soldier ranks, strengthening leadership and succession plans.

In January, CIR participated in a regional disaster management exercise, with a focus on testing and training in relation to the provision of humanitarian assistance and disaster-relief in conjunction with regional partners.

Moreover, in May CIR advanced operational capability with advanced weapons training that included personnel from the Royal Cayman Islands Police Service and Cayman Islands Coast Guard.

Additionally, CIR representatives participated in a regional military training deployment alongside partners from Jamaica, Bermuda, and British Oversea Territories including Turks and Caicos Islands (TCI), and Falkland Islands.

CIR also engaged a cohort to complete a two-week advanced medical responder course with the United States Marine Corps at Camp Lejeune in June, building capability to deliver emergency medical support during disaster and crisis circumstances.

Core capabilities and readiness

CIR develops five principal capabilities: humanitarian assistance and disaster relief, urban search and rescue, emergency medical support, security assistance and general duties. As a reservist organisation, CIR uses scheduled training to enable personnel to transition rapidly from civilian employment to operational deployment when civil authorities require support.

Vehicles, communications equipment and specialist plant were maintained at readiness. During the first half of 2025 the Regiment supported location efforts and preparatory activity ahead of the hurricane season, while participating in national emergency-management and interoperability training.

Recruitment and Caymanian leadership

For the first time since the Regiment's establishment, CIR instructors delivered the complete two-week basic recruit course without reliance on overseas military trainers. Twenty-seven (27) recruits completed the programme and joined as reservist troopers, strengthening both capacity and the Regiment's ability to sustain its own training system.

Seven (7) Caymanian personnel were promoted across officer and soldier cohorts, including promotion from Lieutenant to Captain. These appointments recognised performance and supported the development of an internal leadership pipeline for a young organisation that must progressively build local command, instructional and specialist capability.

Regional training and interoperability

Exercise EVENT HORIZON in January combined humanitarian-assistance and disaster-response training with regional partnership. CIR personnel helped train participants from the Jamaica Defence Force, Bahamas Defence Force and Turks and Caicos Islands Regiment, demonstrating the Regiment's emerging capacity to contribute expertise as well as receive it.

In May, CIR facilitated advanced weapons training involving the Royal Cayman Islands Police Service (RCIPS) and the Cayman Islands Coast Guard. Twelve (12) reservists then attended Exercise RUM RUNNER in Jamaica for advanced range training. These activities strengthened common procedures and working relationships among agencies likely to operate together during complex incidents.



CIR personnel during partner-agency advanced weapons training, May 2025. Source: Cayman Islands Government.

Medical and search-and-rescue capability

Nine (9) personnel completed a two-week advanced medical course delivered by United States Marine Corps and Navy instructors at Camp Lejeune in June. Training covered trauma care, prolonged field care and evacuation considerations relevant to disaster response and urban search-and-rescue operations.

The Regiment also continued training in site assessment, logistics, infrastructure protection, route clearance, shelter support, communications and search operations. These skills allow CIR to augment lead agencies during large or prolonged emergencies without duplicating their statutory roles.

Community and ceremonial service

The Regiment participated in two (2) of the three parades budgeted for 2025, demonstrating its continued contribution to national and ceremonial life. Collectively, these activities developed personnel competence, tested command and deployment arrangements, strengthened unit cohesion and supported the maintenance of a trained reserve capability.

Beyond parades, Regiment personnel supported national, sporting, school and community events and participated in other official ceremonial activity during the reporting period. The Regiment also provided mobile command-and-control support at major events, strengthening on-site coordination among participating agencies.

This visible community role reinforces the reservist model: personnel are drawn from the society they serve and bring civilian experience in areas such as engineering, logistics and medicine into the national-resilience system.

People and readiness

CIR's model combines a small full-time cadre with reservists based in Grand Cayman and Cayman Brac. Training during the period developed individual competence, collective readiness and interoperability with local, regional and international partners. CIR continued to strengthen national resilience through a structured programme of training, readiness exercises and civic participation.

During the first half of 2025, the Regiment delivered five of the 11 training sessions budgeted for the full year, representing broadly proportionate progress at the mid-year point. CIR also completed its full-year targets of one locally operated camp and one local readiness exercise by 30 June.

Priorities at 30 June 2025

The Regiment's continuing priorities were to validate its five core capabilities, expand Caymanian leadership and instructor capacity, maintain deployable readiness, strengthen regional partnerships and develop sustainable arrangements for equipment, fleet maintenance and future training infrastructure.

Output performance: HAF 6

The Cayman Islands Regiment delivered five training sessions, operated its planned local camp, completed one readiness exercise and participated in two of the three parades budgeted for the year. All reported quality measures achieved 100%, and the Regiment maintained the ability to deploy a squadron-sized complement of approximately 50 personnel within two hours.

Budget Statement reference: RGM 1.

Measure	2025 full-year budget	Actual: 1 Jan–30 Jun 2025
Quantity		
Training sessions	11	5
Camps operated locally	1	1
Readiness exercises conducted locally	1	1
Parades attended	3	2
Quality		
Training delivered in line with a training quality manual	100%	100%
Annual tests held across core subjects	100%	100%
Parade participants experienced in drill and words of command	100%	100%
Timeliness		
Training sessions held regularly each month	100%	100%
Ability to deploy approximately 50 personnel within two hours	97%	100%
Minimum annual eight-day non-residential camp held	100%	100%
Location		
Cayman Islands and overseas if deployed	100%	100%
Cost		
Output cost	CI\$2,167,869	CI\$1,339,498



CAYMAN ISLANDS CADET CORPS

Department overview

The Cayman Islands Cadet Corps

(CICC) is a national youth leadership and character-

development organisation. Through structured training, community service and practical learning, it promotes discipline, confidence, resilience, teamwork and responsible citizenship. Its programme includes infantry, sea cadet, band and fire cadet activities.



Col. Errol Brathwaite, Commandant
Cayman Islands Cadet Corps

January-June 2025 achievements

CICC supported the National Heroes Day Parade, the Cayman Brac Agricultural Show, the International Women's Day Wellness Fest and the Commonwealth Day Church Service. Cadets also participated in a beach clean-up and presented flags at the Caribbean Group of Banking Supervisors Conference.

Recruit passing-out parades were held at Layman E. Scott Sr. High School in Cayman Brac on 6 April and at the Truman Bodden Sports Complex in Grand Cayman on 13 April.

During April, CICC supported the Elections Office in operating the Mobile Voting Command Centre and Call Centre. In June, it supported the Regiment's mass-casualty exercise, and the Commandant and eleven Officer Cadets completed Stewards of Children/Darkness to Light safeguarding training.

Training commenced in June for a new cohort of ten adult volunteers and instructors, supporting the Corps' future delivery capacity.

Youth development model

CICC serves young people aged 11 to 19 through a programme combining discipline, leadership, community service and practical skills. Delivery is organised through infantry, sea cadet, band and fire cadet streams, allowing participants to develop confidence and teamwork while gaining exposure to public safety, maritime and uniformed-service pathways.

The programme is designed around progressive training and responsible participation. Cadets are expected to meet standards of conduct, drill and performance, while adult leaders provide supervision, instruction and safeguarding across activities in Grand Cayman and Cayman Brac.

Civic and community participation

The Corps' Band supported the RCIPS Band at the National Heroes Day Parade on 27 January. Cadets also supported the Cayman Brac Agricultural Show, Commonwealth Day Church Service, International Women's Day Wellness Fest, a beach clean-up and the Caribbean Group of Banking Supervisors Conference.

In April, CICC assisted the Elections Office with the Mobile Voting Command Centre and Call Centre. These assignments provided structured opportunities for cadets to practise discipline, public service and teamwork while contributing to national and community events.



CICC developed its Sea Cadets program in partnership with the Cayman Islands Coast Guard to promote public safety career pathways. Source: Cayman Islands Government.

Training progression and practical experience

Recruit passing-out parades were held in Cayman Brac and Grand Cayman on 6 and 13 April respectively. The ceremonies marked completion of initial training and formally recognised cadets' progression within the programme.

In June, cadets participated in the Regiment's mass-casualty exercise, gaining supervised exposure to emergency-response activity. Specialised units and inter-agency partnerships are intended to make training relevant and to create realistic pathways into future education, volunteering and employment.



CICC cadets in formation—representative of the Corps' ceremonial training and youth-development programme. Source: Cayman Islands Government.

Safeguarding and adult-leader capacity

The Commandant and eleven Officer Cadets completed Stewards of Children/Darkness to Light training on 7 June. Safeguarding is a foundational requirement for the Corps because programme quality depends on young people being supported in a safe, appropriately supervised environment.

A new cohort of ten adult volunteers and instructors began an eleven-month training programme in June. Expanding the pool of trained adults is critical to programme continuity, detachment coverage and the safe growth of cadet opportunities across the Islands.

Standards, wellbeing and organisational capacity

CICC continued to use its Service Inventory to promote consistent delivery, with standards covering instructor competency, parade preparation, project authorisation and modular training. The Corps also maintained wellbeing and mental-health support as part of its approach to cadet and staff development.

Headquarters operated with five full-time staff, supported by adult volunteers. This small core makes volunteer recruitment, instructor development, clear operating procedures and effective partnerships essential to sustainable delivery.

Governance and people

Headquarters was supported by five (5) full-time staff during the reporting period. The small size of the team meant that departmental results were not separately reported in the Civil Service Engagement Survey.

CICC continued to strengthen training standards, safeguarding, volunteer development, wellbeing support and the consistent delivery of its Service Inventory.

Priorities at 30 June 2025

The Corps' continuing priorities were to modernise its legislative and policy framework, strengthen adult-volunteer recruitment and safeguarding, standardise training and assessment, develop facilities and equipment, and expand pathways into public safety, uniformed and maritime service.

Output performance: HAF 7

The Cadet Corps delivered 132 training sessions, nine parades and camps and seven community projects. Community-project controls and instructor-course completion achieved 100%; instructor competence, parade readiness and modular delivery were reported at 87%, 90% and 95% against 100% standards. Delivery during prescribed out-of-school hours reached 62%, while attendance at scheduled parades and community projects reached 98%. The two recruit passing-out parades noted above formed part of the wider HAF 7 total. The annual camp fell outside the reporting period.

Budget Statement reference: CAD 4 and CAD 6.

Measure	2025 full-year budget	Actual: 1 Jan–30 Jun 2025
Quantity		
Training sessions	212–231	132
Parades and camps	8–13	9
Community projects facilitated	6–8	7
Quality		
Instructors competent and delivery aligned with ACF, regional and international standards	100%	87%
Parade participants experienced in drill and words of command	100%	90%
Community projects pre-authorised and facilitated by an authorised officer	100%	100%
Modular units delivered by trained instructors to regional and international standards	100%	95%
Junior and Senior Cadet Instructors Courses completed in accordance with the Cadet Training Manual	100%	100%
Timeliness		
Training programme operated during prescribed out-of-school hours	100%	62%
Parades and community projects attended as scheduled	100%	98%
Annual and weekend camps held within the prescribed schedule	100%	0%
Location		
Services delivered in the Cayman Islands	100%	100%
Cost		
Output cost	CI\$1,144,620	CI\$466,997

ACRONYMS

ACF	Army Cadet Force
CAACI	Civil Aviation Authority of the Cayman Islands
CFO	Chief Financial Officer
CO	Commanding Officer
CICC	Cayman Islands Cadet Corps
CICG	Cayman Islands Coast Guard
CIFS	Cayman Islands Fire Service
CIIMB	Cayman Islands Independent Monitoring Board
CIR	Cayman Islands Regiment
CRB	Conditional Release Board
DCR	Department of Community Rehabilitation
DPSC	Department of Public Safety Communications
EMC	Electronic Monitoring Centre
EMS	Emergency Medical Service
ERU	Enhanced Reintegration Unit
FOI	Freedom of Information
GEARS	GIFR Electronic Assessment and Reporting System
HADR	Humanitarian Assistance and Disaster Relief
HMCIPS	His Majesty's Cayman Islands Prison Service
KPI	Key Performance Indicator
MHA	Ministry of Home Affairs
MOI	Method of Instruction
MOU	Memorandum of Understanding
NCCTV	National Closed-Circuit Television
NDC	National Drug Council
NEOC	National Emergency Operations Centre
NG9-1-1	Next Generation 9-1-1
PSCC	Public Safety Communications Centre
RCIPS	Royal Cayman Islands Police Service
ROTL	Release on Temporary License
RSM	Regimental Sergeant Major
SCIC	Senior Cadet Instructors Course
SLA	Service Level Agreement
SOTP	Sex Offender Treatment Programme



GOVERNMENT OF THE CAYMAN ISLANDS

MINISTRY OF HOME AFFAIRS

AUDITED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED

30 JUNE 2025

MINISTRY OF HOME AFFAIRS

Financial Statements for the six-month period ended 30 June 2025

CONTENTS

	Page
Statement of Responsibility for the Financial Statements	2
Auditor General's Report	3-4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets / Equity	7
Cash Flow Statement	8
Notes to the Financial Statements	9-45

MINISTRY OF HOME AFFAIRS

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Home Affairs (the "Ministry") in accordance with the provisions of the *Public Management and Finance Act (2020 Revision)*.

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

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

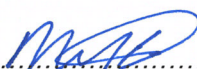
As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Ministry's financial statements, representation and judgments made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows of the Ministry for the six-month period ended 30 June 2025.

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 six-month period ended 30 June 2025;
- (b) Fairly reflect the financial position as at 30 June 2025 and performance for the six-month period ended 30 June 2025;
- (c) Comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where guidance is not available, the financial statements comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

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.


.....

Michael Ebanks
Chief Officer
Date: 15 April 2026


.....

Carrol A. Cooper
Chief Financial Officer
Date: 15 April 2026

AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of the Ministry of Home Affairs

Opinion

I have audited the financial statements of the Ministry of Home Affairs (the "Ministry"), which comprise the statement of financial position as at 30 June 2025 and the statement of financial performance, statement of changes in net assets/ equity and cash flow statement for the period ended 30 June 2025, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 to 45.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 30 June 2025 and its financial performance and its cash flows for the period ended 30 June 2025 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which states that the Ministry was discontinued with effect from 1 July 2025 as part of a Government reorganisation. On that date, the Ministry's functions and responsibilities were transferred to other Government entities, and it ceased to exist as a separate legal entity. However, management has assessed and concluded that the going concern basis of accounting is appropriate for the reporting period up to 30 June 2025 and has used it in preparing these financial statements.

As outlined in note 23 of the financial statements, the Cabinet authorised two supplementary appropriations under section 11(5) of the Public Management and Finance Act (PMFA). One of the appropriations reduced the Ministry's 2025 capital expenditure budget by \$125,000 while the other increased it by \$1,400,000. A supplementary Appropriations Bill for the additional funding was not introduced in Parliament by 31 March 2026 as required by section 11(6) of the Public Management and Finance Act (2020 Revision).

My opinion is not qualified with respect to these matters.

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

AUDITOR GENERAL'S REPORT (continued)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Patrick O. Smith CPA, CFE
Auditor General

15 April 2026
Cayman Islands

Prior Year Actual (\$'000)	MINISTRY OF HOME AFFAIRS STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025	Note	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
	Current Assets					
4,283	Cash and cash equivalents	3	3,842	19,256	19,256	15,414
15,290	Trade receivables	4	16,478	5,134	5,134	(11,344)
729	Other receivables	4	3,450	16	16	(3,434)
97	Inventories	5	89	150	150	61
98	Prepayments	5b	257	104	104	(153)
20,497	Total Current Assets		24,116	24,660	24,660	544
	Non-Current Assets					
-	Trade receivables	4	-	105	105	105
-	Right-of-use assets	6a	3,489	-	-	(3,489)
-	Intangible Assets	7	-	40	40	40
35,486	Property, plant and equipment	6b	35,978	38,913	39,358	3,380
35,486	Total Non-Current Assets		39,467	39,058	39,503	36
55,983	Total Assets		63,583	63,718	64,163	580
	Current Liabilities					
92	Trade payables	8	289	552	552	263
1,790	Other payables and accruals	8	2,156	1,232	1,232	(924)
120	Unearned revenue	9	120	120	120	-
2,618	Employee entitlements	10	3,412	2,692	2,692	(720)
-	Lease liability (current)	6a	876	-	-	(876)
4,620	Total Current Liabilities		6,853	4,596	4,596	(2,257)
	Non-Current Liabilities					
-	Lease Liability	6a	2,820	-	-	(2,820)
-	Total Non-Current Liabilities		2,820	-	-	(2,820)
4,620	Total Liabilities		9,673	4,596	4,596	(5,077)
51,363	Net Assets		53,910	59,122	59,567	5,657
	NET ASSETS/EQUITY					
53,631	Contributed capital		56,293	59,554	59,999	3,706
(2,268)	Accumulated surpluses/(deficits)		(2,383)	(432)	(432)	1,951
51,363	Total Net Assets/Equity		53,910	59,122	59,567	5,657

The accounting policies and notes starting on pages 9-45 form an integral part of these financial statements.

Prior Year Actual (\$'000)	MINISTRY OF HOME AFFAIRS STATEMENT OF FINANCIAL PERFORMANCE FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025	Note	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
55,391	<i>Revenue</i>					
	Sale of goods and services	13	30,045	58,213	31,206	1,161
55,391	Total Revenue		30,045	58,213	31,206	1,161
	<i>Expenses</i>					
40,004	Personnel costs	14	21,112	42,887	22,775	1,663
11,300	Supplies and consumables	15	6,179	10,347	5,902	(277)
4,152	Depreciation & Amortisation	6b & 7	1,969	4,979	2,529	560
-	Depreciation Rights-of-use	6a	416	-	-	(416)
-	Impairment of property, plant and equipment	6b	257	-	-	(257)
-	Interest on lease liability	6a	108	-	-	(108)
31	Litigation costs	15(b)	-	-	-	-
(62)	Other Gains and Losses	16	4	-	-	(4)
55,425	Total Expenses		30,045	58,213	31,206	(1,161)
(34)	Surplus / (Deficit) for the period		-	-	-	-

The accounting policies and notes starting on pages 9-45 form an integral part of these financial statements.

MINISTRY OF HOME AFFAIRS
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Contributed Capital (\$'000)	Accumulated Surplus/ (deficits) (\$'000)	Total (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
Balance at 31 December 2023 brought forward	51,936	(2,167)	49,768	47,528	47,528	(2,240)
Prior Year Adjustments						
Prior Year Adjustments	-	(67)	(67)	-	-	67
Restated balance 31 December 2023	51,936	(2,234)	49,701	47,528	47,528	(2,173)
Changes in net worth for 2024						
Transfer of departments	(222)	-	(222)	-	-	222
Equity Investment from Cabinet	1,917	-	1,917	7,433	7,433	5,516
Capital withdrawals by Cabinet	-	-	-	-	-	-
Surplus payable to Cabinet	-	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	1,695	-	1,695	7,433	7,433	5,738
Surplus/(deficit) for the year ending December 2024	-	(34)	(34)	-	-	34
Total recognised revenues and expenses for the period	1,695	(34)	1,662	7,433	7,433	5,771
Balance at 31 December 2024 carried forward	53,631	(2,268)	51,363	54,961	54,961	3,598
Balance at 31 December 2024 brought forward	53,631	(2,268)	51,363	54,961	54,961	3,598
Prior Year Adjustments						
Prior Year Adjustments	-	47	47	-	-	(47)
Restated balance 31 December 2024	53,631	(2,221)	51,410	54,961	54,961	3,551
Changes in net worth for six months ending June 2025						
Equity adjustment due to transition to IPSAS 43 (Note 6a)	-	(162)	(162)			162
Equity Investment from Cabinet	2,662	-	2,662	4,161	4,606	1,944
Net revenue / expenses recognised directly in net worth	2,662	(162)	2,500	4,161	4,606	2,106
Surplus/(deficit) for the six months ending June 2025	-	-	-	-	-	-
Total recognised revenues and expenses for the period	2,662	(162)	2,500	4,161	4,606	2,106
Balance at 30 June 2025 carried forward	56,293	(2,383)	53,910	59,122	59,567	5,657

The accounting policies and notes starting on pages 9-45 form an integral part of these financial statements.

Prior Year Actual (\$'000)	MINISTRY OF HOME AFFAIRS CASH FLOW STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025		Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
	CASH FLOWS FROM OPERATING ACTIVITIES					
	<i>Receipts</i>					
53,858	Outputs to Cabinet		28,242	57,798	57,798	29,556
326	Outputs to other government agencies		-	-	-	-
196	Sale of goods and services - third party		1,078	415	415	(663)
-	Other receipts		-	-	-	-
	<i>Payments</i>					
(39,556)	Personnel costs		(20,706)	(42,887)	(42,887)	(22,181)
(14,213)	Supplies and consumables		(6,321)	(10,347)	(10,347)	(4,026)
-	Interest paid		(108)	-	-	108
611	Net cash flows from operating activities		2,185	4,979	4,979	2,794
	CASH FLOWS FROM INVESTING ACTIVITIES					
(1,371)	Purchase of property, plant and equipment		(2,256)	(4,161)	(4,606)	(2,350)
(1,371)	Net cash flows used in investing activities		(2,256)	(4,161)	(4,606)	(2,350)
	CASH FLOWS FROM FINANCING ACTIVITIES					
4,394	Equity Investment from Org 40		-	4,161	4,606	4,606
-	Lease Payments		(370)	-	-	370
4,394	Net cash flows from/ (used in) financing activities		(370)	4,161	4,606	4,976
3,634	Net increase/(decrease) in cash and cash equivalents		(441)	4,979	4,979	5,420
649	Cash and cash equivalents at beginning of period		4,283	14,277	14,277	9,994
4,283	Cash and cash equivalents at end of period	3	3,842	19,256	19,256	15,414

The accounting policies and notes starting on pages 9-45 form an integral part of these financial statements.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 1: Description and Principal Activities

The Ministry of Home Affairs (the “Ministry”) is a Government owned entity as defined by the *Public Management and Finance Act (2020 Revision)* and it is domiciled in the Cayman Islands.

The Ministry funds, develops and monitors the implementation of policy, legislation and services in the areas of prison services, community rehabilitation, fire services and public safety and communication, including the management of 911. The principal activities of the Ministry include national security, emergency management operations and public safety communications. The Ministry’s capacity to respond to national disasters/emergencies is further enhanced by the Cayman Islands Cadet Corps and the Cayman Islands Regiment.

However, following the General Elections on 30 April 2025, the Ministry was discontinued effective 1 July 2025 as part of a Government reorganisation. On that date, the Government transferred all the Ministry’s departments to the Ministry of District Administration and Home Affairs, except for the Cayman Islands Regiment, which the Government transferred to the Royal Cayman Islands Police. Therefore, the Ministry ceased to exist as a separate legal entity and will not prepare financial statements for future periods. However, management has assessed and concluded that the going concern basis of accounting is appropriate for the period ended 30 June 2025 because the cessation of its legal form does not constitute the cessation of the transferred operations.

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.

The accounting policies set out below have been applied consistently over the period presented in these financial statements.

(a) Basis of Preparation

These financial statements have been prepared on a going concern basis. The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement basis applied to these financial statements is the historical cost basis (Land and Buildings are stated at revalued amounts). All numbers in these financial statements are rounded to the nearest thousand.

Reporting Period

The reporting period is the six-month period ended 30 June 2025. The Ministry is reporting 6 months as it ceased operations following the post-election transfer of departments effective 30 June 2025.

The current period and prior period are not directly comparable as the prior period covers 12 months while the current period covers 6 months. The exercise to arrive at a prior period 6-month comparison would have been onerous and impractical and so this was not done.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 2: Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

New and revised accounting standards effective for the financial year beginning 1 January 2025

The Ministry has adopted IPSAS 43, Leases as of the transition date of 1 January 2025, replacing IPSAS 13, Leases.

IPSAS 43 primarily affects the accounting by lessees and has resulted in the recognition of almost all leases on the Statement of Financial Position. At the commencement date of a lease, a lessee recognises a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees are required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, which generally results in a higher charge being recorded in the Statement of Financial Performance compared to IPSAS 13. Lessees are also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee generally recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

In accordance with the transitional provisions in IPSAS 43, the Ministry has adopted the modified retrospective approach under which the cumulative effect of initial application is recognised in opening equity at 1 January 2025. Accordingly, comparative information for the 31 December 2024 period has not been restated.

IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations was issued in May 2022 and has been applied for financial statements covering periods beginning 1 January 2025. IPSAS 44 provides guidance on how to account for non-current assets when they are made available for sale on commercial terms; no such guidance existed prior to IPSAS 44. However, IPSAS 44 did not have a significant impact on the Ministry's financial statements.

The Ministry adopted IPSAS 45, Property, Plant, and Equipment, with an effective date of 1 January 2025. The standard replaces IPSAS 17- Property, Plant, and Equipment.

IPSAS 45 introduces enhanced guidance tailored to the public sector, including:

- Removal of the scope exclusion for heritage assets - heritage items that meet the definition of property, plant and equipment and recognition criteria are now within scope and subject to the Standard's requirements (where reliably measurable).
- Alignment with updated measurement principles from the IPSASB's Measurement project, including the introduction of current operational value as a measurement basis within the current value model (for assets primarily held for operational capacity rather than market-driven fair value).
- Updated disclosures, particularly for current value measurements (e.g., significant assumptions, techniques, and inputs used in estimating current operational values or fair values).

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 2: Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

New and revised accounting standards effective for the financial year beginning 1 January 2025 (continued)

In keeping with the transition reliefs provided by IPSAS 45, on initial application of this Standard, if there is a difference between the previous carrying amount at fair value and the new carrying amount at fair value or current operational value, an entity shall recognize that difference as an adjustment to the opening accumulated surplus or deficit without restatement of comparative information. In 2021, Lands and Buildings held by the Ministry were revalued using the DRC valuation method for specialised assets and the existing use valuation (EUV) basis (non-specialised assets) under RICS valuation standards. Both valuation methods align with the of current operational value measurement basis under IPSAS 45. Consequently, there was no difference between the previous carrying amount at fair value and the new carrying amount at current operational value.

The adoption of IPSAS 45 resulted in the following adjustments:

- The Ministry has no heritage assets and consequently there has been no impact on the value of property, plant and equipment arising from the transition from IPSAS 17 to IPSAS 45.
- Reassessment of measurement models for Land and Buildings, no resulting change in the carrying value of the assets.
- Enhanced disclosures in Note 6(b) (Property, Plant and Equipment), including details of measurement bases, depreciation methods, useful lives, and reconciliation of carrying amounts.

The Ministry adopted IPSAS 46, Measurement, with an effective date of January 1, 2025. IPSAS 46 replaces and consolidates previous scattered guidance on measurement bases across various IPSAS, providing a single source for applying commonly used measurement bases in the public sector. Key aspects include:

- Detailed application guidance on historical cost for initial and subsequent measurement.
- Introduction of current operational value as a public sector-specific current value measurement basis for assets primarily held for operational capacity.
- Alignment with the Conceptual Framework's updated Chapter 7 on measurement, ensuring consistency in reflecting the cost of services, operational capacity, and financial capacity of assets and liabilities.

The Standard has been applied prospectively in accordance with the transitional provisions of IPSAS 46. The Standard did not significantly impact the financial statements of the Ministry.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 2: Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2025 and not early adopted.

IPSAS 47, Revenue (issued in May 2023 and effective for periods beginning on or after 1 January 2026) replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions and is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. It is anticipated that IPSAS 47 will not have a significant impact on the Ministry's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 48, Transfer Expenses (issued in May 2023 and effective for periods beginning on or after 1 January 2026) provides accounting requirements for transfer expenses, and presents two accounting models based on the existence of a binding arrangement. It is anticipated that IPSAS 48 will not have an impact on the Ministry's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 49, Retirement Benefit Plans (issued in November 2023 and effective for periods beginning on or after 1 January 2026) provides a principle-based approach to accounting for retirement benefit plans offering a completed view of their financial activities, assets, and obligations and establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans. It is anticipated that IPSAS 49 will not have an impact on the Ministry's financial statements.

IPSAS 50, Exploration for and Evaluation of Mineral Resources, provides guidance related to the costs incurred for exploration for, and evaluation of, mineral resources, as well as the costs of determining the technical feasibility and commercial viability of extracting the mineral resources. Amendments to IPSAS 12, Stripping Costs in the Production Phase of a Surface Mine, provides interpretive guidance on accounting for waste removal costs that are incurred in surface mining activities during the production phase of the mine. IPSAS 50 and Amendments to IPSAS 12 were issued in November 2024 and effective for periods beginning on or after January 1, 2027. It is anticipated that IPSAS 50 and IPSAS 12 amendments will not have an impact on the Ministry's financial statements.

Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, corresponding figures are restated to ensure consistency with the current year 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.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 2: Significant Accounting Policies (continued)

(b) Budget Amounts

The original budget amounts for the period ended 31 December 2025 are as presented in the 2024-2025 Budget Statement and were approved by Parliament. The final budget is the original budget prorated for the six months ending June 2025, adjusted for changes in 2025 under sections 9(5) and 11(5) of the Public Management and Finance Act (2020 Revision).

The budget was prepared based on the accrual accounting concept and the going concern basis.

(c) Judgments and Estimates

The preparation of financial statements in conformity with International Public Sector Accounting Standards requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, 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. During the current reporting period, the only significant changes in judgments and accounting estimates related to the application of IPSAS 43, Leases. These changes primarily concern the determination of lease terms and discount rate. The nature and financial effect of these changes are detailed in Note 6(a).

(d) Revenue

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

Cabinet revenue is recognized at the monthly cost to produce the outputs agreed in the Annual Budget Statement for 2025 Other revenues are recognized at the fair value of services provided. Revenue earned but not yet received at year end is recorded as a receivable.

(e) Expenses

Expenses are recognized in the accounting period in which they are incurred. Expenses incurred but not paid at year end are recognized as payables.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 2: Significant Accounting Policies (continued)

(f) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases with a duration of less than 12 months.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, including any contractual payments relating to extension options which are likely to be exercised by management. The discount rate used to determine the present value of the contractual payments is determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Cayman Islands Government's incremental borrowing rate on commencement of the lease is used or at reporting year-end.

The lease liability is presented as a separate line in the Statement of Financial Position. On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the agency if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

The lease liability is measured at amortised cost, using the effective interest rate method. The liability is reduced over time by the lease payments, with a portion recognised as interest expense.

Right-of-use assets are also presented in a separate line item in the Statement of Financial Position. Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the agency is contractually required to dismantle, remove or restore the leased asset.

Right-of-Use Asset is amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, this is judged to be shorter than the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term, highly liquid investments with original maturities of three months or less which are subject to an insignificant risk of changes in value.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 2: Significant Accounting Policies (continued)

(h) Prepayments

The portion of recognized expenditure paid in advance of receiving services has been recognized as a prepayment.

(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.

(j) Property, Plant and Equipment

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

In accordance with IPSAS 45, when buildings are revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

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.

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Buildings	5 – 60 years
• Marine vessels	5 – 7 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

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

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 amortization 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 amounts. The recoverable amount is the higher of the asset's fair value less costs to sell and its value for use in service.

See **Note 6b** below in respect to the carrying values of buildings for Her Majesty's Cayman Islands Prison Service, and mobile cell jamming equipment (the latter included in work in progress).

Assets under construction or development

Work in progress items are valued at cost. No depreciation is applied to work in progress items until such time as they are commissioned.

Disposals

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

(k) Employee Entitlements

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognized 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 the 1 January 2000, the Board operated a defined benefit scheme. With effect from the 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 recognized 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 HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 2: Significant Accounting Policies (continued)

(I) Financial Instruments

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

Classification

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

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

Initial Recognition

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

Subsequent measurement and classification

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

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

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

De-recognition

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

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

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 realized.

(n) **Foreign Currency**

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

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 3: Cash and Cash Equivalents

The Ministry's cash and cash equivalents as at the end of the year amounted to \$3.8 million, which was below the budget by \$15.4 million. However, the Ministry had receivables of \$16.6 million for Cabinet revenue and \$3.2 million for equity injection outstanding from Cabinet at the end of the financial year.

Although cash and cash equivalents at 30 June 2025 are subject to the expected credit loss requirements of IPSAS 41, no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty banks.

Prior Year Actual (\$'000)	Description	Foreign Currency	Exchange Rate	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
1	Cash in transit (IRIS Remittance Account)			-	1	1	1
4,077	CI\$ Operational Current Account held at Royal Bank of Canada			3,767	16,934	16,934	13,167
205	US\$ Operational Current Account held at Royal Bank of Canada	90	0.8375	75	97	97	22
-	Payroll Current Account held at Royal Bank of Canada			-	2,224	2,224	2,224
4,283	TOTAL			3,842	19,256	19,256	15,414

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 4: Trade and Other Receivables

Trade receivables

Trade receivables as at the end of the year totalled \$16.5 million, which was \$11.2 million over the budget. The outstanding Cabinet revenue accounted for 98% of the trade receivables and represents amounts outstanding for December 2024, May and June 2025.

Of the trade receivable for sale of goods and services, 90% (\$359 thousand) represents outstanding amounts in relation to the use of the Department of Public Safety Communication's towers billed to third parties (2023: \$266 thousand).

Trade receivables are amounts due from customers for items sold or services performed in the ordinary course of business. Trade receivables and other receivables comprise of balances due from other Government entities, including Output Receivables and balances due from third parties.

The simplified approach to providing for expected credit losses (ECL), as prescribed by IPSAS 41, is applied to trade and other receivables. The simplified approach involves making a provision equal to the lifetime expected credit losses.

Prior Year Actual (\$'000)	Trade Receivables	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
296	Sale of goods and services	401	251	251	(150)
15,056	Outputs to Cabinet	16,614	4,988	4,988	(11,626)
15,352	Total trade receivables	17,015	5,239	5,239	(11,776)
(62)	Less: expected credit losses	(537)	-	-	537
15,290	Net trade receivables	16,478	5,239	5,239	(11,239)

Prior Year Actual (\$'000)		Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
	Current				
10,486	Past due 1-30 days	11,143	5,003	5,003	(6,140)
4,718	Past due 31-60 days	2	-	-	(2)
3	Past due 61-90 days	249	-	-	(249)
145	Past due 90 and above	5,621	131	131	(5,490)
	Non-Current				
-	Past due 1 year and above	-	105	105	105
15,352	Total	17,015	5,239	5,239	(11,776)

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 4: Trade and Other Receivables (continued)

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

	2024	2025
	(\$'000)	(\$'000)
Allowance for credit losses as at 1 January	111	62
Revision in loss allowance made during the year	(49)	475
Receivables written off during the year	-	-
Balance at 31 December	62	537

As at 30 June 2025, expected credit losses amounted to \$537 thousand (2024: \$62 thousand). This mainly included expected credit losses of \$389 thousand in specific provisions for tower revenue and \$146 thousand in expected credit losses resulting from full provisioning for balances outstanding for over 90 days.

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

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 4: Trade and Other Receivables (continued)

Other receivables

Other receivables largely comprised \$3.2 million outstanding from Cabinet for Equity Injection (EI 85) in respect to the acquisition of fixed assets. This includes \$520 thousand for 2024 and \$2.7 million for 2025.

Prior Year Actual (\$'000)	Other Receivables	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
2	Advances (salary, Official Travel, etc.)	16	16	16	-
10	Other Non-Current Assets	10	-	-	(10)
736	Other	3,424	-	-	(3,424)
748	Total other receivables	3,450	16	16	(3,434)
(19)	Less: expected credit losses	-	-	-	-
729	Net other receivables	3,450	16	16	(3,434)

Prior Year Actual (\$'000)		Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Orig. vs Actual) (\$'000)
	Current				
706	Past due 1-30 days	2,926	16	16	(2,910)
23	Past due 90 and above	524	-	-	(524)
729	Total	3,450	16	16	(3,434)

In measuring ECLs for third-party receivables, the estimated loss allowance for individually significant or other specific trade and other receivable balances are determined on an individual basis. Thereafter, the remaining third-party trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. The expected credit loss rate/s for third-party receivables are based on the Ministry's historical credit loss over the prior four years. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Ministry's customers. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

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

The Ministry's policy is to recognise ECL of 100% for receivables over 90 days past due because historical experience has indicated that these receivables are generally not recoverable. Receivables are written off and or fully provided for when there is no reasonable expectation of recovery.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 5: Inventories

Inventories held at the end of June 2025 amounted to \$89 thousand dollars and were largely held by the Prison Service. These mainly included food supplies and consumables.

Prior Year Actual (\$'000)	Description	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
97	Inventory held for use in the provision of goods and services	89	150	150	61
97	Total	89	150	150	61

Note 5b: Prepayments

Prepayments at the end of June 2025 amounted to \$257 thousand and were largely held by the Prison Services for certain preventive maintenance services and the Department of Public Services and Communications for software licences.

Prior Year Actual (\$'000)	Description	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
98	Accrued Prepayments	257	104	104	(153)
98	Total	257	104	104	(153)

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 6a: Leases

Cost

Prior Year Actual (\$'000)		Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
	Balance at the start of the year	-	-	-	-
-	Additions in the year	3,905	-	-	(3,905)
-	Total Right-of-use Assets	3,905	-	-	(3,905)

Accumulated Depreciation

Prior Year Actual (\$'000)		Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
	Balance at the start of the year				
-	Additions in the year	416	-	-	(416)
-	Total Right-of-use Assets	416	-	-	(416)

Net Book Value

Prior Year Actual (\$'000)		Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
-	Net Book Value	3,489	-	-	(3,489)

Lease Liability

Prior Year Actual (\$'000)	Lease Liability	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
-	Balance at the start of the year	-	-	-	-
-	Additions in the year	4,066	-	-	(4,066)
-	Additions in the year (interest)	108	-	-	(108)
-	Repayments in the year	(478)	-	-	478
-	Balance at the end of the year	3,696	-	-	(3,696)

The opening lease liability of \$4,066 thousand differs from the prior year operating lease commitment disclosure on the financial statements of \$1,975 thousand because of the effect of discounting and the impact of new and expired leases.

The difference between ROU and Lease liability on initial recognition (\$162 thousand) was recorded as an adjustment to equity in accordance with IPSAS 43 transition provisions.

MINISTRY OF HOME AFFAIRS**Notes to the Financial Statements****For the six-month period ended 30 June 2025****Note 6a: Leases (continued)**

At as 31 December 2025	One year or less \$'000	One to five Years \$'000	Over five Years \$'000	Total \$'000
Operating Lease maturity (undiscounted)				
Operating lease maturity	928	3,043	-	3,971
Total	928	3,043	-	3,971

At as 31 December 2024	One year or less \$'000	One to five Years \$'000	Over five Years \$'000	Total \$'000
Operating Lease maturity (undiscounted)				
Operating lease maturity	920	1,055	-	1,975
Total	920	1,055	-	1,975

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 6a: Leases (continued)

The lease liability represents the present value of expected future lease payments by the Ministry to the Lessors. The discounting rate applied by the Ministry is 5.84% p.a. which is assumed to be a representative of Cayman Islands Government's incremental borrowing rate. The leased assets assessed under this section are assumed to be a similar class and hence application of a standard incremental borrowing rate.

The Ministry leases various properties. Rental contracts are typically made for fixed periods of 6 months to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Ministry recognises as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Ministry. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

The lease payments are discounted using the Ministry's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement/transition date
- any initial direct costs, and
- restoration costs

Extension and termination options are included in a number of property leases across the Ministry. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Ministry and not by the respective lessor.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 6b: Property, Plant & Equipment (Figures in \$'000)

Cost	Land	Plant & Equipment	Buildings & Leasehold	Furniture & Fittings	Computer Hardware	Office Equipment	Roads & Sidewalks	Water Reticulation	Infrastructure	Motor Vehicles	Marine Vessels	Other assets	Assets under construction or development	Total	Original Budget 2024	Final Budget 2024	Variance
Balance as at 1 January 2024	4,582	20,419	22,984	464	1,599	304	23	81	8,667	2,968	855	1,224	3,555	67,724	68,045	68,045	319
Additions	-	240	119	34	103	18	-	126	54	226	-	37	1,726	2,684	7,418	7,418	4,734
Disposals and Derecognition	-	(7)	(61)	(1)	(44)	(3)	-	-	-	(100)	(46)	-	-	(261)	-	-	261
Adjustment	-	-	-	-	-	-	-	-	-	36	-	6	-	43	-	-	(43)
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	(841)	(841)	-	-	841
Balance as at 31 December 2024	4,582	20,653	23,042	497	1,658	319	23	207	8,721	3,132	810	1,267	4,439	69,350	75,463	75,463	6,112

Cost	Land	Plant & Equipment	Buildings & Leasehold	Furniture & Fittings	Computer Hardware	Office Equipment	Roads & Sidewalks	Water Reticulation	Infrastructure	Motor Vehicles	Marine Vessels	Other assets	Assets under construction or development	Total	Original Budget 2025	Final Budget 2025	Variance
Balance as at 1 January 2025	4,582	20,653	23,042	497	1,658	319	23	207	8,721	3,132	810	1,267	4,439	69,350	75,463	75,463	6,112
Additions	-	1,517	7	1	8	19	-	-	4	210	8	-	2,662	4,436	4,136	4,581	145
Disposals and Derecognition	-	(37)	-	-	(8)	(12)	-	-	(1)	-	-	-	-	(58)	-	-	58
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	(257)	(257)	-	-	257
Adjustment	-	-	(1)	-	(1)	-	-	-	-	-	-	-	-	(2)	-	-	3
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	(1,712)	(1,712)	-	-	1,712
Balance as at 30 June 2025	4,582	22,133	23,048	498	1,657	326	23	207	8,724	3,342	818	1,267	5,132	71,757	79,599	80,044	8,288

During the period ended, work-in-progress was impaired by \$257 thousand. This relates to a deposit made in respect to a mobile cell jamming equipment over four years ago. The supplier no longer provides this type of equipment and is not in a financial position to return the funds. However, conversations between the Prison Service and the supplier indicated an alternative system is being explored.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 6b: Property, Plant & Equipment (continued), (Figures in \$'000)

<i>Accumulated Depreciation and impairment losses</i>	<i>Land</i>	<i>Plant & Equipment</i>	<i>Buildings & Leasehold</i>	<i>Furniture & Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Roads & Sidewalks</i>	<i>Water Retriculation</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Marine Vessels</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Original Budget 2024</i>	<i>Final Budget 2024</i>	<i>Variance</i>
Balance as at 1 January 2024	-	11,258	5,685	274	1,488	152	5	25	7,956	1,606	568	875	-	29,890	30,737	30,737	845
Adjustment	-	(2)	4	-	-	-	-	-	-	-	-	-	-	2	-	-	(2)
Depreciation Expense	-	1,270	1,835	29	84	39	3	11	430	363	37	48	-	4,149	4,975	4,975	825
Eliminate on Disposal or Derecognition	-	(7)	(18)	(1)	(44)	(3)	-	-	-	(88)	(18)	-	-	(179)	-	-	179
Balance as at 31 December 2024	-	12,519	7,505	301	1,529	189	8	36	8,387	1,881	587	922	-	33,862	35,711	35,711	1,847
	<i>Land</i>	<i>Plant & Equipment</i>	<i>Buildings & Leasehold</i>	<i>Furniture & Fittings</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Roads & Sidewalks</i>	<i>Water Retriculation</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Marine Vessels</i>	<i>Other assets</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Original Budget 2025</i>	<i>Final Budget 2025</i>	<i>Variance</i>
Balance as at 1 January 2025	-	12,519	7,505	301	1,529	189	8	36	8,387	1,881	587	922	-	33,862	35,711	35,711	1,847
Adjustment	-	4	(1)	-	(1)	-	-	-	-	(3)	-	-	-	(1)	-	-	1
Depreciation Expense	-	641	859	15	41	18	1	9	163	180	17	25	-	1,969	4,975	4,975	3,006
Impairment	-	-	(17)	-	-	-	-	-	-	-	-	-	-	(17)	-	-	17
Eliminate on Disposal or Derecognition	-	(15)	-	-	(8)	(12)	-	-	(1)	-	-	-	-	(36)	-	-	36
Balance as at 30 June 2025	-	13,149	8,346	316	1,561	195	9	45	8,549	2,058	604	947	-	35,779	40,686	40,686	4,907
Net Book value 31 December 2024	4,582	8,134	15,538	196	129	130	14	171	335	1,251	222	345	4,439	35,486	39,752	39,752	4,266
Net Book value 30 June 2025	4,582	8,984	14,702	182	96	131	14	162	175	1,284	214	320	5,132	35,978	38,913	39,358	3,380

Reference is made to "Asset Revaluation" below. It should be noted that buildings and leasehold include net book value of \$10.7 million properties for the Prison Service. However, there is plan afoot to build a new prison building on a phased basis over a period of approximately ten (10) years. As there is no immediate plan to demolish the existing infrastructure, the current revaluation values have been used. However, the Director's House was impaired in 2022 as it is no longer habitable (\$298 thousand).

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

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

Assets under construction or development

Assets under construction or development mainly comprise the following:

	(\$'000)
Central Station Bay Extension and Storage Facility	973
Fire Appliance	522
New Northward Tower	1,200
Storeroom – HMCIPS	102
New Prison Facilities	2,091
Total	4,888

The above represents 95% of the total assets under construction.

Revaluation of Land and Buildings

The valuations of the Ministry's buildings have been prepared in accordance with IPSAS, Royal Institute of Chartered Surveyors (RICS) Red Book, 2021 Valuation Standards references with the International Valuation Standards, and the guidance notes provided by the RICS. The entity measures certain classes of property, plant, and equipment (PPE) at current value after initial recognition, in accordance with the current value model in IPSAS 45, Property, Plant, and Equipment. Under the current value model, the Ministry can measure an asset at their Current Operational or Fair Value depending on the objective of holding the asset. The Ministry's Lands and Buildings have been measured using the current operational value as the assets are held for service delivery rather than their financial capacity.

Current operational value measurements for these classes are estimated using a combination of observable and unobservable inputs. Where significant unobservable inputs are used, additional disclosures are provided below.

Description of valuation techniques

Land and buildings are stated at current operational value, which is either depreciated replacement cost (DRC) for specialised assets or existing use value (EUV) for non-specialised assets. Specialised assets contain significant, unobservable inputs whilst non specialised assets mainly contain observable inputs.

For non-specialised land and non-specialised buildings, an independent valuation was performed to determine current value.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

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

Description valuation techniques (continued)

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."
- Current Operational Value (Existing Use Value) assumes 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: Specialized 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 optimization."

Valuation inputs and 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.

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.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

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

Valuation inputs and assumptions (continued)

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

- Cayman Islands Government 2001 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.

Below is a summary of the unobservable inputs used for specialised buildings:

Asset Category	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Specialised Buildings (\$14.4m)	Depreciated Replacement Cost	Direct cost per square foot Useful life of specialised buildings	\$85 – \$315 per square foot 5 – 50 years	Increase or decrease in the direct cost per square foot adjustment and/or estimated useful life would result in a significantly lower or higher fair value.

Reconciliation of movements in specialised buildings in \$'000s:

Description	Specialised Buildings
Opening Balance	15,219
Depreciation	(835)
Impairment Loss	–
Revaluation	–
Acquisitions / (Disposals)	7
Transfers	–
Closing Balance	14,391

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 7: Intangible Assets (Figures in \$'000)

Intangible Assets					
	<i>Computer Software</i>	<i>Total</i>	<i>Original Budget 2024</i>	<i>Final Budget 2024</i>	<i>Variance (Final. vs Actual)</i>
Balance as at 1 January 2024	522	522	522	522	-
Additions	-	-	15	15	15
Transfers	-	-	-	-	-
Balance as at 31 December 2024	522	522	537	537	15
	<i>Computer Software</i>	<i>Total</i>	<i>Original Budget 2025</i>	<i>Final Budget 2025</i>	<i>Variance (Final. vs Actual)</i>
Balance as at 1 January 2025	522	522	537	537	15
Additions	-	-	25	25	25
Balance as at 30 June 2025	522	522	562	562	40
Accumulated Depreciation and impairment losses					
	<i>Computer Software</i>	<i>Total</i>	<i>Original Budget 2024</i>	<i>Final Budget 2024</i>	<i>Variance (Final. vs Actual)</i>
Balance as at 1 January 2024	519	519	515	515	(4)
Transfers	-	-	-	-	-
Amortisation Expense	3	3	4	4	-
Balance as at 31 December 2024	522	522	519	519	(3)
	<i>Computer Software</i>	<i>Total</i>	<i>Original Budget 2025</i>	<i>Final Budget 2025</i>	<i>Variance (Final. vs Actual)</i>
Balance as at 1 January 2025	522	522	519	519	(3)
Amortisation Expense	-	-	4	4	4
Balance as at 30 June 2025	522	522	522	522	-
Net Book value 31 December 2024	-	-	18	18	18
Net Book value 30 June 2025	-	-	40	40	40

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 8: Trade Payables, Other Payables & Accruals

Prior Year Actual (\$'000)		Current Period Actual (\$'000)	Original Budget 2024 (\$'000)	Final Budget 2024 (\$'000)	Variance (Final. vs Actual) (\$'000)
90	Creditors	287	552	552	264
2	Creditors Ministries/Portfolios	2	-	-	(2)
2	Payroll Deductions	2	16	16	15
1,571	Accrued Expenses	1,918	1,206	1,206	(712)
218	Other payables	236	10	10	(227)
1,882	Total trade payables other payables and accruals	2,445	1,784	1,784	(661)

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

Total trade payables, other payables and accruals amounted to \$2.4 million as at 30 June 2025, which was 37% above the budget. The accruals included open purchase orders for which the goods or services were received, and being transferred to the new ministry (District Admin and Home Affairs) for payment.

Note 9: Unearned Revenues

Prior Year Actual (\$'000)	Details	Current Period Actual (\$'000)	Original Budget 2024 (\$'000)	Final Budget 2024 (\$'000)	Variance (Final. vs Actual) (\$'000)
120	Other unearned revenue	120	120	120	-
120	Total unearned revenue	120	120	120	-

Unearned revenue at the end of the year was \$120 thousand. This represents grant funding of \$10 thousand held by the Prison Service in respect to assistance to released-persons continued education and re-introduction into the community. The programme activities were expected to be delivered in the current financial year but have not yet occurred as the programme had not been finalized. In addition, \$110 thousand was transferred from the Ministry of Financial Services for the Prison Services which is to be used to acquire specialised equipment.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 10: Employee Entitlements

Prior Year Actual (\$'000)		Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
302	Comp time	362	521	521	160
1,911	Annual leave accrual	2,415	1,605	1,605	(810)
383	Accrued salaries	365	313	313	(51)
22	Pension	271	253	253	(19)
2,618	Total current portion	3,412	2,692	2,692	(720)
2,618	Total employee entitlements	3,412	2,692	2,692	(720)

Annual leave entitlements are calculated on current salary, pay scale, and years of service in accordance with the *Public Service Management Act (2018 Revision)* and the accompanying Regulations.

Note 11: Surplus Payable

There was no surplus payable as at 30 June 2025 (2024: nil).

Note 12: Revenue from Non-Exchange Transactions

During the six-month period ended 30 June 2025, the Ministry received services in-kind in the form of accommodation in the central government building 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 recognised in these financial statements for the six-month period ended 30 June 2025.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 13: Sales of Goods & Services

Prior Year Actual (\$'000)	Revenue type	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
54,961	Outputs to Cabinet	29,800	57,798	30,998	1,198
268	Fees and charges	140	280	140	-
156	General sales	100	135	68	(32)
6	Other	5	-	-	(5)
55,391	Total sales of goods and services	30,045	58,213	31,206	1,161

Outputs to Cabinet comprise goods delivered to and services performed on behalf of the Cayman Islands' Government. Cabinet revenues are drawn down based on the entity costs incurred.

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

The Ministry, on a monthly basis, bills Cabinet for the cost to produce and deliver the agreed outputs. For the 2025 financial year, Cabinet revenue was \$29.8 million for the six months, which was \$1.2 million less than the final budget.

Fees and charges amounted to \$140 thousand and represent fees in relation to use of radio communication system. General sales of \$100 thousand largely represent Canteen sales at HM Cayman Islands' Prison Services as well as services provided to another jurisdiction.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 14: Personnel costs

Prior Year Actual (\$'000)	Description	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
31,322	Salaries, wages and allowances	15,846	31,447	17,055	1,209
7,250	Health care	3,793	9,744	4,872	1,079
1,436	Pension	745	1,622	811	66
(187)	Leave	622	3	2	(620)
183	Other personnel related costs	106	71	35	(71)
40,004	Total Personnel Costs	21,112	42,887	22,775	1,663

For the six months ending 30 June 2025, overall personnel costs were under the final budget by \$1.7 million.

Note 15: Supplies and consumables

Prior Year Actual (\$'000)	Description	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
2,242	Supplies and Materials	1,108	2,476	1,238	131
3,626	Purchase of services	2,010	3,422	2,439	429
842	Lease of Property and Equipment	(6)	877	439	444
1,899	Utilities	987	1,777	888	(99)
1,615	General Insurance	715	802	401	(314)
89	Interdepartmental expenses	107	129	65	(43)
277	Travel and Subsistence	168	263	132	(37)
621	Recruitment and Training	466	536	268	(198)
89	Other	624	65	32	(590)
11,300	Total Supplies & consumables	6,179	10,347	5,902	(277)

For the six months ending 30 June 2025, the cost of supplies and consumables was \$277 thousand above the final budget. This overage includes food supplies and medical charges for inmates, and utilities.

MINISTRY OF HOME AFFAIRS**Notes to the Financial Statements****For the six-month period ended 30 June 2025****Note 15b: Legal fees**

Prior Year Actual (\$'000)	Litigation Costs	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2024 (\$'000)	Variance (Final. vs Actual) (\$'000)
31	Legal Fees	-	-	-	-
31	Total Litigation cost	-	-	-	-

There were no legal fees during the six months ending 30 June 2025.

Note 16: (Gains) /losses

Prior Year Actual (\$'000)		Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
(62)	Net (gain) / loss on disposal of property, plant and equipment	5	-	-	(5)
-	Net (gain) / loss on foreign exchange Transactions	(1)	-	-	1
(62)	Total (gains)/ losses	4	-	-	(4)

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 17: Related party and key management personnel disclosures

The Ministry is a wholly owned entity of the government from which it derives its major source of its revenue. The Ministry and its key management personnel transact with other government entities on a regular basis.

While the ministries and portfolios do not settle the cost of the services directly with the Ministry, the Cabinet compensates the Ministry for the provision of these services to government departments under the agreed purchase agreements. These transactions are consistent with normal operating relationships between entities under common control and are being disclosed in compliance with the requirements of IPSAS.

Key management personnel, for the purposes of this disclosure, is defined as chief officer and deputies, chief HR officer, chief financial officer, heads of department, deputies and finance managers. The summary of the remuneration paid to the key management personnel is as outlined below.

The Ministry requires all employees to complete the Individual Notice of Interest annually. In addition, all senior employees are required to complete annual declarations to the Commission for Standards in Public Life.

Prior Year Actual (\$'000)	Description	Current Period Actual (\$'000)	Original Budget 2025 (\$'000)	Final Budget 2025 (\$'000)	Variance (Final. vs Actual) (\$'000)
3,085	Salaries & other short-term employee benefits	1,436	3,150	1,575	139
3,085	Total	1,436	3,150	1,575	139

Number of key management personnel at June 2025: 22 (2024: 26).

There were no loans granted to key management personnel or their close relatives during the year.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 18: Segment Reporting

	Fire Services		Prison Services		Community Rehabilitation		Regiment		MHA Admin		Public Safety		Cadets		CONSOLIDATED	
	Jan-Dec2024	Jan-Jun2025	Jan-Dec2024	Jan-Jun2025	Jan-Dec2024	Jan-Jun2025	Jan-Dec2024	Jan-Jun2025	Jan-Dec2024	Jan-Jun2025	Jan-Dec2024	Jan-Jun2025	Jan-Dec2024	Jan-Jun2025	Jan-Dec2024	Jan-Jun2025
	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
Revenue																
Outputs from Cabinet	17,586	9,166	22,914	12,208	4,196	2,175	2,114	1,418	2,107	1,071	5,212	3,175	832	587	54,961	29,800
Outputs - Other gov't agencies	-	-	7	4	-	-	-	0	-	-	-	-	-	-	7	4
Other revenue	-	-	150	100	-	-	-	-	1	-	272	140	-	-	423	240
Total Revenue	17,586	9,166	23,071	12,312	4,196	2,175	2,114	1,418	2,108	1,071	5,484	3,315	832	587	55,391	30,045
Expenses																
Personnel	14,337	7,311	15,913	8,545	3,514	1,855	1,474	1,020	1,924	951	2,336	1,148	506	282	40,004	21,112
Supplies & Consumables	1,865	1,136	5,350	2,628	562	142	351	178	204	115	2,669	1,890	266	200	11,267	6,290
Depreciation	1,385	719	1,808	882	120	178	289	219	13	5	479	277	59	106	4,153	2,385
Impairment	-	-	-	257	-	-	-	-	-	-	-	-	-	-	-	257
Total Expenses	17,587	9,166	23,071	12,312	4,196	2,175	2,114	1,418	2,141	1,071	5,484	3,315	831	587	55,424	30,045
Surplus/(Deficit) from Operating Activities	(1)	0	-	0	-	(0)	-	0	(33)	(0)	-	(0)	2	0	(33)	0
Assets																
Current Assets	4,612	5,176	6,873	6,601	1,069	1,063	531	712	5,457	7,910	1,548	2,159	407	495	20,497	24,116
Fixed Assets	13,314	14,058	18,475	18,627	73	1,477	1,240	1,889	8	3	1,878	2,501	498	912	35,486	39,467
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	17,926	19,234	25,348	25,228	1,142	2,540	1,771	2,601	5,465	7,913	3,426	4,660	905	1,407	55,983	63,583
Liabilities																
Current Liabilities	(441)	(744)	(3,056)	(3,457)	(218)	(287)	(40)	(142)	(227)	(548)	(584)	(661)	(54)	(138)	(4,620)	(5,977)
Non Current Liabilities	-	(5)	-	-	-	(1,442)	-	(828)	-	-	-	(950)	-	(471)	-	(3,696)
Total Liabilities	(441)	(749)	(3,056)	(3,457)	(218)	(1,729)	(40)	(970)	(227)	(548)	(584)	(1,611)	(54)	(609)	(4,620)	(9,673)

The Ministry's segments for the six months ending 30 June 2025 were based on services provided by the following departments: Fire Services, HM's Cayman Islands Prison Services, Community Rehabilitation, the Cayman Islands Regiment, Public Safety and Communication and the Cayman Islands Cadet Corps. The Ministry Administration is responsible for policy and strategic direction.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 19: Subsequent Events

Following the General Elections 30 April 2025, the Government implemented a policy decision to discontinue the Ministry of Home Affairs with effect from 1 July 2025. All subjects within the Ministry were transferred to a new ministry (Ministry of District Admin and Home Affairs). However, the Regiment was transferred to the RCIPS. Management is not aware of any other events after the reporting date which will have an impact on the financial statements at 30 June 2025.

Note 20: Financial Instruments Risks

Credit risk

At 30 June 2025, the Ministry held various sums in financial instruments represented by cash and cash equivalents at one financial institution in the Cayman Islands. The Ministry is a party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash & cash equivalents, short-term deposits, trade receivables, and accounts payable. The Ministry seeks to minimise exposure from financial instruments and does not enter into speculative financial instrument transactions.

Credit risk is the risk that the counter party to a transaction with the Ministry will fail to discharge its obligations, causing the Ministry to incur a financial loss. The Ministry is exposed to credit risk through the normal trade credit cycle and advances to third parties.

Financial assets that potentially subject the Ministry to credit risk consist of Cash and Cash Equivalents, term deposits, trade receivables, and other receivables.

The average credit period on sales is 30 days. The Ministry manages its Credit risk by limiting the counter parties it transacts business with to counterparties it believes to be capable of performing their contractual obligations. Generally, the Ministry does not require collateral.

Ongoing credit risk is managed through review of ageing analysis, together with credit limits per customer.

Maximum exposures to credit risk as at year end are the carrying value of financial assets in the statement of financial position.

Expected credit losses (ECL)

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

Concentrations of credit risk

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

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 20: Financial Instruments Risks (continued)

Currency and interest rate risk

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

Liquidity risk

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

All of the Ministry financial liabilities (creditors and payables) will be settled in less than twelve months from the date of these financial statements.

Note 21: Commitments

Prior year Actual \$'000	Type	One year or less \$'000	One to five Years \$'000	Over five Years \$'000	Total \$'000
	Capital Commitments				
2,482	Property, plant and equipment	-	1,626	-	1,626
2,482	Total Capital Commitments	-	1,626	-	1,626

Capital Commitments

Fixed asset commitments as at 30 June 2025 was \$1,626 thousand. This relates to balance on consultancy contracts in respect to the design of the new prison building.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 22: Budget Period

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

Accordingly, under section 9(5) of the said Act, funds can be brought forward from the second year of the budget period to supplement the approved budget of the first year in that same budget period. The funds so transferred are added to the original budget of the first year to form the revised budget for that year. As a consequence, the budget allocation of the second year will be equally reduced by the amounts brought forward to the first year of the budget period.

Conversely, unused budget at the end of the first year can be carried forward to the second year, where required to execute agreed outputs for the Cabinet. Such amounts are added to the budget of the second year to form the revised budget for that year.

The current budget period covers 2024 and 2025. However, the final budget for 2025 has been prorated for the six months ending June 2025 plus the unused appropriation brought forward from 2024.

Note 23: Changes to the Budget

At the end of 2024, \$2.1 million of unused budget was brought forward to 2025.

Appropriation Group	2024 Balance (\$'000)
HAF2 - Correctional Supervision, Intervention and Support Services	555
HAF3 - Prison Custodial Services	183
HAF4 - Public Safety, Electronic Monitoring and Incident Responses	596
HAF5 - Fire Services	245
HAF6 - Cayman Islands Regiment	206
HAF7 - Cadet Corps Services	313
Total c/f to 2025	2,099

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 23: Changes to the Budget (continued)

The changes between the original and final budget are a result of supplementary approvals under sections 9(5) and 11(5), Public Management and Finance Act (2020 Revision). However, the supplementary appropriation bill for the section 11(5) funding was not tabled in Parliament by 31 March 2026 as required by section 11(6) of the Public Management and Finance Act (2020 Revision).

Description	Operating Budget (\$'000)	Capital Budget (\$'000)
2025 Original budget	58,213	4,161
Pro-rated – Six months to June 2025	29,107	4,161
Section 9(5) b/Fwd. from/ (to) 2024	2,099	(830)
Sub-total	31,206	3,331
Section 11(5)	-	1,275
Final Budget	31,206	4,606

Details are provided below:

Section 11(5)

Appropriation	Description	(\$'000)
EI 85 Purchase of Assets – Ministry of Home Affairs	Transferred to the Ministry of District Administration and Lands, EA 4 – Land Purchases	(125)
EI 85 Purchase of Assets – Ministry of Home Affairs	For critical upgrades to the Cayman Brac Fire Station	1,400
Total		1,275

The budget included in these financial statements has been taken from the final budget consolidated document (held by the Ministry of Finance). The amounts above as published in the Budget Statements were not amended following late changes to the Ministry's budget.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 24: Budget Variances

Explanations for major variances – actual performance vs. original budget are as follows:

	Actual (\$'000)	Final Budget (\$'000)	Variances (\$'000)	Var. (%)	Explanation
Statement of Financial Performance					
Sale of goods and services	30,045	31,206	1,161	4%	Cabinet revenue was \$1,197 thousand more than budget. However, the Ministry had supplementary funding of \$2.1 million carried forward from 2024 which more than adequately covered the variance. Note the Ministry bills on a cost recovery basis and could not bill the full appropriations.
Personnel costs	21,112	22,775	1,663	7%	There was about \$1 million in savings due to over-budgeting in health care cost by the CIFS. This was partially netted off by overage of \$620 thousand in outstanding vacation leave booked. The vacation leave balance was higher than usual as more employees tend to take vacation after June. The variance of \$1.2 million in salaries and wages was mainly due to unfilled vacant posts.
Supplies and consumables	6,179	5,902	(277)	-5%	ECL provision and settlement of case amounted to \$569 thousand, which was unbudgeted. In addition, health care cost of inmates amounted to \$315 thousand more than budget. The Ministry has been unsuccessful in obtaining insurance coverage for inmates, and so these costs are actual medical charges incurred by the inmates. However, the aforementioned variances were off-set by budget savings in other areas such as NCCTV related expenses and leases, reducing the variance to \$277 thousand.
Depreciation & amortisation	1,969	2,529	560	22%	The Ministry received over \$11 million in capital funding over the budget cycle. However, a number of projects remained outstanding at the end of June, hence the budget savings in depreciation.
Depreciation Rights-of-use	416	-	(416)	-100%	This variance resulted from the IPSAS 43 transition.
Impairment of property, plant and equipment	257	-	(257)	-100%	This unbudgeted expenditure relates to the deposit on the Cell Shield Jamming Equipment. The HMCIPS has been unsuccessful in getting the commitment of the supplier to either reimburse the Government or provide an alternative modern solution.
Finance costs (including interest on lease liability)	108	-	(108)	-100%	This variance resulted from the IPSAS 43 transition.

MINISTRY OF HOME AFFAIRS

Notes to the Financial Statements

For the six-month period ended 30 June 2025

Note 24: Budget Variances (continued)

	Actual (\$'000)	Final Budget (\$'000)	Variances (\$'000)	Var. (%)	Explanation
Statement of Financial Position					
Cash and cash equivalents	3,842	19,256	15,414	80%	The Ministry had trade receivables of \$16.6 million for Cabinet revenue and \$3.2 million for equity injection outstanding from Cabinet at the end of the period. All outstanding Cabinet revenues will be drawn down by the new ministry which took effect 1 July 2025.
Trade receivables	16,478	5,134	(11,344)	-221%	The outstanding Cabinet revenue accounted for 98% of the trade receivables as at June 2025. The funds will be drawn down by the new ministry.
Other receivables	3,450	16	(3,434)	-21674%	Other receivables included \$3.2 million outstanding from Cabinet for Equity Injection (EI 85) in respect to the acquisition of fixed assets.
Inventories	89	150	61	41%	This was not properly budgeted but represents balances of food supplies and consumables held by the Prison Services at the end of the period.
Prepayments	257	104	(153)	-148%	Mainly includes prepayments in respect to software licences for DPSC and Prison Services but was not included in the budget.
Right-of-use assets	3,489	-	(3,489)	100%	This variance resulted from the IPSAS 43 transition.
Intangible Assets	-	40	40	-100%	The budget was not utilized.
Property, plant and equipment	35,978	39,358	3,380	9%	Works are ongoing on the new prison facilities and new fire appliance expected closer to the end of 2025.
Trade payables	289	552	263	48%	The Ministry has processed payments in a timely manner except for those received late. The latter would have been included in the accruals (see below).
Other payables and accruals	2,156	1,232	(924)	-75%	In accordance with the accrual accounting principle the Ministry accrued all liabilities that had not been booked via the accounts payable system, mainly due to the late receipt of invoices.
Unearned revenue	120	120	-	-%	This is held by the Prison Services in respect to assistance to released-persons continued education and re-introduction into the community (\$10k). In addition, \$110 thousand was transferred from the Ministry of Financial Services for balance of funds to acquire specialised equipment which has not yet been acquired.
Employee entitlements	3,412	2,692	(720)	-27%	This variance was mainly driven by the increase in outstanding vacation as at the end of June. Typically, most persons take their leave during the second half of the year, hence the unusually high balance at the end of this period (June 2025).
Lease Liability (current)	876	-	(876)	-100%	This variance resulted from the IPSAS 43 transition.
Lease Liability (non-current)	2,820	-	(2,820)	-100%	This variance resulted from the IPSAS 43 transition.
Contributed capital	56,293	59,999	3,706	6%	The Ministry was unable to utilise capital funding as it was discontinued June 2025.
Cash Flow Statement					
Cash from Operating Activities	2,185	4,979	2,794	60%	Cabinet revenue of \$16.6 million was outstanding at the end of the period. However, actual operating activities did not align with budget.
Cash from Investing Activities	(2,256)	(4,606)	(2,350)	51%	Timelines in respect to investing activities did not align with budget.
Cash from Financing Activities	(370)	4,606	4,976	108%	Timelines in respect to financing activities did not align with budget.