2019

ANNUAL REPORT



MINISTRY OF COMMUNITY AFFAIRS

CAYMAN ISLANDS GOVERNMENT

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FOREWORD BY THE MINISTER



I am pleased to present the Annual Report of the Ministry of Community Affairs for the 2019 financial year in accordance with Section 69 of the Public Management and Finance Law (2018 Revision).

2019 marked the commencement of the Cayman Islands' first two–year budget upon which the Government has built a plan for sustainable social and economic development with a focus on increasing economic opportunities for Caymanians and driving social improvement in our communities.

Hence in 2018-2019, the Government invested in and prioritised improvements to the array of services provided to our people. This Government looks after the most vulnerable in our society and those who contributed to its advancement. Accordingly, the 2019 Budget provides for an increase in the permanent financial assistance payments made to Caymanians in need and ex gratia payments to Seamen and Veterans by $100 per month $650 to $750 in 2019.

The Ministry of Community Affairs plays an integral role in our strategic plans to drive social improvement as the services they provide support our people and address the underlying root causes and range of social issues faced by Caymanians today. During this administration, the Ministry has worked diligently to restructure its agencies resources in order to enhance services and meet the needs of people in a timely, effective and efficient manner across all three Islands.

Our focus on social development is about improving the well-being of all people so they can reach their full potential. Our success as a country is linked to the well-being of each and every one of us. The Government, therefore, remains committed to its efforts to assist and care for vulnerable members of society, especially older persons, children and youth, persons with disabilities or otherwise vulnerable.

FOREWORD BY THE CHIEF OFFICER



Along with the Minister, I am pleased to present the Annual Report of the Ministry of Community Affairs for the year ending 31 December 2019. The objective of this Annual Report is to communicate who we are and what we do as a Ministry to the general public.

With the appointment of a new Deputy Chief Officer, Mrs. Joan West-Dacres, the Ministry continued to examine its service provision and embrace change. Guided by the vision to "Empower People and Enhance Lives", the Ministry, its Department's and Units continued to focus on aligning resources to enhance our effectiveness and customer-centred service delivery.

Part of these efforts involved evaluating the legislative framework under which we operate. Hence, in 2019, the Ministry issued drafting instructions to commence amendments to the Children Law (2012 Revision) and the accompanying Regulations to ensure consistency in practice, as well as further define the roles and duties of relevant agencies in the child welfare and protection sector. In addition, the Ministry in partnership with the Needs Assessment Unit continued to work on finalising consultation drafts of the Financial Assistance Bill and Regulations.

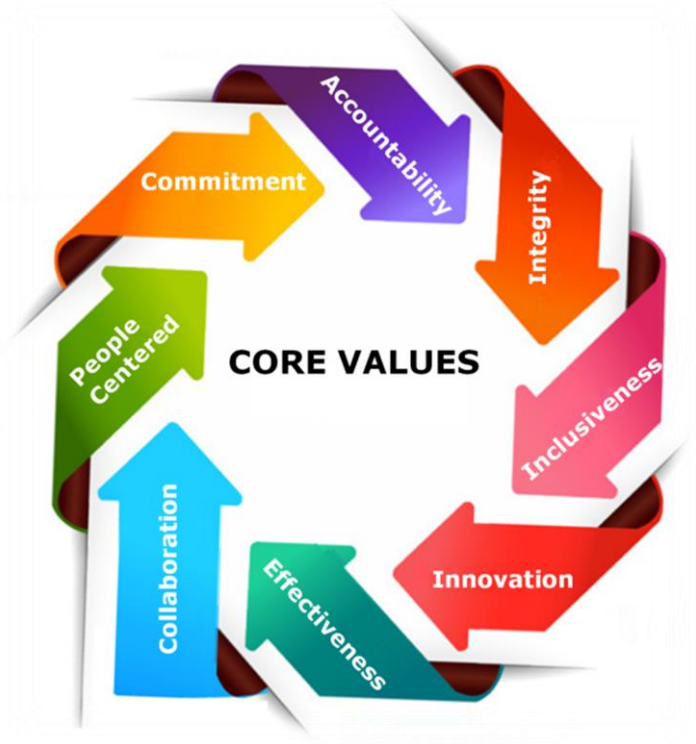
Once again, our partnerships with government and non-government entities assisted in achieving our vision. Recognising the critical role that private citizens and non-government agencies play in human services and the advancement of our people, this year we supported the Cayman Islands Veteran's Association, the Cayman Islands AIDS Foundation, Cayman's Acts of Random Kindness (ARK), Business and Professional Women's Club (BPW) and partnered with the Alex Panton Foundation, Gender Equality Cayman (GEC), the Family Resource Centre (FRC), the Council of Older Persons, the National Council for Persons with Disabilities and Code Cayman to name just a few. Through grants, the Ministry also continued to support Meals on Wheels, Rehoboth Ministries, the Cayman Islands Crisis Centre, the National Council of Voluntary Organisations (NCVO), and the Pines Retirement Home.

At the Ministry, we are always striving for excellence; we are always looking at where we are and how we can improve, and 2019 was no different.

ABOUT US

Nature and Scope of Activities

The vision of the Ministry of Community Affairs ("the Ministry") is to "***Empower People and Enhance Lives***". It is the aim of the Ministry to achieve this by establishing social development as a national priority, now and for future generations, by supporting and empowering families and youth, safeguarding children, and strengthening our society. Accordingly, the Ministry's core values are:



The main activities of the Ministry are to:

- Provide policy advice and administrative support to the Honourable Minister.
- Ensure adequate emergency response capacity.
- Provide advice, governance and monitor the performance of Boards and Government Companies under the Ministry.
- Provide collaboration with key stakeholders on social and gender issues.
- Develop legislation of matters concerning the subjects under the Ministry.
- Administer the Seamen and Ex-Servicemen Ex-gratia Benefits.
- Administer the Housing Repairs Assistance (HRA) Programme.

Functions and Activities

- The Departments and Units that fall under the Ministry are:

Department of Children and Family Services (DCFS) protects and promotes the rights and welfare of children and families through the use of interventions, public education, advocacy and community-based programmes that serve to strengthen family bonds and build stronger communities. This is accomplished through the provision of social services to the people of the Cayman Islands including social work services, services to the general adult population, older persons and persons with disabilities, foster care and adoption services, and the placement of vulnerable children in residential homes.

Needs Assessment Unit (NAU) assists citizens that are unable to support their families or themselves financially due to disability, underemployment, unemployment and other hardships.

Gender Affairs Unit (GAU) provides gender mainstreaming through research, policy advice, gender analysis of legislation, policies, operations and programmes within the Ministry and other government entities, as well as public education and sector or issue specific gender training. The Unit also provides administrative support for the Gender Equality Tribunal.

- The Government-Owned Company, Committee, Tribunal, and Statutory Board that fall under the Ministry are:

Children and Youth Services (CAYS) Foundation (Government Company) provides programmes of rehabilitation, education and social development skills for delinquent and at risk children in youth rehabilitation and care facilities owned by the Government.

Adoption Board receives applications for adoption from parents, guardians and prospective adopters and conducts investigations concerning the adoption of children for the consideration of the Court as per section 8 of the Adoption of Children Law (2003 Revision).

Oversight Committee for the Housing Repairs Assistance (HRA) Programme oversees the management of the HRA Programme which is provided to Caymanians who are either elderly and/or disabled or who have children in need that own and/or occupy their residential property and have been assessed by NAU.

Gender Equality Tribunal (GET) deals with discrimination complaints as they are submitted. The GET is made up of five members appointed by Cabinet. The Chairperson is an attorney-at-law and the four other members have experience and qualifications in gender, social development, human rights, labour or related fields.

- The Programmes that are administered by the Ministry are as follows:

Seamen Ex-gratia Benefit whereby the Ministry provides ex-gratia benefits to retired Caymanian Seamen or their surviving spouse, in recognition of their contribution to the Islands. On-going communication is maintained between the Ministry and CISA to ensure a close working relationship.

Ex-Servicemen (Veterans) Ex-gratia Benefit In June 1994 Cabinet (formerly the Executive Council) granted approval for funding to provide financial assistance to Caymanian ex-servicemen who served in the armed forces during war time limited to service during World War I and II, the Trinidad Royal Navy Volunteer Reserve, the Homeguard, the Royal Fleet Auxiliary (supply), the armed forces of Great Britain, and the Merchant Marines.

HRA Programme the HRA Programme provides home repairs to Caymanians who are either elderly and/or disabled or who have children in need that own and/or occupy their residential property and have been assessed by NAU.

GOVERNANCE

Governing Legislation

The statutes that govern the major activities of the Ministry are:

- The Cayman Islands Constitution Order, 2009
- Public Service Management Law (2017 Revision)
- Personnel Regulations (2017 Revision)
- Public Management and Finance Law (2018 Revision)
- Financial Regulations (2013 Revision)
- Anti-Corruption Law, 2008
- Freedom of Information Law (2018 Revision)
- The Freedom of Information (General) Regulations (2008 Revision)
- National Archive and Public Record Law (2010 Revision)

Departments/Units Governing Legislation

The legislation that governs the major activities of the Ministry's Departments and Units, in addition to the aforementioned, are:

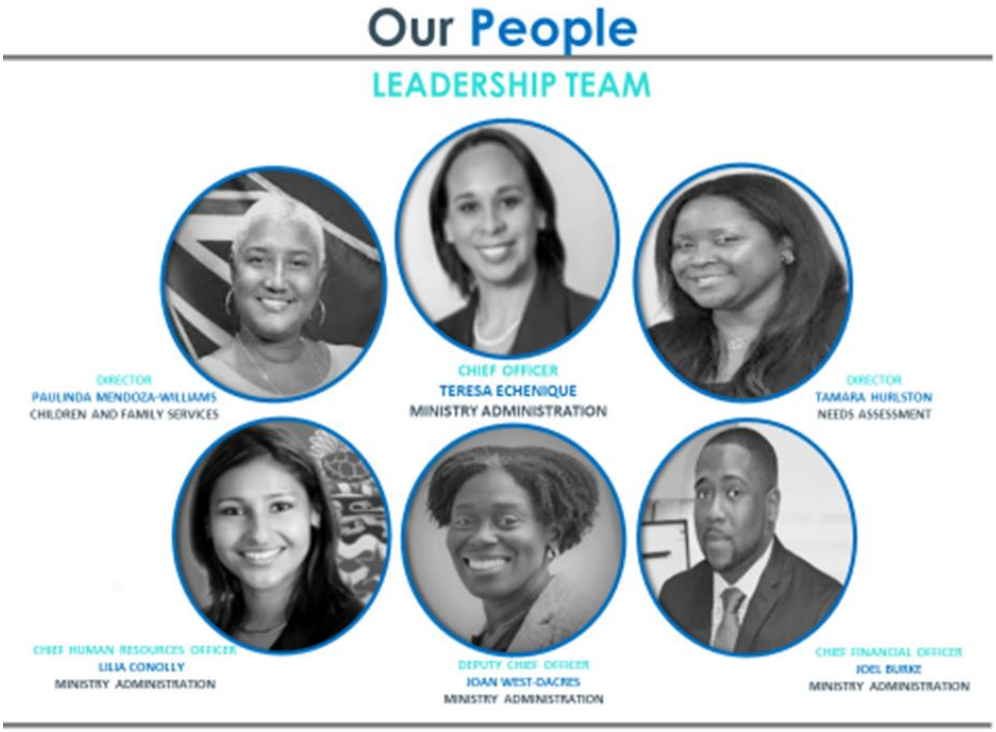
- Children Law (2012 Revision)
- Children Law Regulations, 2012
- Adoption of Children Law (2003 Revision)
- Adoption of Children Regulations (2003 Revision)
- Companies Law (2012 Revision)
- Youth Justice Law (2005 Revision)
- Poor Persons (Relief) Law (1997 Revision)
- Health Insurance Law (2013 Revision), Section 2
- Protection from Domestic Violence Law (2010)
- The Disabilities (Solomon Webster) Law, 2016
- The Older Persons Law, 2017
- Gender Equality Law, 2011

Ministry Policies and Directives

- Ministry of Community Affairs 2019 Hazard Management Plan
- Ministry of Community Affairs 2019 Continuity of Operations Plan
- Overtime, Comp Time/Time-off In-Lieu (TOIL) and Flexible and Additional Hours Policy
- Use of Personal Communication Equipment, Internet Media and Personal Radios in the Workplace

- Complaints Handling Procedures
- Workplace Sexual Harassment Policy (WSHP)
- Policy on Internal Controls
- Whistle Blower Policy v2.2
- Code of Business Ethics and Conduct V4
- Fraud Policy v2.6
- Policy Offering or Receiving Hospitality Entertainment of Gifts (May 2017)
- Records and Information Management Standard V1.0 (May 2017)
- Eligibility Criteria for Seamen Ex-Gratia Benefits
- Fixed Asset Management Policy
- Fleet Management Policy
- Finance Policies and Risk Mitigating Controls

OUR PEOPLE



Over the past 3 years, the Ministry has continued on boarding new talent to its leadership team. With this transition, a different vision and dynamic way of working have developed as the team continues to keep our workforce, our clients and our Government's mandate at the forefront.

Message from the Human Resources Team

The Ministry's all-entity centralised human resources (HR) team, consisting of 3 Full Time Equivalent (FTE) + 1 shared FTE serving a total all-entity workforce of 220 FTE, has continually embraced the Deputy Governor's bold vision of becoming a public workforce that is fit to global talent and service standards. With continued focus on the completion of year 2 of the Government-wide 5-Year Strategic Plan ('5YSP'), and following the lead on the Portfolio of the Civil Service's (PoCS) strategic workforce management and planning agenda, our entities are positively complementing those efforts year-on-year.

In addition to the continuation of the 5YSP, in 2019 strategic workforce planning became a huge organisational focus across the Government. This was critical to align with achieving the plan to a high standard.

The HR team continues to support the PoCS in its responsibility for coordinating and driving implementation of the Strategic Plan across the Civil Service, and its accompanying transformation programme. On the same wave, the HR team collaborates and engages with the Cabinet Office in its annual agenda of implementing the plan's high focus on coupling civil servants' potential to exceed our clients' expectations.

In its day-to-day operations, the HR team continues to advocate for, and apply, best practice standards in all aspects of human resources management and development. The team takes great pride in engaging with passion in the well-being and development of our workforce by establishing a thorough Learning and Development Plan across all entities under the Ministry's scope of accountability.

Message from the Finance Team



Continued improvement and unwavering commitment to excellence remains the cornerstone of our efforts and focus as we progressed through the 2019 financial year. Fundamentally, we understand that strong financial management and effective internal controls provide the foundation to support effectiveness of our function within the Ministry as we lead and guide Senior Management of the Ministry, Heads of Departments and our finance staff. We will continue to look critically at the value added in our respective roles and re-evaluate where improvements and enhancements can be made. In culmination of another successful year, financial statements for the year ended 31 December 2019 received another unqualified opinion from the Office of the Auditor General and will be tabled in the Legislative Assembly within the 2020/21 budget year. We are very pleased with this outcome and will strive to maintain this standard going forward into a new financial year.

Moving on to the critical area of staff development, finance staff have been supported on various training and development opportunities to increase knowledge, competencies and vital skills required to be an effective member of the team. We are committed to provide further positive developments of staff advancement in the years to come in line with our mandate of developing talent from within.

As we look forward into the future, the strategic outlook for the 2020 financial year will be focused around the following key areas:

- Continued investment and development of human capital via training, conferences and other methods;
- Further review and enhancement around the internal controls that guide the control environment of the Ministry;
- A commitment to work more closely with and to provide guidance to Heads of Departments (HODs) and Finance Teams.
- Developing and implementing of effective succession plans for key positions within Core Ministry and Departments.

This is truly an exciting time to be within such a critical function of the Ministry.

HUMAN CAPITAL MANAGEMENT - DISCUSSION AND ANALYSIS

HR Analytics



The HR function has transitioned from being one mainly focused on operational matters, to a strategic function. The new role of HR in a global context mandates engaging in data analytics to bring value for money.

Talent Management



Diversity in the Workplace – Our Workforce At-a-Glance



Workplace diversity is at the forefront of global organisations, mainly because a part from being a clear representation of an appreciation for differences in colour, culture, race, religious preference and sexual orientation, amongst others, it grants tangible results in the form of competitive advantage. That competitive advantage comes via an enhanced reputation due to the promotion of equality and inclusion in the workplace, therein resulting in higher levels of engagement, more innovation and creativity. Top talent are attracted to organisations that value and place diversity at the forefront of their people agenda. With this being a focus for the human resources function, we strive annually to impartially bring in top talent into our entities.

OUR WORKFORCE AT-A-GLANCE – Gender, Age and Nationality (All Entities)

Nationality (FTE)	Children & Family Services	Core Ministry	Needs Assessment Unit	Total FTE Headcount
Caymanian	95	15	29	139
Jamaican	47	0	0	47
American	2	0	0	2
British	3	0	0	3
Canadian	1	0	0	1
Dutch	1	0	0	1
Filipino	4	0	0	4
Irish	1	0	0	1
Trinidadian	2	0	0	2
Total	**156**	**15**	**29**	**200**
Percentage of Caymanian employment in total workforce	**61%**	**100%**	**100%**	**70%**

The Ministry and its entities have one of the highest Caymanian employment percentages across the Cayman Islands Government, with an overall all-entity score of 70%. Two out of its three entities have a 100% Caymanian employment rating.

Gender (FTE)	Children & Family Services	Core Ministry	Needs Assessment Unit	Total FTE Headcount
Female	146	13	23	182
Male	10	2	6	18
Total	**156**	**15**	**29**	**200**

Age (FTE)	Children & Family Services	Core Ministry	Needs Assessment Unit	Total FTE Headcount
Under 35	20	4	13	37
35 - 39	16	1	4	21
40 - 44	15	3	4	22
45 – 49	20	3	4	27
50 – 54	24	0	1	25
55 – 59	26	1	1	28
60 – 65	32	3	2	37
66+	3	0	0	3
Total	**156**	**15**	**29**	**200**

The aging workforce across all three (3) MCA entities is significant, totalling over 1/3 of the total headcount per entity. To prepare for this, the Human Resources team is working on a

Retirement Plan to be rolled out in 2020 in order to mitigate loss of critical skills and overall knowledge sharing deemed imperative for business continuity and upholding the expected levels of headcount and service delivery.

RESOURCING

Resourcing and Retention Activity (Jan 1 – 31 Dec 2019)	Ministry Administration	Needs Assessment Unit	Department of Children and Family Services
New Hires	1	4	9
Leavers	1	5	12
Transfers	2	0	1
Promotions	0	0	1
Upgrades	3	1	6
Vacant Posts	0	2	11

Onboarding (FTE New Budgeted Vacancies) – Department of Children and Family Services				
Age Range	Gender	Nationality	Type of Recruitment	Recruitment Quarter
Under 35	Female	Caymanian	Local	Q1
Under 35	Female	Caymanian	Local	Q4
Under 35	Male	Filipino	Local	Q4
Under 35	Male	Filipino	Local	Q4
35 – 39	Male	Caymanian	Local	Q1
35 – 39	Male	American	Overseas	Q2
45 - 49	Female	Jamaican	Local	Q2
45 - 49	Female	Jamaican	Local	Q2
45 – 49	Male	Caymanian	Local	Q2

A total of nine (9) new joiners were welcomed at DCFS in 2019. Of the total, four (4) of the nine (9) were Caymanian on open-tenure employment, equating to 44% of total new hires. This is considered a high percentage as out of all three entities, this department relies heavily on expatriate talent due to the key combination of qualifications, skills and experience required for the scope of duty. There is a 2:2 male to female Caymanian new hire ratio, creating a desirable gender balance. Our local recruitment efforts indicate our awareness and consciousness of saving in comparison to the cost of overseas recruitment.

Onboarding (FTE Internal Transfers) – Department of Children and Family Services				
Age Range	**Gender**	**Nationality**	**Type of Transfer**	**Recruitment Quarter**
55 - 59	Female	Caymanian	No Open Competition	Q4

The Department transferred one (1) headcount into its Social Work Team in 2019. The transferred individual was a good fit for the role, holding the basic minimum combination of qualifications, skills and experience to execute the role competently, having been in the field in prior years. This allowed for smooth transition and service capability.

Onboarding (FTE Internal Transfers) – Ministry Administration				
Age Range	**Gender**	**Nationality**	**Type of Transfer**	**Transfer Quarter**
55-59	Female	Caymanian	Without Open Competition	Q3
Onboarding (FTE Internal Transfers) – Needs Assessment Unit				
Age Range	**Gender**	**Nationality**	**Type of Transfer**	**Transfer Quarter**
45 - 49	Female	Caymanian	Open Competition	Q4

There was one (1) internal transfer to the NAU for 2019, filling a 2019 budgeted vacancy. This is the same individual who was initially seconded in the post and openly competed for the position.

Learning and Professional Development



The Ministry continues in its support of its employees in seeking and pursuing every possible opportunity for training. The breakdown of the total costs of learning and development activities for staff is as follows:

Total Learning and Development Activity with Cost

Learning and Development – Ministry Administration	Total
Number of Staff Receiving Training Activity	17
Total training cost	19,820
Total training cost per head	1,321
Total Conferences Attended (Local)	1
Total Conferences Attended (Overseas)	4
Other Training received (Local)	13
Other Training received (Overseas)	0
Number of Staff Receiving Academic Achievements/Awards (sponsored by the organisation	6

The Ministry continued to engage in secondments as a talent development priority. As such, the Ministry facilitated a secondment of the Personal Assistant to the Chief Officer to the post of Financial Administrator for a period of seven months, as well as a secondment of a Deputy Chief Financial Officer from another Ministry for an ongoing period extending into the 2020 financial year.

In 2019, to bring forth focus on the advantages of engaging in secondments, a partnership appreciation initiative 'Pass it On' was developed and implemented. The initiative highlighted the great value and immense benefits acquired via knowledge sharing through these development opportunities across entities. Attendees consisted of Chief Officers, Deputy Chief Officers and other levels of senior management across the Government, along with the staff of the Ministry.

In addition, it was a significant year for the further professional development and up-skilling of staff members:

Finance Team

- The Deputy Chief Financial Officer, Financial Administrator and the Financial Administrator-Secondee completed and graduated from the ILM Level 3 Leadership Course in November 2019.



- The Deputy Chief Financial Officer is an active member of the Civil Service Chapter of Toastmasters.
- The Chief Financial Officer attended the IPSAS Technical Update at the Marriot in November 2019.
- The Chief Financial Officer and the Acting Deputy Chief Financial Officer attended the AICPA and CIIPA Annual Summit for Accountants and Finance Professionals at the Kimpton Seafire Resort + Spa in November 2019.
- The Chief Financial Officer attended a course in Strategic Public Administration offered by the International Centre for Parliamentary Studies (ICPS) in the United Kingdom in December 2019.

Policy Team

Continued professional development and specialised training was undertaken by the Senior Policy Analyst (Human Services) in the areas of Media and Communications and Privacy and Data Protection. In addition, the Officer attended senior leadership presentations and events hosted by the Portfolio of the Civil Service.

GAU

The Senior Policy Analyst (Gender, Diversity & Equality) attended the ECLAC Workshop on Gender Mainstreaming in National Sustainable Development Planning, and the Caribbean Sub regional preparatory meeting of the XIV Regional Conference on Women in Latin America and the Caribbean which was held in Trinidad in June 2019. These workshops and meetings provide the opportunity to interact with colleagues in the field of gender equality

promotion and social development, and in so doing be updated on occurrences, trends, issues and progress in the subject area.

Continued professional development and specialised training was undertaken through webinars and online courses in the topics of Gender-mainstreaming, Gender & Data, and the Care Economy, among other subjects. Given the broad scope and range of gender and diversity concerns , the staffer also continued to increase and share her knowledge of the relevance of these factors in practical scenarios, hence she attended sessions such as the Road Safety Conference (National Roads Authority), Youth Mental Health Symposium & Community Workshops (Alex Panton Foundation), and Women in Shipping Conference (WISTA).

In order to enhance knowledge and encourage skill development in leadership and management, the employee undertook and completed the Executive Certificate in Global Leadership, which was attended throughout the period April to October 2019. This face-to-face course was facilitated by the University College of the Cayman Islands (UCCI) in partnership with Florida International University.

This learning was also reinforced through participation in various online webinars covering human resource management, talent management, leadership, and labour relations. The staffer also attended sessions on employee engagement and leadership hosted by the CIG Portfolio of Civil Service; in addition to the annual Human Resources Conference hosted by the Cayman Islands Society of Human Resource Professionals (CISHRP). She also undertook a course in Mental Health First Aid, to enable her to effectively address issues of that nature within the workplace should they arise.

NAU

Learning and Development – Needs Assessment Unit	Total
Number of Staff Receiving Training Activity	35
Total training cost	20,802
Total training cost per head	594
Total Conferences Attended (Local)	4
Total Conferences Attended (Overseas)	3
Other Training received (Local)	20
Other Training received (Overseas)	0
Number of Staff Receiving Academic Achievements/Awards (sponsored by the organisation)	4

In 2019, the NAU continued to place an emphasis on staff development to ensure that all staff members are properly equipped with the necessary tools to effectively carry out their duties. It is important that all staff members are up-to-date on good customer service practices, safety protocols and professional resources/skills needed to best serve the public in an efficient and customer-centered manner.

There was a variety of training arranged for staff including attendance to the Collaborative Cash in Stock – Responsive Social Protection Workshop (CCSRSP), Ageing and Social Change 9th Interdisciplinary Conference 2019, the Australian Association of Social Workers (AASW) Conference 2019 on Challenging Inequality (Working together for a just society) and the CISHRP conference held locally. Staff also participated in local workshops on professional planning, customer service, supervisory management, and mental health disorders. In addition, a number of staff members are pursuing university-level degrees funded by the NAU and the UCCI.



NAU staff at the AASW Conference



Director Tamara Hurlston & Former Deputy Chief Officer Andre Ebanks at the CCSRSP Workshop



In addition, the NAU hosted one (1) internal secondment in 2019 in its Compliance and Operations team, resulting in that individual performing so well that she progressed in competing and being offered the permanent transfer via an open recruitment process. Ms. Faulknor-Grant brought key skills in the field, having worked in the Office of the Ombudsman for many years.

Julie Faulknor-Grant
Compliance and Operations Manager

DCFS

Learning and Development – Department of Children and Family Services	Total
Number of Staff Receiving Training Activity	79
Total training cost	16,906
Total training cost per head	214
Total Conferences Attended (Local)	0
Total Conferences Attended (Overseas)	0
Other Training received (Local)	12
Other Training received (Overseas)	1
Number of Staff Receiving Academic Achievements/Awards (sponsored by the organisation)	0

For 2019, the DCFS continued to embrace operational and procedural best practices and customer service enhancements promoting a better working environment and client experience. The DCFS hosted a Senior Management Workshop facilitated by the Management Support Unit on Transformational Leadership. This workshop supported the ongoing organizational and cultural evolution towards improved standards and professional practice.

Rewards and Recognition

The Ministry continues to place professional development, fair and equity in compensation and performance reward and recognition of all employees as an ongoing priority year-on-year, in line with the obligation of being a good employer.

Ministry Administration In 2019, the Chief Financial Officer, Joel Burke, and Personal Assistant to the Chief Officer, Leisa Welcome, were awarded both the Chief Officer's Choice Award and the Deputy Governor's Employee of the Month for April and September respectively:



Ms. Leisa Welcome



Mr. Joel Burke

Ministry staff also participated in special days of recognition and events during the year to give back to the community:



Cayman Islands Veteran's Association Annual Gala



Cayman Islands AIDS Foundation Tea Party



First Car Free Day in the Cayman Islands



Universal Children's Day 5K Run/Walk



The 2019 Silent Witness March



Ministry staff with BPWC Co-Chairwoman of Activism Projects, Cheryl Myles, at the closing reception for the 16 Days of Activism against Gender-Based Violence campaign



Supporters gather outside the Legislative Assembly for the 2019 Silent Witness March Ceremony

NAU Since the NAU was established, it has consistently nominated staff to recognise their efforts and commitment to their roles and the team as a whole. To date, therefore, 7 employees have received the Deputy Governor's Award and 9 have received the Chief Officer's Choice Award. In 2019, two recipients received the Chief Officer's Choice Award and one went on to receive the Deputy Governor's Award:



Ms. Sheneka Moore won the Deputy Governor's Employee of the Month Award



Ms. Ellen Ebanks won the Chief Officer's Choice Award

NAU staff also participated in special days of recognition and events during the year to give back to the community and help vulnerable people:



NAU staff participated in the CIMA's Walk/Run in aid of literacy numeracy programmes, the Deputy Governor's 5K Challenge and the Universal Children's Day 5K Walk/Run hosted by DCFS



NAU staff participates in the Silent Witness March, 'ROCK YOUR SOCKS' World Down Syndrome Day and donates to the Special Needs Foundation

DCFS In 2019, DCFS recognised March as International Social Work Month by jumpstarting the month with a Thanksgiving Church Service held at the First Assembly of God with Pastor Terence Bobb officiating. The theme for the year was "Elevate Social Work". Social Work Month also saw the first Social Work Appreciation Dinner in the Cayman Islands. Hosted by the DCFS, and held at the Grand Old House, the dinner and award ceremony achieved three important objectives. Firstly, it gave the Head of the Civil Service, Mr. Franz Manderson, and the opportunity to commend the department's social work staff. The gala evening also gave former social worker and Ministry of Community Affairs Chief Officer Teresa Echenique the chance to formally acknowledge the department's social work and district community officer teams, while pledging increased support for them in the future. Finally, the recognition dinner also gave the opportunity for senior management to commend staff and formally acknowledge their hard work, dedication and selflessness.



The Deputy Governor presented Outstanding Social Work plaques to Kai Matthews-Mowatt, David Hunter, Kerry Parchman, Juliet Garricks, Kernita Bailey and Sophia Walker. A special presentation was also given to Social Work Manager Leanora Wynter-Young who spoke about her experiences and lessons learnt during her 43 years as a Social Worker.

In December 2019, the DCFS had a Retirement Recognition Ceremony to acknowledge the outstanding contributions of four staff members who retired after a combined total of more than a century of service.



Althea Warner Pryce (30 years), Elsa Annie Rose Scott (32 years total tenure as a Civil Service, 27 years with DCFS), Novelette Douglas (27 years) and Yvonne Rose (19 years) with the Deputy Governor

Highlights of Services, Community Projects and Partnerships

During the 2019 financial year, the Ministry and its agencies were able to engage in several highly, and mutually beneficial services, community projects and partnerships. Some of these include:

- The Ministry continued to play an active part in the implementation of the Cayman Islands Older Persons Policy 2016-2035 and promotion of the Older Persons Law, 2017, through involvement on the Older Persons Council, and including its concepts within training and public education sessions.

- The Ministry issued drafting instructions to commence amendments to the Children Law (2012 Revision) and the accompanying Regulations in order to ensure consistency in practice, as well as further define the roles and duties of relevant agencies in the child welfare and protection sector.

- The Ministry in partnership with the NAU continued to work on finalising Consultation Drafts of the Financial Assistance Bill and Regulations. Although currently in the early stages of consultation, the finalised drafts of the Financial Assistance Bill and Regulations will be circulated for wider consultations next year.

- The Ministry partnered with the Alex Panton Foundation to deliver public presentations on bullying and young men at risk across all districts in Grand Cayman.

- Throughout the year, up to 852 Seamen or their spouse received the Ex-gratia Benefit. 44 applications were received and processed, with 39 approved and 5 denied or deferred. Unfortunately, 49 recipients passed away in 2019, leaving 842 persons receiving the Ex-gratia Benefits at the end of the year. An additional 3 persons were removed who no longer met the criteria.

- Up to 105 Ex-servicemen or their spouse received benefits in 2019. Regretfully, 7 recipients passed away. Hence, at the end of 2019, 98 recipients were being provided with monthly benefits.

- The budget for the HRA Programme allowed for a total of 6 projects to be completed in 2019. These consisted of 3 projects each in George Town and North Side. A supplementary budget in 2019 provided the opportunity for waitlisted projects to be undertaken. 21 projects were completed prior to the end of the 2019 year. Of these, 7 are in George Town, 5 in West Bay, 4 in North Side, 2 in Bodden Town and 3 in East End. There are approximately a further 4 projects which commenced in December 2019 and are due to be completed by March 2020. The breakdown is 2 in East End, 1 in George Town and 1 in West Bay.

- The GAU continued to collaborate and partner with several local Not for Profit Organisations and other government agencies to support programmes, services or initiatives which promote and facilitate gender equality or empowerment. These organisations include: Gender Equality Cayman (GEC); Business and Professional Women's Club (BPW); Cayman Islands Athletic Association (CIAA); the Family Resource Centre (FRC); Her Majesty's Prison Service; Colours Cayman; the Cayman Islands Red Cross; The Cayman Islands Crisis Centre (CICC); Women.Code Cayman; Youth Code; 100 Women In Finance NexGen; the Women's International Shipping and Trading Association (WISTA); and, the Alliance Against Domestic Violence.



The former Deputy Chief Officer Andre Ebanks and Senior Policy Analyst (Gender, Diversity & Equality) Karlene Bramwell pledging support to Gender Equality Cayman with Board Member Louise Reed.

- Through partnerships there have been successful activities staged such as: Honouring Women Month 20th Anniversary Luncheon & International Women's Day (March); International Women & Girls in ICT Day (April); the Silent Witness March (October); the launch of the Alliance Against Domestic Violence (October); International Men's Day (November); International Day for the Elimination of Violence Against Women, and 16 Days of Activism against Gender-Based Violence (November); Introduction to Coding workshops for women and youth; sessions on gender equality in the workplace; and several radio interviews on various topics related to gender equality and diversity issues (occurring throughout the year).



Supporters "Take a Stand against Rape" for International Day for the Elimination of Violence against Women & Girls



CI Crisis Centre Executive Director, Ania Milanowska, & staff with the Deputy Governor and Karlene Bramwell at the closing reception for 16 Days of Activism against Gender-based Violence campaign

- The GAU organized information sessions about the stalking legislation and issues surrounding rape and continued to provide information and guidance to the public around the services and procedures of the Gender Equality Tribunal.



Panelists at the public discussion session "Focusing on Rape" included representatives from the Business and Professional Women's Club, On Course Cayman Psychologists, RCIPS Family Support Unit, HM Prison Service Forensic Psychologist, Department of Community Rehabilitation Senior Probation Officer, Faith-based Community, CI Crisis Centre, Health Services Authority, CI Red Cross and Colours Cayman

- The GAU advised government departments or ministries on issues pertaining to promoting gender equality and preventing discrimination. These included initiatives such as: advocating for the insertion of consideration of gender equality and equity factors in proposals submitted through Cabinet Papers; proposed procedures for the Fair Employment Commission; proposals within the Bill to govern Financial Assistance programmes; proposals within the Government's anti-discrimination workplace policy; and revisiting proposals for a Bill to address Sexual Harassment.

- Continued communication and consultation with the Gender Affairs Partners Working Group of civic organisations, non-government and other government agencies, which meet regularly to discuss and examine policy matters, current affairs in the gender and development space, and plan joint advocacy initiatives.

- Conducted presentations on the Gender Equality Law to students of Human Resources Management and Employment Law courses at UCCI, in addition to new civil servants through the CIG Orientation Programme hosted by the Portfolio of the Civil Service (PoCS).

- The NAU provided 1,076 persons with permanent financial assistance, 1,065 families with temporary financial assistance, 39 persons with residential home placement and conducted 407 financial assessments for indigent medical coverage.

- As part of the 5-Year Strategic Plan across the Government, the NAU committed to participating as a pilot agency in the 'Happy or Not' Client Service Initiative, spearheaded by the PoCS. The NAU has performed exceptionally well over time and the Director and her team's efforts depict a highly engaged team in serving the most vulnerable members of society, averaging an annual score of 91.5% in 2019.



- Year on year the NAU has led the Ministry's results in the Annual Employee Engagement Survey. For 2019, the NAU achieved an overall engagement index of 77%; a rating considered to be a high engagement index in global survey standards. The top three areas for the NAU were 'Organisational effectiveness and Purpose' with an impressive perfect score of 100%, followed in second place by 'Inclusion and Work Environment' at 86% and 'My Team' in third with 85%.



The NAU hosted its Annual Christmas Toy Drive for Kids and received donations for this event from the Office of the Ombudsman and NCI

- With support from Strategic Reforms Implementation Unit (SRIU), DCFS commenced work on a draft National Child Safeguarding Policy to advance child safeguarding practices and protocols to maintain a safe environment that supports the development and welfare of children.

- DCFS appointed a new Deputy Director of DCFS and a Social Work Manager for the Community Development Programme.

- The new facility for children with disabilities in Northward was completed before the end of the 2019 budget year.

- In 2019, there were 27 children in private foster placements (including 6 children at the NCVO Foster Home). The Adoption and Foster Care Team of DCFS also dealt with 13 new foster placements in the past year and these admissions were made for children who have unstable home environments, physical abuse, neglect, emotional abuse and abandonment. Furthermore, over the past year there were 12 recruitment initiatives in order to promote the Foster Care Programme and encourage persons to apply to become Foster Parents. 4 foster care children were referred to the After Care Programme.

- The Multi Agency Safeguarding Hub (MASH) received 577 child abuse referrals in 2019 involving types of physical, sexual, neglect and emotional abuse.

- DCFS received grant approval from Hedge Funds Care to support a public awareness campaign for MASH.

- 167 court reports were submitted by the Family Services Team of DCFS and 115 supervised contacts completed. These reports were for Family Court proceedings inclusive of Public and Private law, Maintenance and Affiliations Court and Youth Court matters.

- 2019 Statistics reflected a decline in the number of youth appearing before the Youth Court. 40 juveniles appeared in Youth Court for 130 varying offences. Of these offences, consumption of marijuana is the highest (22 offences).

- In 2019 the Elderly Services Team of DCFS received 97 referrals dealing with a range of issues including home health care, neglect, abuse or residential placement. Currently, there are 55 elderly residents in facilities across Grand Cayman and Cayman Brac.

- Other Social Work case management and direct interventions by DCFS are as follows:
    - 25 children on Care and Interim Orders;
    - 5 children on Youth Rehabilitation Orders (YRO); and
    - 6 adoption orders made and 39 adoption inquires/referrals.

- The Community Development Team of DCFS established plans and partnerships with community stakeholders. They conducted 1,136 home visits, made 395 community-based contacts and assisted with 146 DCFS community events.

- In May, with the theme of “Be Strong. Be Brave. Be You”, there were over 40 activities for children and families during Child Month. Signature events for the DCFS included the Church service, Governor’s reception, the Youth Empowerment Conference, the Teen Panel, and the Circle of Love Breakfast to name a few. Some of the new events offered were an intergenerational cook-off, Trivia Game nights, a Family Fun Day at the Turtle Centre, a Talent Expo and a Real Life Superheroes and Movie screening.



DCFS hosted the traditional Church Service held at First Baptist Church in George Town. Child Month awardees Tiann Scott and Julius Smith



The 8th Annual Child Month Breakfast, hosted by the Circle of Love Women’s Ministry served up an entertaining and inspiring programme which included songs, special dances and speeches and attracted some 365 attendees





Other Child Month events included a Teen Panel where young people discussed how to cope with stress and its root causes; the Talent Expo; Real Life Superheroes where social workers donned superhero capes and masks alongside high school counsellors, a grandmother and a crime busting duo to reveal their everyday powers at Child Month's movie night; the Youth Empowerment Conference where over 100 students from across the island, including Cayman Brac, hear from motivational speakers about the importance of knowing who they are and acknowledging their internal strength

- In October, with the theme of “Positive Ageing”, there were over 30 activities for the elderly during Older Persons Month. There were Church services held on all three islands; the Big Stage Cultural event where older persons showcased their many artistic talents; the Old Time Garden Party launch held at Pedro St. James had over 200 attendees; the Older Persons Month Gala; as well as gym days, all-island bingo and an intergenerational cooking event to name a few.






Older Persons Month Ambassadors are Mrs. Beulah McField, Mr. John E. Ebanks, Mr. McFarlane Conolly, Mrs. Beulah McField and Mrs. Idalee Scott from Cayman Brac.





At the Older Persons Gala His Excellency the Governor, Mr. Martyn Roper, expressed appreciation to the seniors for their many and continued contributions to the development of the Cayman Islands

- In November more than 100 people registered to participate in the DCFS' first-ever Universal Children's Day 5K Run/Walk to celebrate the United Nations day of observance and fundraise on behalf of local families in need. In total, $1,500 was raised to assist families in need.



- In addition, the first Reception at HE the Governor's residence was held in recognition of Universal Day of the Child. Young people shared their thoughts on how parents and the larger community can contribute to their happiness and well-being.









FINANCIAL PERFORMANCE AND ANALYSIS

This section provides a summary and a trend analysis of our use of financial and capital resources. The unaudited accounts of the Ministry are in Appendix I.

Financial Statement Trend Analysis and Discussion

The five year Statement of Financial Performance:

	2019 Actual	2018 Actual	2016/17* Actual	2015/16 Actual	2014/15 Actual
Revenue					
Sale of goods and services	13,838,517	13,071,783	27,138,710	19,368,626	15,392,479
Donations and other revenue	96,661	70,285	233,172	269,007	198,579
Total Revenue	**13,935,178**	**13,142,068**	**27,371,882**	**19,637,633**	**15,591,058**
Expenses					
Personnel costs	11,806,100	11,032,182	19,215,668	13,278,132	11,363,821
Supplies and consumables	1,685,222	1,564,226	4,302,390	3,522,129	2,927,823
Depreciation	267,654	265,579	1,467,970	1,382,246	775,544
Loss on sale of assets	-	678	(13,282)	(2,600)	-
Gain on foreign exchange	(1,827)	(742)	(595)	(1,233)	106
Total Expenses	**13,757,149**	**12,861,923**	**24,972,151**	**18,178,674**	**15,067,294**
Surplus for the year	**178,029**	**280,145**	**2,399,731**	**1,458,959**	**523,764**
*Figures presented for 2016/17 are for an 18 month period.					

Revenue Analysis: The Ministry's revenue from Cabinet has been steadily increasing with the expansion of outputs produced to meet client demands.

Expense Analysis: The increase in 2019 actual personnel and other operational costs of over prior year 2018 operating expenses is primarily due to the increase of staff and associated costs to match the expansion of outputs.

Surplus / (deficit) analysis: The Ministry was able to realise operating surpluses over the last 5 years due mainly to austerity measures adopted to contain costs and maximize revenues. In the latest fiscal period ended 31 December 2019, the Ministry's reported operating surplus was $178,029.

SCRUTINY BY PARLIAMENT AND PUBLIC

Parliamentary Questions

During the 2019 financial period, the Ministry received one (1) Parliamentary Question and provided the requested information within the timeframe required.

Public Accounts Committee (PAC)

The Chief Officer was required to appear before PAC on 16 January 2019 to give testimony on the Ministry's progress with the Report "Follow up on Past PAC Recommendations", dated October 2018.

Freedom of Information (FOI) Requests

During the financial year, Ministry administration received and processed a total of four (4) FOI requests.

Complaints

The Ministry received two (2) complaints during the financial year. Any complaints received in regards to its Departments or Units were forwarded to the relevant agency and processed through their own internal complaints procedures.

CROSS-GOVERNMENT COMMITMENTS

Cayman Islands Council for Older Persons Representatives from the GAU and Community Affairs subject area serve on this Council.

Cayman Islands Older Persons Policy (CIOPP) 2016-2035 The Ministry, in partnership with the DCFS, applied and were granted supplementary funding from the Cabinet Office to assist with the implementation of the CIOPP. In 2019, funding was used to provide programmes/events for the elderly including Coffee Mornings, Art and Therapy classes, and Swimming/Water classes.

Multi-Agency Safeguarding Hub (M.A.S.H.) Currently, the MASH is comprised of the Department of Children and Family Services Intake Team, the Family Support Unit of the Royal Cayman Islands Police Service and a Mental Health Practitioner from the Health Services Authority (H.S.A.).

LOOKING FORWARD



In 2020, the Ministry and its entities will focus on the following areas:

1. ***Maximise capacity and resources:***
   a. Streamlining the internal HR systems to find efficiencies in the way of work.
   b. Developing and implementing key HR policies to supplement the HR legislation and entity initiatives.
   c. Tracking value-added via HR Metrics and HR Data Analysis
   d. Enhancing the Continuity of Operations Plans for the Ministry and all entities under the scope of its accountability, in order to mitigate risk for the Government.
   e. To facilitate the delivery of sessions on gender mainstreaming and gender responsive budgeting across the public sector.
   f. Complete new financial assistance legislation to replace and repeal the Poor Persons (Relief) Law (1997 Revision).
   g. Complete the project to upgrade the Financial Assistance System Database to improve reporting capabilities and enhance service delivery.
   h. Provide learning and development opportunities for staff that achieve best practice standards, exceptional customer services whilst managing the complex needs of our clients.

2. ***Manage partnerships and engagement:***
   a. Continued engagement in the 5-Year Strategic Plan and all initiatives.
   b. The GAU will continue to promote gender mainstreaming through working collaboratively with stakeholders.
   c. Extend and enhance relationships with stakeholders.
   d. Create an organisational culture of staff empowerment and belonging that attract, develop and retain a motivated diverse workforce.

3. ***Ensure focus on vulnerable groups:***
   a. Conduct a comprehensive review of the National Policy on Gender Equity and Equality.
   b. Review child safeguarding interventions and practice to deliver improved outcomes.
   c. Continue to review and develop services delivered to older persons.
   d. Evaluate and restructure Community Development programmes and services.



Financial Statements
For the
Ministry of Community Affairs

31 December 2019

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Cayman Islands

Ministry of Community Affairs

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Ministry of Community Affairs in accordance with the provisions of the *Public Management and Finance Law (2018 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Law (2018 Revision)*.

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

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

The financial statements fairly present the financial position, financial performance and cash flows of the Ministry of Community Affairs for the financial year ended 31 December 2019.

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

(a) Completely and reliably reflect the financial transactions of Ministry of Community Affairs for the year ended 31 December 2019;
(b) fairly reflect the financial position as at 31 December 2019 and performance for the year ended 31 December 2019;
(c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board. Where guidance is not available, the financial statements comply with International Accounting Standards issued by the International Accounting Standards Committee or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

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

Teresa Echenique
Chief Officer
20 April 2020

Joel Burke
Chief Financial Officer
20 April 2020

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CAYMAN ISLANDS

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AUDITOR GENERAL'S REPORT

To Members of the Legislative Assembly and the Chief Officer of the Ministry of Community Affairs

Opinion

I have audited the financial statements of the Ministry of Community Affairs (the "Ministry"), which comprise the statement of financial position as at 31 December 2019 and the statement of financial performance, statement of changes in net worth and cash flow statement for year ended 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 29.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as at 31 December 2019 and its financial performance and its cash flows for the year ended 31 December 2019 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

I have undertaken the audit in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2018 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Sue Winspear, CPFA
Auditor General

20 April 2020
Cayman Islands

MINISTRY OF COMMUNITY AFFAIRS
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019
(Stated in Cayman Islands Dollars)

	Note	2019 Actual	2019 Budget	Variance	2018 Actual
Cash and cash equivalents	1	3,213,671	2,460,127	753,544	4,366,640
Trade and other receivables	2	3,545,354	2,114,425	1,430,929	2,110,604
Total Current Assets		**6,759,025**	**4,574,552**	**2,184,473**	**6,477,244**
Non -Current Assets					
Property, plant and equipment	3	2,889,366	8,448,500	(5,559,134)	2,448,167
Total Non-Current Assets		**2,889,366**	**8,448,500**	**(5,559,134)**	**2,448,167**
Total Assets		**9,648,391**	**13,023,052**	**(3,374,661)**	**8,925,411**
Current Liabilities					
Trade and other payables	4	504,751	365,123	139,628	461,038
Employee entitlements	5	231,011	27,500	203,511	184,021
Surplus payable	4	168,361	-	168,361	243,038
Total Current Liabilities		**904,123**	**392,623**	**511,500**	**888,097**
Net Assets		**8,744,268**	**12,630,429**	**(3,886,161)**	**8,037,314**
Net Worth					
Contributed capital		8,174,149	12,060,310	(3,886,161)	7,467,195
Revaluation surplus	3	570,119	570,119	-	570,119
Total Net Worth		**8,744,268**	**12,630,429**	**(3,886,161)**	**8,037,314**

The notes to the financial statements on pages 8 to 29 form part of these financial statements.

MINISTRY OF COMMUNITY AFFAIRS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2019
(Stated in Cayman Islands Dollars)

	Note	2019 Actual	2019 Original Budget	2019 Revised Budget	Variance	2018 Actual
Revenue						
Sale of goods and services	6	13,838,517	13,918,376	14,239,336	(400,819)	13,071,783
Donations and other revenue	6	96,661	60,000	60,000	36,661	70,285
Total Revenue		**13,935,178**	**13,978,376**	**14,299,336**	**(364,158)**	**13,142,068**
Expenses						
Personnel costs	7	11,806,100	12,031,322	12,180,782	(374,682)	11,032,182
Supplies and consumables	8	1,685,222	1,777,184	1,948,684	(263,462)	1,564,226
Depreciation	3	267,654	169,870	169,870	97,784	265,579
Loss on sale of assets		-	-	-	-	678
Gain on foreign exchange		(1,827)	-	-	(1,827)	(742)
Total Expenses		**13,757,149**	**13,978,376**	**14,299,336**	**(542,187)**	**12,861,923**
Surplus for the year		**178,029**	**-**	**-**	**178,029**	**280,145**

The notes to the financial statements on pages 8 to 29 form part of these financial statements.

MINISTRY OF COMMUNITY AFFAIRS
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 DECEMBER 2019
(Stated in Cayman Islands Dollars)

		Contributed Capital	Accumulated Surplus/ (Deficit)	Revaluation Surplus	Total Net Worth	Original Budget	Variance (Final Budget vs. Actual)
Balance at 1 January 2018		7,336,590	-	570,119	7,906,709	12,330,429	(4,423,720)
Equity investment from Cabinet		130,605	-	-	130,605	150,000	(19,395)
Prior year adjustments	3, 14	-	(37,107)	-	(37,107)	-	(37,107)
Surplus for the year 2018		-	280,145	-	280,145	-	280,145
Surplus payable for the year 2018		-	(243,038)	-	(243,038)	-	(243,038)
Balance at 31 December 2018		**7,467,195**	**-**	**570,119**	**8,037,314**	**12,480,429**	**(4,443,115)**

		Contributed Capital	Accumulated Surplus/ (Deficit)	Revaluation Surplus	Total Net Worth	Original Budget	Revised Budget	Variance (Revised Budget vs. Actual)
Balance at 1 January 2019		7,467,195	-	570,119	8,037,314	12,480,429	12,480,429	(4,443,115)
Equity investment from Cabinet		706,954	-	-	706,954	150,000	742,500	(35,546)
Prior year adjustments	3, 14	-	(9,668)	-	(9,668)	-	-	(9,668)
Surplus for the year 2019		-	178,029	-	178,029	-	-	178,029
Surplus payable for the year 2019		-	(168,361)	-	(168,361)	-	-	(168,361)
Balance at 31 December 2019		**8,174,149**	**-**	**570,119**	**8,744,268**	**12,630,429**	**13,222,929**	**(4,478,661)**

The notes to the financial statements on pages 8 to 29 form part of these financial statements.

MINISTRY OF COMMUNITY AFFAIRS
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019
(Stated in Cayman Islands Dollars)

	2019 Actual	2019 Original Budget	2019 Revised Budget	Variance	2018 Actual
CASH FLOWS FROM OPERATING ACTIVITIES					
Outputs to Cabinet	12,611,046	13,918,376	14,239,336	(1,628,290)	14,215,446
Other receipts	98,488	60,000	60,000	38,488	50,907
Personnel costs	(11,760,078)	(12,031,322)	(12,180,782)	420,704	(10,964,728)
Operating and other expenses	(1,668,145)	(1,777,184)	(1,948,684)	280,539	(1,460,683)
Net cash flows from operating activities	(718,689)	169,870	169,870	(888,559)	1,840,942
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	(703,381)	(150,000)	(742,500)	39,119	(173,708)
Proceeds from property, plant and equipment	-	-	-	-	-
Net cash flows from investing activities	(703,381)	(150,000)	(742,500)	39,119	(173,708)
CASH FLOWS FROM FINANCING ACTIVITIES					
Equity Investment	512,139	150,000	742,500	(230,361)	135,522
Surplus Repaid	(243,038)	-	-	(243,038)	(4,187,635)
Net cash flows from financing activities	269,101	150,000	742,500	(473,399)	(4,052,113)
Net decrease in cash and cash equivalents	(1,152,969)	169,870	169,870	(1,322,839)	(2,384,879)
Cash and cash equivalents at beginning of year/period	4,366,640	2,290,257	2,290,257	2,076,383	6,751,519
Cash and cash equivalents at end of year/period	**3,213,671**	**2,460,127**	**2,460,127**	**753,544**	**4,366,640**

The notes to the financial statements on pages 8 to 29 form part of these financial statements.

Description and principal activity

The Ministry of Community Affairs ("the Ministry") is a Government owned entity as defined by section 2 of the *Public Management and Finance Law (2018 Revision)* and it is domiciled in the Cayman Islands.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Ministry as defined in the Annual Plan and Estimates for the Government of the Cayman Islands for the financial year ended 31 December 2019.

Significant Accounting Policies

These financial statements are prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board 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 to all years and periods presented in these financial statements.

(a) Basis of preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The statements are rounded are rounded to the nearest thousand. Any discrepancies between totals and sums of components are due to rounding. The measurement base applied to these financial statements is the historical cost basis, unless otherwise stated. Buildings are stated at fair value.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2019 and not early adopted.

Certain new accounting standards have been published that are not mandatory for the 31 December 2019 reporting period and have not been early adopted by the Portfolio's assessments of the impact of these new standards are set out below.

(a) Basis of preparation (continued)

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

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

Reporting Period
The annual reporting period is for the twelve months ended 31 December 2019.

(b) Budget amounts

The original budget amounts for the year ended 31 December 2019 financial year are presented in the 2019 Annual Budget Statement and the amounts are rolled up into the Annual Plan and Estimates document which was presented to the Legislative Assembly.

The original budget is higher than the revised budget due the fact that Cabinet approved a supplementary funding under the provisions of section 11 of the Public Management and Finance Law (2018 Revision) (the "PMFL") in the amount of $90,000 to reallocate funds from the entity's budgeted output group HCA 28 to transfer payments and payments to non-government output suppliers (NGOs) under the Need Assessment Unit in order to cover anticipated expenditure for the remainder of the 2019 fiscal year.

The Cabinet of the Government, under an agreement established in the Annual Plan and Estimates (the "Plan"), agreed for the year ended 31 December 2019 to provide an Equity Investment (Appropriation named EI 54) of $150,000. During the fiscal year 2019, in accordance with section 12 of the Public Management and Finance Law (2018 Revision), the Ministry requested and was approved to increase the EI 54 Appropriation by $450,000 to address capital expenditure requirements of the Department of Children and Family Services.

(b) Budget amounts (continued)

Per the approved Cabinet Paper, the Ministry utilized $250,000 towards the completion of the new residential facility called Maples House Northward. The remaining $200,000 in approved funding was utilized to fit out the new department headquarters at Apollo House East, 87 Mary Street, to ensure that it was able to meet the department's requirements as the previous location was no longer fit for purpose.

The changes to the original budget are reflected in the revised budget and will be included in the next Supplementary Appropriation Bill introduced in the Legislative Assembly in 2020 to obtain approval for supplementary funding.

(c) Judgments and Estimates

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

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

(d) Changes in Accounting Estimates

There were no changes in accounting estimates.

(e) Revenue

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

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

(f) Expenses

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

Significant Accounting Policies (continued)

(g) Operating leases

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

(h) Cash and cash equivalents

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

(i) Prepayments

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

(j) Property, plant and equipment

Buildings and structures
Land, building and structures were revalued as at 30 June 2016 by in-house professionals with the exception of specialized buildings which were contracted to independent valuators and are stated at revalued amounts less accumulated depreciation. Property, plant and equipment other than land, building and structures is stated at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is 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.

When an item of property, plant, and equipment is 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. Leasehold improvements are depreciated either over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

(j) Property, plant and equipment (continued)

Asset Type	***Estimated Useful life***
• Buildings and structures	10 – 60 years
• Building fit-out (when accounted for separately)	5 – 25 years
• Leasehold Improvement	Over the unexpired period of lease or the useful life of the improvements
• Computer equipment	3 – 10 years
• Office equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 years
• Other equipment	5 – 20 years

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

Impairment
The assets' carrying value and useful lives are reviewed, and adjusted if appropriate, at the year end. Assets that are subject to depreciation 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.

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

(k) Employee benefits

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

Pension contributions for employees of the Ministry are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the "Board"). Contributions of 12% - employer 6% and employee 6% are made to the fund by the Ministry. Prior to 1 January 2000, the Board operated a defined benefit scheme. With effect from 1 January 2000, the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees.

(k) Employee benefits (continued)

Obligations for contribution to defined contribution retirement plans are recognised in the Statement of Financial Performance as they are earned by employees. Obligations for defined benefit retirement plans are reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

(l) Financial Instruments

The Ministry is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, trade and other receivables and trade payables, surplus payable and other payables, all of which are recognised 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 and trade and other receivables.

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

Recognition

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

Measurement

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

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

(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 virtually certain that the benefits will be realised.

(m) Contingent Liabilities and Assets (including guarantees) (continued)

De-recognition

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

(n) Foreign Currency

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

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

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

(o) Comparative figures

The presentation of the prior year financial statements has been changed to include comparison of actual amounts with the amounts in the budget. Comparative figures are restated to ensure consistency with the current period unless it is impractical to do so.

1. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank accounts in the name of the Ministry of Community Affairs maintained at Royal Bank of Canada. As at 31 December 2019 and 31 December 2018, the Ministry's unrestricted cash balances are presented below. There were no restricted cash balances held by the Ministry.

Cash and cash equivalents

	2019 Actual	2019 Original Budget	Variance	2018 Actual
Cash on hand	-	1,528	(1,528)	-
Bank accounts	3,213,671	2,458,599	755,072	4,366,640
	3,213,671	2,460,127	753,544	4,366,640

Explanation of major variance
The actual year-end cash balances were $753,544 above budget due mainly to higher accounts receivable due on Cabinet revenue collections. This resulted in higher cash flows from operating activities of $888,558 lower than budget. Personnel costs and supplies and consumables were also under budget relative to budgeted Cabinet revenue.

2. Trade receivables and other receivables

At year end, all overdue receivables were assessed and no provision for doubtful debts has been calculated as majority of the accounts receivable are from Cabinet and are fully expected to be received.

	2019 Actual	2019 Original Budget	Variance	2018 Actual
Outputs to Cabinet	3,318,392	2,114,425	1,203,967	2,090,921
Other	226,962	-	226,962	19,683
	3,545,354	2,114,425	1,430,929	2,110,604

Explanation of major variance
The net variance of $1,430,929 above budget resulted primarily due to the variance in outputs billed each month. The Ministry bills outputs to Cabinet based on the month the outputs were produced, which will create some variability in the monthly cabinet revenue and by extension, the ending accounts receivable balance at year end versus budget.

3. Property, plant and equipment

Cost	Plant and equipment	Buildings and Leaseholds	Furniture, Office and Other Equipment	Computers	Motor Vehicles	Boats	WIP Assets	Total	Original Budget	Revised Budget	Variance
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2019	**132**	**2,450**	**342**	**151**	**348**	**-**	**28**	**3,451**	**6,067**	**6,067**	**(2,616)**
Prior period adjustments	-	-	-	-	-	-	-	-	-	-	-
WIP Purchases	-	-	-	-	-	-	709	709	150	743	559
Additions	243	361	14	26	-	-	(644)	-	-	-	-
Disposals	(4)	-	(51)	(16)	(27)	-	-	(98)	-	-	(98)
Balance at 31 December 2019	**371**	**2,811**	**305**	**161**	**321**	**-**	**93**	**4,062**	**6,217**	**6,810**	**(2,155)**

Accumulated Depreciation	Plant and equipment	Buildings and Leaseholds	Furniture, Office and Other Equipment	Computers	Motor Vehicles	Boats	WIP Assets	Total	Original Budget	Revised Budget	Variance
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2019	**99**	**370**	**189**	**113**	**232**	**-**	**-**	**1,003**	**3,995**	**3,998**	**(2,992)**
Prior period adjustments	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	13	155	35	22	43	-	-	268	-	-	268
Eliminate on Disposal	(4)	-	(51)	(16)	(27)		-	(98)	-	-	(98)
Balance at 31 December 2019	**108**	**525**	**173**	**119**	**248**	**-**	**-**	**1,173**	**3,995**	**3,998**	**(2,822)**

Net Book Value 31 December 2019	**263**	**2,286**	**132**	**42**	**73**	**-**	**93**	**2,889**	**2,222**	**2,812**	**667**
Net Book Value 31 December 2018	**33**	**2,080**	**153**	**38**	**116**	**-**	**28**	**2,448**	**2,072**	**2,069**	**376**

3. Property, plant and equipment (continued)

Cost	Plant and equipment	Buildings and Leaseholds	Furniture, Office and Other Equipment	Computers	Motor Vehicles	Boats	WIP Assets	Total	Original Budget	Revised Budget	Variance
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2018	109	2,396	357	219	553	-	-	3,634	5,917	5,917	(2,283)
Prior period adjustments	-	-	-	-	-	-	-	-	-	-	-
WIP Purchases	-	-	-	-	-	-	158	158	150	150	8
Additions	23	54	29	24	-	-	(130)	-	-	-	-
Disposals	-	-	(44)	(92)	(205)	-	-	(341)	-	-	(341)
Balance at 31 December 2018	132	2,450	342	151	348	-	28	3,451	6,067	6,067	(2,616)

Accumulated Depreciation	Plant and equipment	Buildings and Leaseholds	Furniture, Office and Other Equipment	Computers	Motor Vehicles	Boats	WIP Assets	Total	Original Budget	Revised Budget	Variance
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2018	92	218	198	180	394	-	-	1,082	3,825	3,825	(2,743)
Prior period adjustments	-	-	-	(1)	(2)	-	-	(3)	-	-	(3)
Depreciation expense	7	152	35	26	45	-	-	265	170	163	95
Eliminate on Disposal	-	-	(44)	(92)	(205)	-	-	(341)	-	-	(341)
Balance at 31 December 2018	99	370	189	113	232	-	-	1,003	3,995	3,988	(2,992)
Net Book Value 31 December 2018	33	2,080	153	38	116	-	28	2,448	2,072	2,079	376
Net Book Value 31 December 2017	17	2,178	159	39	159	-	-	2,552	2,092	2,092	460

3. Property, plant and equipment (continued)

Valuation methods
The valuations contained within this report have been prepared in accordance with the aforementioned Standards and the guidance notes provided by the Royal Institution of Chartered Surveyors. Particular regard should be paid to the following definitions and methodology having been adopted in the assessment of value:

- Fair Value (Market Value) defined in accordance with IFRS 13 Fair Value Measurement as follows: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

- Fair Value (Existing Use Value) extends the definition of Fair Value (Market Value) in "assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost."

- Specialised Assets: Specialised assets are those for which no market exists for the current use. Specialised assets are valued using the Depreciated Replacement Cost method (DRC valuation). The definition of 'Depreciated Replacement Cost', as contained under IPSAS 17, *Property Plant and Equipment*, is as follows:- "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."

Valuation assumptions
Plant and machinery has only been included in the valuation of building assets where this forms 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 practise.

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 the Cayman Islands, there is no tax on property save as to Stamp Duty which is ordinarily required to be paid by a purchaser.

3. Property, plant and equipment (continued)

Valuations of each 'specialised building' state their total asset value and the (depreciated) value of the respective building. Those with a depreciated building value greater than $0.5m 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 by the valuator. This is the period during which the building element is anticipated to have a future useful economic life for its existing purpose.

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

- Cayman Islands Government 2001 Asset Register
- Cayman Islands Government Land Registry Database
- Cayman Land Info 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 Cayman Land Info database. Any building floor measurement supplied has been obtained from one of the following sources:

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

4. Trade payables, other payables and surplus payable

	2019 Actual	2019 Original Budget	Variance	2018 Actual
Trade payables and accrued expenses	504,751	365,123	139,628	461,038
Surplus payable	168,361	-	168,361	243,038
	673,112	365,123	307,989	704,076

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

Explanation of major variance
The actual year-end trade payables were $307,989 above budget due mainly to an operating surplus of $178,029 not budgeted. A surplus was realised in the 2019 financial year due to savings in personnel costs, supplies and consumables. The surplus amount was booked as surplus payable to the Cayman Islands Government as at 31 December 2019.

Surplus payable
The balance of surplus payable at 31 December 2019 and movement during the year then ended are as follows:

	2019 Actual	2018 Actual
Beginning balance	243,038	4,187,636
Add: Surplus during the year	178,029	280,145
Add: Prior year adjustment	(9,668)	(37,107)
Total	411,399	4,430,674
Less: Repayments during the year	(243,038)	(4,187,636)
Surplus payable year end	168,361	243,038

Under the *Public Management and Finance Law (2018 Revision)* section 39(3)(f), the Ministry may "retain such part of its net operating surplus as is determined by the Minister of Finance." The Minister of Finance has not confirmed whether the Ministry can retain surplus achieved during the year.

5. Employee entitlements

	2019 Actual	2019 Original Budget	Variance	2018 Actual
Annual leave	196,365	27,500	168,865	153,608
Comp Time	34,646	-	34,646	30,413
Total	231,011	27,500	203,511	184,021

Explanation of major variance

Employee annual leave entitlement was $168,865 higher than budget due mainly to the inherent nature of employee leave time taken, which will vary throughout the fiscal year and between fiscal years as it is difficult to project exactly when employees will take annual leave. Comp Time due to employees is $34,646 higher than budget due to the inherent nature of how comp time is earned, it is difficult to project the year end liability.

6. Revenue

	2019 Actual	2019 Original Budget	2019 Revised Budget	Variance	2018 Actual
Revenue from Cabinet	13,838,517	13,918,376	14,239,336	(400,819)	13,071,783
Revenue from Third Parties	96,661	60,000	60,000	36,661	70,285
Total	13,935,178	13,978,376	14,299,336	(364,158)	13,142,068

Explanation of major variance

Revenue from Cabinet is $400,819 below budget due to slightly lower than expected actual outputs produced under the expected measures. Revenue from third parties was $36,661 higher than budget due to a slight increase in donations received over expectations.

7. Personnel costs

	2019 Actual	2019 Original Budget	2019 Revised Budget	Variance	2018 Actual
Salaries, wages and allowances	8,415,175	8,752,289	8,659,449	(244,274)	8,030,572
Health care costs	2,370,468	2,234,152	2,477,394	(106,926)	1,977,361
Pension costs	963,563	1,032,638	1,031,696	(68,133)	935,485
Other Personnel related costs	56,894	12,241	12,241	44,653	88,764
	11,806,100	12,031,320	12,180,780	(374,680)	11,032,182

Explanation of major variance

Personnel costs were $374,680 below budget due mainly from managed vacancies and some unforeseen delay in recruiting budgeted vacant posts.

8. Supplies and consumables

	2019 Actual	2019 Original Budget	2019 Revised Budget	Variance	2018 Actual
Utilities	336,475	359,410	359,410	(22,935)	325,606
Lease of Property and Equipment	384,079	487,579	487,579	(103,500)	350,079
Purchase of services	525,640	457,743	629,243	(103,603)	484,810
Supplies and materials	305,887	343,877	343,877	(37,990)	292,139
Repairs and maintenance	28,171	33,740	33,740	(5,569)	18,310
Other Supplies and consumables	14,753	12,835	12,835	1,918	14,133
Travelling and Subsistence	90,217	82,000	82,000	8,217	79,149
	1,685,222	1,777,184	1,948,684	(263,462)	1,564,226

Explanation of major variance
Operating expenses were $263,462 below budget primarily to a budgeted new lease for 2019 for the Department of Children and Family Services being deferred until January 2020, an increase in outsourced services and due to lower than expected expenditure in utilities and supplies and materials.

9. Finance costs (Bank Overdraft)

The Ministry did not incur any finance costs during the year as it did not utilize any loan or financing facilities.

10. Financial Risk Management

The Ministry is exposed to a variety of financial risks including credit risk and liquidity risk. The Ministry's risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of up to date and reliable information systems. These risks are managed within the parameters established by the *Financial Regulations (2018 Revision).*

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

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

10. Financial Risk Management (continued)

The Ministry is also exposed to a significant concentration of credit risk in relation to accounts receivables, most of which are due from Cabinet. No credit limits have been established. As at 31 December 2019, no provision for doubtful debts has been made as none of these assets are anticipated to be impaired and management considers these debts to be recoverable in full.

Notwithstanding the concentration risk in relation to accounts receivables, management does not consider the Ministry to be exposed to significant credit risk as it has a single major counter-party (Cabinet) and has had no past experience of any significant default or loss.

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

Liquidity Risk
Liquidity risk is the risk that the Ministry is unable to meet its payment obligations associated with its financial liabilities when they are due. The ability of the Ministry to meet its debts and obligations is dependent upon its ability to collect the debts outstanding to the Ministry in a timely basis.

Management manages liquidity risk through monitoring cash flows from debtors, maximizing day's credit taken from suppliers and if the circumstances required it to obtain funding from Cabinet to temporarily fund any shortfalls. As at 31 December 2019, all of the financial liabilities were due within three months of the year end dates.

Financial Instruments – Fair Values
As at 31 December 2019, the forecasted carrying value of cash and cash equivalents, trade receivable, accounts payable, employee entitlements and surplus payable approximate their fair values due to their relative short-term maturities. Fair values estimates are made at a specific point in time, based on market conditions and the information about the financial instrument. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

11. Contingent liabilities

There were no contingent liabilities reported for the Ministry for the year ended 31 December 2019.

12. Commitments

The Ministry has accommodation leases for the premises it occupies at the Apollo House and Aqua Mall. The annual leases range from 1 year to 5 years. All the amounts disclosed on the above leased sites are future commitments based on the current rental rates.

	2019			
Type	**One year or less**	**One to five Years**	**Over five Years**	**Total**
Capital Commitments				
Non-cancellable accommodation leases	393,369	1,686,011	27,661	2,107,041
Total Commitments	393,369	1,686,011	27,661	2,107,041

	2019			
Type	**One year or less**	**One to five Years**	**Over five Years**	**Total**
Capital Commitments				
Non-cancellable accommodation leases	393,369	1,686,011	27,661	2,107,042
Total Commitments	393,369	1,686,011	27,661	2,107,042

	2018			
Type	**One year or less**	**One to five Years**	**Over five Years**	**Total**
Capital Commitments				
Non-cancellable accommodation leases	186,843	17,263	-	204,106
Total Commitments	186,843	17,263	-	204,106

13. Related party and key management personnel disclosures

Related party disclosure

The Ministry is a wholly-owned entity of the government from which it derives a major source of its revenue. The Ministry and its key management personnel transact with other government entities on a regular basis. All transactions were provided free of cost during the financial year ended 31 December 2019 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Description	2019 Actual	2018 Actual
Salaries and other benefits	787,925	781,993
Number of persons	6	6

Key Management Personnel

Key management personnel are defined to include Ministers of the Government, Chief Officer, Deputy Chief Officer, Chief Financial Officer, Chief Human Resources Officer and the Heads of each Department. No loans were offered to key management or their relatives during the year. The Minister's salaries and other benefits were paid through the Deputy Governor's Office and excluded from this Ministry's expenses. All other key management personnel were paid for directly by the Ministry.

14. Prior period adjustments – Net worth

Prior year adjustments to Net worth during the year primarily consist of the following items:-

- Prior year deprecation on assets with a date placed in service prior to the start of year ended 31 December 2019.
- Purchase Orders pertaining to prior years being closed within the 2019 financial year.

15. Significant events occurring during reporting period

No significant events occurred during the reporting period.

16. Segment reporting

The segments identified in accordance with IPSAS 18 are as follows:

General Nature of Activities

Administration

- Provide policy advice and administrative support to the Hon. Minister
- Ensure adequate emergency response capacity
- Provide advice, governance and monitor the performance of Boards, Government Companies, and Tribunals under the Ministry
- Provide collaboration with key stakeholders on social issues
- Develop legislation of matters concerning the subjects under the Ministry

The Department of Children and Family Services

- The Department of Children and Family Services protects and promotes the rights and welfare of children and families through the use of preventative interventions, education, advocacy and community based programmes that serve to strengthen family bonds and build stronger communities. This is accomplished through the provision of social service to the people of the Cayman Islands including social work services, services to the general adult population, and the elderly and disabled, foster care and adoption services, and the placement of vulnerable children in residential homes.
- Provide social inquiry reports to the Summary and Grand Courts on matters pertaining to care and protection, custody, means assessments and juvenile criminal reports.

Needs Assessment Unit

- The Needs Assessment Unit exists to assess citizens that are unable to financially support their families or themselves due to disability, underemployment, hardship, unemployment or other similar reasons.
- This is accomplished through the provision of financial assistance to the people of the Cayman Islands.

16. Segment reporting (continued)

	Ministry Administration	Department of Children and Family Services	Needs Assessment Unit	Total
	2019	2019	2019	2019
Revenue				
Sale of goods and services	1,625,865	9,773,456	2,439,196	13,838,517
Donations and other revenue	50	96,611	-	96,661
Donations and other revenue	1,625,915	9,870,067	2,439,196	13,935,178
Expenses				
Personnel costs	1,323,263	8,597,569	1,885,268	11,806,100
Supplies and Consumables	187,583	1,162,832	334,807	1,685,222
Depreciation	14,051	221,343	32,260	267,654
Total Expenses	1,524,897	9,981,744	2,252,335	13,758,976
(Gain)/loss on sale of assets	-	-	-	-
(Gain)/loss on foreign exchange	(1,827)	-	-	(1,827)
Surplus/(Deficit) for the year	102,845	(111,677)	186,861	178,029
Current assets	3,585,214	2,542,780	631,031	6,759,025
Property, plant and equipment	51,823	2,617,452	220,091	2,889,366
Total assets	3,637,037	5,160,232	851,122	9,648,391
Current liabilities	395,203	447,459	61,461	904,123
Total liabilities	395,203	447,459	61,461	904,123
Net worth	3,241,834	4,712,773	789,661	8,744,268
Capital expenditure	1,372	673,113	27,067	701,552

16. Segment reporting (continued)

	Ministry Administration	Department of Children and Family Services	Needs Assessment Unit	Total
	2018	2018	2018	2018
Revenue				
Sale of goods and services	1,608,593	8,969,255	2,493,935	13,071,783
Donations and other revenue	-	70,285	-	70,285
Donations and other revenue	1,608,593	9,039,540	2,493,935	13,142,068
Expenses				
Personnel costs	1,288,927	7,825,414	1,917,841	11,032,182
Supplies and Consumables	202,098	1,079,382	282,746	1,564,226
Depreciation	15,350	216,405	33,824	265,579
Total Expenses	1,506,375	9,121,201	2,234,411	12,861,987
(Gain)/loss on sale of assets	-	-	678	678
(Gain)/loss on foreign exchange	(742)	-	-	(742)
Surplus/(Deficit) for the year	102,960	(81,661)	258,846	280,145
Current assets	4,569,278	1,736,618	171,348	6,477,244
Property, plant and equipment	64,502	2,158,382	225,283	2,448,167
Total assets	4,633,780	3,895,000	396,631	8,925,411
Current liabilities	484,401	353,186	50,510	888,097
Total liabilities	484,401	353,186	50,510	888,097
Net worth	4,149,379	3,541,814	346,121	8,037,314
Capital expenditure	6,339	137,774	13,609	157,722

17. Subsequent events

Effective January 1, 2020, the Gender Affairs Unit, previously under the Ministry Administration department became its own separate unit.

In December 2019, a novel strain of coronavirus was reported to have surfaced in China. The global efforts to contain the spread of the coronavirus began to cause significant disruption in the global and local economies from January 2020 to date. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Entity expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

18. Going concern

As explained in Note 17, the coronavirus outbreak has caused significant disruption in both global and local economies. However, on the basis of management assessment and forecasts, management believes that the risk that the Entity would not be able to meet its obligation as they become due is low and that the Entity will continue as a going concern for the foreseeable future.