

Annual Report

of

The Cabinet Office

For the Year Ended 30 June 2005

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1. Overview of Performance for the Year

Introduction

This annual report details the performance of the Cabinet Office for the fiscal year ending 30 June 2005.

It includes information about outputs actually delivered during the year as compared to the planned performance documented in the Annual Budget Statement for the Cabinet Office for 2004/5, as amended through the supplementary appropriation process.

It also reports those aspects of ownership performance that were contained in the Annual Budget Statement for 2004/5 as amended through the supplementary appropriation process.

Summary of Performance

Output Performance

The delivery of outputs for 2004-05 by the Cabinet Office has been dominated by the aftermath of Hurricane Ivan. The inclusion of outputs for the coordination of the recovery, the removal and processing of debris and the coordination of temporary housing fundamentally changed the activities of the entity.

These post-Ivan outputs were delivered in line with the requirements of Cabinet; however, to a certain extent this was at the expense of the outputs 1-8 which were delivered in a variable pattern depending on the requirements of the Ivan recovery.

Ownership Performance

As with the output performance, the ownership performance was dominated by the recovery from Hurricane Ivan. The additional outputs undertaken by the Cabinet Office required a significant increase in the working capital, and in cash flows that were an order of magnitude higher than would normally be expected.

Due to timing differences in the processing of debris (as opposed to its removal) a reasonable surplus was generated in the year; however, that is required in 2005-06 to process the debris collected. This has also contributed to the above average cash and capital employed at the year end.



CABINET OFFICE

CERTIFICATE OF THE AUDITOR GENERAL

To the Cabinet Secretary and the Members of the

Legislative Assembly of the Cayman Islands

A Report on the Statement of Outputs Delivered

I have audited the accompanying Statement of Outputs Delivered of the Cabinet Office for the year ended 30 June 2005 as set out on pages 11 to 22 in accordance with the provisions of Section 44(3) of the Public Management and Finance Law (2005 Revision). The Statement consists of the following eleven outputs, which are consolidated into five output groups:

- CAB 1 - Policy Advice and Coordination
- CAB 2 - Coordinating and Monitoring Policy Implementation
- CAB 3 - Public Communications of Policy Initiatives
- CAB 4 - Administrative Support for Cabinet
- CAB 5 - Gazetting of Regulations and Official Notices
- CAB 6 - Administrative and Secretarial Support for the Processing of Appeals
- CAB 7 - Preparation of Tax Undertaking Certificates
- CAB 8 - Ministerial Servicing for the Leader of Government Business
- CAB 9 - Co-ordination of National Recovery
- CAB 10 - Hurricane Debris Removal
- CAB 11 - Co-ordination of Temporary Housing

The Cabinet Office's five output groups are CBO 1 - Co-ordination of Government Policy, CBO 2 - Cabinet Support and Servicing, CBO 3 - Ministerial Servicing for the Leader of Government Business, CBO 4 - Hurricane Debris Removal and CBO 5 - Co-ordination of Temporary Housing.

Management's Responsibility for the Statement of Outputs Delivered

Management is responsible for the preparation and fair representation of the Statement of Outputs Delivered in accordance with section 44(2) of the Public Management and Finance Law (2005 Revision). This responsibility includes: designing, implementing and

maintaining internal controls relevant to the preparation and fair presentation of the Statement of Outputs Delivered that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria and measures to the outputs delivered. Management is required to present the following performance indicators for the Cabinet Office, for each output, for the year ended 30 June 2005:

1. A description of the outputs delivered;
2. The quantity of the output delivered;
3. The quality of the output delivered;
4. The delivery dates for the output delivered;
5. The place of delivery of the output delivered;
6. The price paid for the output delivered compared to the budgeted cost for each output as approved in the "Budget 2004/05".

Auditor's Responsibility for the Statement of Outputs Delivered

My responsibility is to express an opinion on the Statement of Outputs Delivered based on our audit. We conducted our audit in accordance with International Standards on Assurance Engagements 3000: *Assurance Engagements Other Than Audits of Historical Financial Information.* Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Statement of Outputs Delivered is free from material misstatement.

Our audit of the Statement of Outputs Delivered was planned and performed to obtain all information and explanations we considered necessary to form an opinion based on a reasonable level of assurance. Our audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures included in the Statements and making enquiries of key members of management and the staff of the Portfolio.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Overall Scope Limitations

The parameters included for each of the output measures included in these statements have been provided to me by the Cabinet Secretary and are solely his responsibility. I do not accept responsibility for the determination of these parameters as the basis of measure for each of the outputs, or for their appropriateness or relevance. Nor do I accept responsibility for the accuracy of the information contained in the "Description" field of each statement or the "Explanation of Variances" commentary following each Statement. The information as documented included therein has been determined by the Cabinet Secretary's management in their best judgment and as such its accuracy and relevance are solely their responsibility.

Basis for Qualified Opinion for the Statement of Output Delivered:

1. Unavailable evidence

I was not presented with sufficient information in the output statement relating to quantity, quality and timeliness as detailed in Appendix A of this report. Because of this insufficiency of evidence available to me, I was unable to form an opinion as to whether the Statement of Outputs Delivered is fairly presented in all material respects.

2 Unappropriated Expenditure

Funds were expended without proper approval from the Legislative Assembly. This is in contravention of the Public Management and Finance Law (2005 Revision) section 9 (4). The Statement of Unappropriated Expenditure indicates $2,367,017 was incurred in excess of the Appropriation and Supplementary Laws for 2005 for two output groups CBO 3 and CBO 4. Additionally, the cost allocation system has some noted unreliability that will negatively affect the actual figures stated in the Statement of Unappropriated Expenditure and may affect the level of misstatement in this area. Thus, I cannot ascertain whether the $2,367,017 in excess of the original appropriation, including supplementary, is fairly stated.

3 Errors in the mass allocation system

Approximately 22% of the hours employees worked were not included in the Statistical Ledger, resulting in a material misstatement of $73,400 to the mass allocation process and by extension the allocation of cost from indirect to the relevant outputs.

Qualified Opinion for the Statement of Outputs Delivered

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the accuracy of the information relating to quantity, quality and timeliness as detailed in Appendix A; unappropriated expenditure of $2,367,017 and errors in the mass allocation of $73,400, the Statement of Outputs Delivered presents fairly, in all material respects, the outputs delivered for the Cabinet Office as of 30 June 2005.

B Report on the Financial Statements:

I have audited the accompanying financial statements for the Cabinet Office, which comprise the balance sheet as at 30 June 2005 and the operating statement, statement of changes in net worth and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 31 to 44 in accordance with the provisions of Section 44(3) of the Public Management and Finance Law (2005 Revision).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair representation of these financial statements in accordance with International Public Sector Accounting Standards. This

responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility for the Financial Statements

My responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing and opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion for the Financial Statements

I was unable to obtain a fixed assets register that properly reflected the fixed assets in the Cabinet Office's custody as at the 30 June 2005. It was observed that the recorded Net Book Value of the fixed assets was 50% less than the register presented, notwithstanding that a fixed assets count was performed at the end of the year, this information was not updated to the client's system.

I was unable to obtain sufficient appropriate audit evidence to support payments totalling $688,310 for hurricane debris removal made to the company contracted to carry out the work. Payments totalling $1,474,009 was not recorded.

There were several instances where I noted that the rates for unit costs paid to the company differed from the rates stated in the original contract, whilst labour and security costs totalling $2,154,921 was paid to the company but was not provided for in the original contract. The quantities of two of the services under the terms of the contract (load and haul and processing) were both exceeded.

I was not provided with an updated or amended contract to support the additional payments made. In addition to this I did not receive the contract to support payments of $2,479,563 made to the project manager. Therefore I was unable to determine the accuracy of the

payments made and whether work performed was within the terms of reference of the contract.

I also noted payments of $1,377,378 made to another government ministry for hurricane clean up in a district that for which no supporting documents or authorization was provided.

Qualified Opinion for the Financial Statements

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the accuracy and proper authorization of the payments made to the company contracted to carry out hurricane debris removal and payments to the project manager, the financial statements present fairly, in all material respects, the financial position of the Cabinet Office as of 30 June 2005, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Dan Duguay, MBA, FCGA
Auditor General

Cayman Islands
05 May 2008

Appendix A

	Description	Quantity	Quality	Timeliness	Location
CAB 1	Policy Advice and Co-ordination:	3 of the 4 outputs were not assessed by the Cabinet Office. The one output assessed was not fairly stated.	Actual measures were not presented by the Cabinet Office at the time of the review.	Actual measures were not presented by the Cabinet Office at the time of the review.	Fairly stated
CAB 2	Co-ordinating and Monitoring Policy Implementation:	1 of the 2 outputs was not assessed by the Cabinet Office. The one output assessed was fairly stated.	Actual measures were not presented by the Cabinet Office at the time of the review.	Actual measures were not presented by the Cabinet Office at the time of the review.	Fairly stated
CAB 3	Public Communications of Policy Initiatives:	1 of the 2 outputs was not assessed by the Cabinet Office. The one output assessed was fairly stated.	Actual measures were not presented by the Cabinet Office at the time of the review.	Actual measures were not presented by the Cabinet Office at the time of the review.	Fairly stated
CAB 4	Administrative Support for Cabinet:	3 of the 6 outputs were not assessed by the Cabinet Office. 2 of the outputs assessed were fairly stated, while one was not fairly stated.	3 of the 6 outputs were not measurable. 1 output was not assessed by the client. 2 were fairly stated.	3 of the six outputs were not fairly stated. 3 of the six outputs were fairly stated.	Fairly stated
CAB 5	Gazetting of Regulations and Official Notices:	*Not fairly stated – actual as reported does not agree with audit's actual.*	*Not fairly stated*	*Not fairly stated*	Fairly stated

	Description	Quantity	Quality	Timeliness	Location
CAB 6	Administrative and Secretarial Support for the Processing of Appeals	*Not fairly stated – actual as reported does not agree with audit's actual.*	1 of the 2 measures not fairly stated. The other measure was not measurable	Actual measures were presented but could not be assessed as a record was not maintained to enable it's assessment	Fairly stated
CAB 7	Preparation of Tax Undertaking Certificates	Fairly stated	Fairly stated	*Not fairly stated*	Fairly stated
CAB 8	Ministerial Servicing for the Leader of Government Business	4 of the 5 outputs were not assessed by the Cabinet Office. The 1 output assessed was not fairly stated.	Measure not assessed by client	Measure not assessed by client.	Fairly stated
CAB 9	Co-ordination of National Recovery	*Not fairly stated – actual as reported does not agree with audit's actual.*	No written guidelines were given to the Audit Office, thus, the 100% as reported could not be verified.	Timeframe extended beyond those established in the Budget (October2004– January 2005). Thus, the reported 100% is overstated.	Fairly stated
CAB 10	Hurricane Debris Removal	1 of the 5 outputs was not assessed by the Cabinet Office. The 4 assessed outputs were not fairly stated.	Actual measures were not presented by the Cabinet Office at the time of the review.	Timeframe extended beyond those established in the Budget (October 2004– January 2005). Thus, the reported 100% is overstated.	Fairly stated

	Description	Quantity	Quality	Timeliness	Location
CAB 11	Co-ordination of Temporary Housing	1 of the 2 outputs was not assessed by the Cabinet Office. The 1 output assessed was fairly stated	Client was not responsible for carrying out 1 of the output although it was a part of their output. The other output was fairly stated.	Fairly stated	Fairly stated

Part A

Outputs Delivered During the Year

2. Statement of Outputs Delivered

CAB 1	Policy Advice and Coordination

Description

Development of policy proposals of Cabinet and the Leader of Government Business and the coordination of policy development between Ministries/Portfolios and other Government Sector Agencies.

Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Number of pieces of advice prepared	36	35 – 60	0
• Number of briefings	NA	10 - 35	(10)
• Number of Legislative drafting instructions examined	NA	4 – 22	(4)
• Number of policy initiatives reviewed	NA	4 - 14	(4)
Quality			
• Advice to Government agencies ensures the alignment of proposed polices with Government's and Related Specific Outcomes	95 - 100%	95 - 100%	0
• Legislative drafting and policy initiatives are reviewed by senior personnel	97 - 100%	97 - 100%	0
Timeliness			
• Legislation and activity proposals examined within 4 weeks	90 -100%	90 -100%	0
• Advice on proposed legislation and activities offered within 2 weeks	90 -100%	90 -100%	0
Location			
Grand Cayman	100%	100%	0
Cost (of producing the output)	$137,711	$150,150	($12,439)
Price (paid by Cabinet for the output)	$187,124	$150,150	$36,974

Explanation of Annual Variances:
Some information not available.

CAB 2	Coordinating and Monitoring Policy Implementation

Description

Coordinating and monitoring the implementation of policy initiatives by Ministries and Portfolios.

Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Number of hours spent coordinating and monitoring policy implementation	484	450 – 600	0
• Number of policy implementation reports prepared	NA	5 – 20	(5)
Quality			
• Coordinating and monitoring avoids the duplication of activity and promotes synergy in areas of common responsibility	80 - 100%	80 - 100%	0
• Reports are prepared accurately, properly researched and are signed off by Cabinet Secretary	98 - 100%	98 - 100%	0
Timeliness			
• Monitoring is conducted on an on-going basis	100%	100%	0
• Reports arising from monitoring are provided monthly	80 - 100%	80 - 100%	0
Location			
Grand Cayman	100%	100%	0
Cost (of producing the output)	$66,757	$192,390	($125,633)
Price (paid by Cabinet for the output)	$192,390	$192,390	$0

Explanation of Annual Variances:
Some information not available.

CAB 3	Public Communications of Policy Initiatives

Description

Coordinating public information and communications strategies of the Government relating to policy initiatives.

Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Number of press releases prepared	NA	5 -15	(5)
• Number of hours spent on coordinating communications	5	30 - 100	(25)
Quality			
• Press releases contained accurate information and relates to policy initiatives	95 - 100%	95 - 100%	0
Timeliness			
• Press releases issued with three working days of request	90 – 100%	90 – 100%	0
Location			
Grand Cayman	100%	100%	0
Cost (of producing the output)	$18,694	$44,925	($26,231)
Price (paid by Cabinet for the output)	$7,951	$44,925	($36,974)

Explanation of Annual Variances:

Some information not available.

CAB 4	Administrative Support for Cabinet

Description

Administrative support to Cabinet involving:

- Prepare and Circulate Cabinet Agenda and Minutes to Members and Ministers
- Prepare and Circulate Cabinet Extracts to Members and Permanent Secretaries
- Arranging and preparing secretarial support for Cabinet meetings and subcommittees
- Advising on procedures Re: Conduct of Cabinet meetings
- Briefing the Cabinet
- Preparing and Maintaining Code of Conduct for Ministers and Business Guide for Cabinet

Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Number of Agenda prepared and circulated	129	75 – 90	39
• Number of Minutes prepared and circulated	52	60 – 100	(8)
• Number of Extracts prepared and circulated	1,763	1,500 – 2,000	0
• Number of Codes of Conduct prepared & maintained	NA	1	(1)
• Number of Cabinet Briefings conducted	NA	40 – 50	(40)
• Number of pieces of advice prepared	NA	6 - 12	(6)
Quality			
• All Agendas, minutes and extracts are prepared in concordance with the Guidelines to the Operation of Cabinet	100%	100%	0
• Agendas signed by the Clerk to the Cabinet or Acting Clerk	100%	100%	0
• Minutes signed by the Governor or Acting Governor	100%	100%	0
• Briefings conducted by qualified and experienced personnel	100%	100%	0
• Advice provided is well researched, accurate, current and relevant	100%	100%	0
Timeliness			
• Agendas Circulated at least 2 working days prior to meetings	90 - 100%	90 - 100%	0
• Minutes Circulated at most 3 working day after meeting	90 - 100%	90 - 100%	0
• Extracts Issued at most 2 working days after confirmation of Minutes	90 - 100%	90 - 100%	0
• Meetings, briefings and advice provided within the time frame agreed upon	90 - 100%	90 - 100%	0
Location			
Grand Cayman	100%	100%	0
Cost (of producing the output)	$290,575	$323,775	($33,200)
Price (paid by Cabinet for the output)	$342,361	$323,775	$18,586

Explanation of Annual Variances:

Some information not available.

CAB 5	Gazetting of Regulations and Official Notices

Description

Authorise gazettal of Regulations, Orders, Notice of Appointments and Road Declarations

Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Number of Advice Memos re: gazetting of regulations and orders	10	8 – 20	0
• Number of Advice Memos re: gazetting of Notice of Appointments and Road Declarations	41	40 - 60	0
Quality			
• Thoroughly checked before being signed by Clerk or other Senior Designated Officer	100%	100%	0
Timeliness			
• Memos issued up to 2 working days after confirmation of minutes	90 - 100%	90 - 100%	0
Location			
Grand Cayman	100%	100%	0
Cost (of producing the output)	$32,280	$3,338	$28,942
Price (paid by Cabinet for the output)	$3,338	$3,338	$0

Explanation of Annual Variances:

Some information not available.

CAB 6	Administrative and Secretarial Support for the Processing of Appeals

Description

Support for the Processing of appeals on behalf of Cabinet involving work permits, Caymanian status and permanent residence

Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Number of meetings supported and attended	13	20 - 28	(7)
Quality			
• Minutes issued are an accurate account of the meeting – signed by the chair of the meeting	95 - 100%	95 - 100%	0
• Appeals are processed in accordance with Immigration Laws and regulations	100%	100%	0
Timeliness			
• Minutes issued up to 3 working days after meeting to the chair of the meeting	90 - 100%	90 - 100%	0
Location			
Grand Cayman	100%	100%	0
Cost (of producing the output)	$43,254	$92,931	($49,677)
Price (paid by Cabinet for the output)	$74,345	$92,931	($18,586)

Explanation of Annual Variances:

Quantity based on number of meetings scheduled, therefore under delivery of this measure reflects the number of meetings.

CAB 7	Preparation of Tax Undertaking Certificates

Description

Preparation and Distribution of:

- Tax Undertaking Certificates for Exempted Companies, Trusts and Limited Partnerships
- Licenses issued under the Banks and Trust, Insurance, Mutual Funds and Company Management Laws, and Section 80 of the Companies Law

Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Number of Tax Undertaking Certificates issued	7,906	5,800 – 6,400	1,506
• Number of Licenses issued under Section 80 of the Company Law	9	200 – 240	(191)
Quality			
• Tax undertaking certificates and licenses processed in accordance with the relevant Law and checked and signed by Clerk to the Cabinet or Deputy	100%	100%	0
Timeliness			
• Tax Undertaking Certificates issued 2 – 3 weeks from receipt or application	90 - 100%	90 - 100%	0
• Licenses issued up to 2 working days after confirmation of minutes	90 - 100%	90 - 100%	0
Location			
Grand Cayman	100%	100%	0
Cost (of producing the output)	$112,738	$138,099	($25,361)
Price (paid by Cabinet for the output)	$138,099	$138,099	$0

Explanation of Annual Variances:

Over delivery of Tax undertaking certificates offset by under delivery of Section 80 of the Company law.

CAB 8	Ministerial Servicing for the Leader of Government Business

Description

Provision of support services to the Leader of Government Business including:

- Ministerial Briefings
- Responses to Parliamentary Questions
- Preparation of Speeches and Presentations
- Secretarial Services

Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Number of Ministerial Briefings	NA	2-10	(2)
• Number of Responses to Parliamentary Questions	NA	1-5	(1)
• Number of Speaking Notes	NA	5-10	(5)
• Number of hours for miscellaneous ministerial support	NA	1,000 – 2,000	(1,000)
• Number of hours of secretarial support	745	1,000 – 2,000	(255)
Quality			
• Ministerial Briefings Responses to Parliamentary Questions and Notes are prepared accurately, using robust data and analytical and appropriate methods to support findings and recommendations	95% - 100%	95% - 100%	0
• All are subject to peer review and signed off/delivered by the Cabinet Secretary or other senior personnel	90 - 100%	90 - 100%	0
Timeliness			
• Ministerial Briefings Responses and Notes are delivered by target dates	95% -100%	95% -100%	0
• Responses to Parliamentary Questions are prepared within the timeframe set by the Leader of Government Business	95% - 100%	95% - 100%	0
Location			
Grand Cayman	100%	100%	
Cost (of producing the output)	$165,200	$185,427	($20,227)
Price (paid by Cabinet for the output)	$68,188	$185,427	($117,239)

Explanation of Annual Variances:

Some information not available.

CAB 9	Co-ordination of National Recovery

Description

Co-ordination of Hurricane Ivan Recovery activity undertaken by the Government agencies

Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Number of days of co-ordination	273	100	173
Quality			
• Recovery activity prioritized and completed in accordance with priorities established by Cabinet.	100%	100%	0
Timeliness			
• October – January 2004	100%*	100%	0
Location			
Grand Cayman	100%	100%	0
Cost (of producing the output)	$1,700,183	$2,183,700	($483,517)
Price (paid by Cabinet for the output)	$2,183,700	$2,183,700	$0

Explanation of Annual Variances:

* The Cabinet Office was heavily involved in the recovery effort up to (and beyond) June 2005.

CAB 10	Hurricane Debris Removal

Description

Removal and processing debris generated from Hurricane Ivan including:

- Removal of debris
- Management and disposal of debris
- Screening and reclamation of sand
- Removal and recovery of freon from domestic appliances
- Collection and processing of derelict vehicles

Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Cubic yards of debris removed (thousands)	442*	450 – 550	(8)
• Cubic yards of debris managed and processed (thousands)	418	450 – 550	(32)
• Cubic yards of sand screened (thousands)	28	150 – 200	(122)
• Number of appliances recovered and processed containing freon	0	0	0
• Number of vehicles collected and processed	3,748	3500- 4000	0
Quality			
• Recovery activity prioritised and completed in accordance with priorities established by Cabinet.	100%	100%	0
Timeliness			
• November – June 2005	Nov-Jun 05	Nov–Jun 05	0
Location			
Grand Cayman	100%	100%	0
Cost (of producing the output)	$13,675,335	$15,950,000	($2,274,665)
Price (paid by Cabinet for the output)	$13,447,415	$15,950,000	($2,502,585)

Explanation of Annual Variances:

Notes:
* Additional debris was removed under the auspices of the Ministry of Tourism; however, no data as to the quantity.

CAB 11	Co-ordination of Temporary Housing

Description

Sourcing temporary housing solutions and issuing of permits for temporary housing units

Measures	Annual Actual	Annual Budget	Annual Variance
Quantity			
• Number of temporary housing units sourced	84	75 – 200	0
• Number of permits to import temporary housing issued	NA	110 - 300	(110)
Quality			
• Housing activity prioritised and completed in accordance with priorities established by Cabinet.	100%	100%	0
Timeliness			
• December 2004– June 2005	100%	100%	0
Location			
Grand Cayman	100%	100%	0
Cost (of producing the output)	$411,630	$1,100,000	$688,370
Price (paid by Cabinet for the output)	$1,100,000	$1,100,000	$0

Explanation of Annual Variances:

Part B

Ownership Performance Achieved During the Year

3 Nature and Scope of Activities

Approved Nature and Scope of Activities

General Nature of Activities

Providing technical and administrative support for Leader of Government Business and the Cabinet, the coordination of the Government's response to hurricanes and other policies, and the monitoring their impact on the Cayman Islands in the Government's pursuit of its stated broad outcome goals.

Scope of Activities

Secretarial and Administrative support for the Cabinet

Coordinating the collection and dissemination of information regarding the decisions of the Cabinet

Issuing Tax Undertakings and administering to the processing of appeals on behalf of the Cabinet

Coordinating the policy initiatives of the Government

Monitoring the implementation of policy initiatives

Providing secretarial, administrative and policy support for the Leader of Government Business

Coordinating the Government's recovery initiatives in the aftermath of major natural disasters

Compliance during the Year

All activities of the Cabinet Office during 2004/5 fall within the Nature and Scope of Activities specified in the 2004/05 Annual ABS document.

4 Strategic Ownership Goals

Approved Strategic Ownership Goals

The key strategic ownership goals for the Cabinet Office in 2004/5 and the subsequent two years are as follows:

The establishment of the Cabinet Policy Coordination Unit

The establishment of mechanisms to improve the coordination of Government Policy.

To establish a mechanism that encourages innovation and creativity in policymaking and service delivery.

To establish a mechanism to identify and oversee policy which cuts a cross a number of Ministries and Portfolios

The development of a set of modeling tools and information sources in order to assess the impact of Government Policy

The establishment of mechanisms to coordinate the Government's response to major natural disasters.

Achievement during Year

Progress has been made on all the strategic ownership goals listed in the 2004/5 Annual ABS for the Cabinet Office; however none were completed by the end of the Financial Year.

5 Ownership Performance Targets

5.1 Financial Performance

Financial Performance Measures	Annual Actual $	Annual Budget $	Annual Variance $
Revenue from Cabinet	17,744,912	20,290,560	(2,545,648)
Revenue from ministries, portfolios, statutory authorities, government companies	0	0	-
Revenue from others	31,797	25,000	6,797
Surplus/deficit from outputs **	187,668	19,233,700	(19,046,032)
Ownership expenses	0	0	-
Extraordinary items **	943,968	(19,233,700)	20,177,668
Operating Surplus/Deficit	1,131,637	0	1,131,637
			-
Net Worth	1,234,384	75,681	-
			1,158,703
Cash flows from operating activities	1,638,286	(40,512)	-
Cash flows from investing activities	(6,116)	(25,000)	1,678,798
Cash flows from financing activities *	118,887	0	18,884
Change in cash balances	1,761,057	(65,512)	118,887

Explanation of Variances:

* In the budget, the opening working capital of the Cabinet Office was assumed to be in the opening balance sheet. It was actually processed as an equity injection.

** In the budget the revenue from Cabinet for extraordinary outputs was included in the 'Surplus/deficit from outputs' line, rather than being offset in the 'Extraordinary items' line.

Financial Performance Ratios	Annual Actual	Annual Budget	Annual Variance
Current Assets: Current Liabilities (Working Capital)	284%	289%	(5%)
Total Assets: Total Liabilities	284%	179%	105%

Explanation of Variances:

5.2 Maintenance of Capability

Human Capital Measures	Annual Actual	Annual Budget	Annual Variance
Total full time equivalent staff employed	9	10	1
Staff turnover (%)			
Managers	0	0	0
Professional and technical staff	0	0	0
Clerical and labourer staff	0	0	0
Average length of service (number of years in current position)			
Managers	5	5	0
Professional and technical staff	1	1	0
Clerical and labourer staff	9	9	0
Changes to personnel management system:			

Explanation of Variances:

Physical Capital Measures	Annual Actual $	Annual Budget $	Annual Variance $
Value of total assets	$34,550	$38,240	($3,690)
Asset replacements: total assets	4%	65.4%	(61.4%)
Book value of assets: initial cost of those assets	50%	37.2%	13%
Depreciation: cash flow on asset purchases	19%	32.7%	(14%)
Changes to asset management policies	None	None	0

Explanation of Variances:

Major New Entity Capital Expenditures for the Year	Annual Actual $	Annual Budget $	Annual Variance $
None	0	0	0

Explanation of Variances:

Major Entity Capital Expenditures continuing from previous years	Annual Actual $	Annual Budget $	Annual Variance $
None	0	0	0

Explanation of Variances:

5.3 Risk Management

Risk	Status of Risk	Action Taken During 2004/5 to Manage Risk	Financial Value of Risk
Natural Disaster – Loss of Vital Information	Unchanged	• Data has not been transferred to the Archive as there is no availability for additional storage there	
Loss of Vital Human Resources	Unchanged	• Cross Training of staff ensuring that staff are well versed in all areas of operation to facilitate continued smooth operations in the event of loss of vital staff. • Succession Planning	
Equipment Failure	Unchanged	• Ensuring that IT Systems in the Cabinet Office are properly maintained and backed up on a regular basis to minimize data loss. • Ensuring that contingency manual systems are in place should an equipment failure occur.	
Security of Confidential Documents	Unchanged	• All confidential documents e.g. Personnel Records, are kept locked away in cabinets and are only accessed by authorised personnel.	
Providing incorrect advice to client agencies	New key risk due to Creation of Cabinet Policy Unit	• Ensure Policy Unit personnel are trained in the analysis of policy impact • Policy Unit personnel to be familiar with the current division of policy responsibilities between Government agencies	

Explanation of Variances:

6 Equity Investments and Withdrawals

Equity Movement	Annual Actual $	Annual Budget $	Annual Variance $
Equity Investment from Cabinet into the Cabinet Office	119,071	0	(119,071)
Capital (Equity) Withdrawal by Cabinet from the Cabinet Office	(16,323)	0	(16,323)

Explanation of Variances:
In the budget, the opening working capital of the Cabinet Office was assumed to be in the opening balance sheet. It was actually processed as an equity injection.

Appendix: Financial Statements for the Year

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Statement of Responsibility

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THE CABINET OFFICE
STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

These financial statements have been prepared by The Cabinet Office in accordance with the provisions of the Public Management and Finance Law (2005 Revision)

I 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 (2005 Revision).

To the best of my knowledge the financial statements are:
(a) complete and reliable;
(b) fairly reflect the financial position as at the end of each of the first three quarters and as at 30 June 2005 and the financial performance for each of the first three quarters and for the year ended 30 June 2005; and
(c) comply with generally accepted accounting practice.

Orrett Connor
Chief Officer
The Cabinet Office
05 May 2008

Matthew Tibbetts
Chief Financial Officer

CABINET OFFICE
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005

	Note	Annual Actual $000	Annual Budget $000
Revenue			
Outputs to Cabinet		1,014	1,057
Outputs to other government agencies			0
Outputs to others		18	25
Interest Revenue		14	
Total Operating Revenue		1,046	1,082
Operating Expenses			
Personnel costs	1	405	546
Supplies and consumables	2	355	515
Depreciation	3	8	8
Capital charge		90	13
Other operating expenses			
Total Operating Expenses		858	1,082
Surplus from operating activities		188	0
Gains/losses on foreign exchange transactions			
Gains/losses on disposal or revaluation of non-current assets			
Surplus before extraordinary items		188	0
Extraordinary items			
Net Gains/(losses) from destroyed assets			0
Extraordinary outputs - expense	14	15,787	19,234
Extraordinary transfer payments			
Extraordinary outputs - revenue	14	16,731	19,234
Donations			
Insurance proceeds for operational expenditure			
Total Extraordinary items		944	0
Net Surplus		1,132	0

The accounting policies and notes on pages 38 to 44 form part of these financial statements.

CABINET OFFICE
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2005

	Annual Actual $000	Annual Budget $000
Opening balance net worth	**0**	**76**
Net surplus	1,132	0
Property revaluations		
Investment revaluations		
Net revaluations during the period		
Total recognised revenues and expenses		
Equity investment from Cabinet	119	0
Repayment of surplus to Cabinet		
Capital withdrawal by Cabinet	(16)	
Closing balance net worth	1,235	76

The accounting policies and notes on pages 38 to 44 form part of these financial statements.

CABINET OFFICE
BALANCE SHEET
AS AT 30 JUNE 2005

	Note	Annual Actual $000	Annual Budget $000
Current Assets			
Cash and cash equivalents	4	1,761	52
Accounts receivable	5	93	82
Inventories	6	0	0
Total Current Assets		1,854	134
Non-Current Assets			
Property, plant and equipment	7	35	38
Other non-current assets		0	0
Total Non-Current Assets		35	38
Total Assets		1,889	172
Current Liabilities			
Accounts payable	8	342	15
Unearned revenue		0	0
Employee entitlements	9	81	11
Other current liabilities		231	20
Total Current Liabilities		654	46
Non-Current Liabilities			
Employee entitlements	10	0	50
Other non-current liabilities	11	0	0
Total Non-Current Liabilities			50
Total Liabilities		654	96
TOTAL ASSETS LESS TOTAL LIABILITIES		1,235	76
NET WORTH			
Contributed capital		103	76
Asset revaluation reserve			0
Accumulated surpluses		1,132	0
Total Net Worth		1,235	76

The accounting policies and notes on pages 38 to 44 form part of these financial statements.

CABINET OFFICE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005

	Note	Annual Actual $000	Annual Budget $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Outputs to Cabinet		938	983
Outputs to other government agencies			0
Outputs to others(		9	25
Interest received		14	(2)
Extraordinary receipts		16,731	19,234
Payments			
Personnel costs		(380)	(543)
Suppliers		(260)	(491)
Other payments			(13)
Extraordinary payments		(15,404)	(19,234)
Net cash flows from operating activities	12	**1,648**	**(41)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets		(6)	(25)
Proceeds from sale of non-current assets			
Net cash flows from investing activities		**(6)**	**(25)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Equity investment		119	
Repayment of surplus			
Capital withdrawal			
Net cash flows from financing activities		**119**	**0**
Net increase/(decrease) in cash and cash equivalents		1,761	(66)
Cash and cash equivalents at beginning of period		**0**	117
Cash and cash equivalents at end of period	4	**1,761**	**51**

The accounting policies and notes on pages 38 to 44 form part of these financial statements.

CABINET OFFICE
STATEMENT OF COMMITMENTS
AS AT 30 JUNE 2005

Type	One year or less	One to five years	Over five years	Total
	$000	$000	$000	$000
Capital Commitments				
Land and buildings				
Other fixed assets				
Other commitments [list separately if material]				
Total Capital Commitments				
Operating Commitments				
Non-cancellable accommodation leases				
Other non-cancellable leases				
Non-cancellable contracts for the supply of goods and services				
Other operating commitments				
Total Operating Commitments				
Total Commitments	**0**	**0**	**0**	**0**

The accounting policies and notes on pages 38 to 44 form part of these financial statements..

CABINET OFFICE
STATEMENT OF CONTINGENT LIABILITIES
AS AT 30 JUNE 2005

Summary of Quantifiable Contingent Liabilities

	$000
Legal Proceedings and Disputes	
Item 1 description	
Item 2 description	
Total Legal Proceedings and Disputes	**0**
Other Contingent Liabilities	
Item 1 description	
Item 2 description	
Total Other Contingent Liabilities	**0**

Summary of Non-Quantifiable Contingent Liabilities
Item 1 description
Item 2 description

The accounting policies and notes on pages 38 to 44 form part of these financial statements.

CABINET OFFICE
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2005

General Accounting Policies

Reporting entity
These financial statements are for the Cabinet Office

Basis of preparation
The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Accounting Standards and United Kingdom reporting standards applicable to the public sector have been used. The measurement base applied is historical cost adjusted for revaluations of certain assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently.

Reporting Period
The annual reporting period is the twelve months ended 30 June 2005.

As this is the first year in which financial statements have been prepared on an accruals basis no comparative figures are available or provided.

Specific Accounting Policies

Revenue
Output revenue
Output revenue, including entity revenue resulting from user charges or fees, is recognised when it is earned.

Interest revenue
Interest revenue is recognised in the period in which it is earned.

Expenses
General
Expenses are recognised when incurred.

Depreciation
Depreciation of non-financial physical assets is provided on a straight-line basis at rates based on the expected useful lives of those assets.

Assets
Cash and cash equivalents
Cash and cash equivalents include cash held in the (insert name of Ministry/Portfolio) bank account and any money held on deposit with the Portfolio of Finance and Economics (Treasury).

Receivables and advances
Receivables and advances are recorded at the amounts expected to be ultimately collected in cash.

Inventory
Inventories are recorded at the lower of cost and net current value. Where inventories are valued at cost, specific identification or the FIFO method has been used. Appropriate allowance has been made for obsolescence.

Property, Plant and Equipment (including Infrastructure Assets)
Buildings are recorded at historical cost (or fair value as at time of first recognition) or valuation.

Other plant and equipment, which includes motor vehicles and office equipment, is recorded at cost (or fair value if acquired prior to 2005) less accumulated depreciation.

Computer Hardware and Software
Computer hardware and software are recorded at cost, and depreciated in accordance with the policy on depreciation.

Liabilities
Accounts Payable
Accounts payable are recorded at the amount owing after allowing for credit notes and other adjustments.

Employee Benefits

a) *Annual leave entitlement*
Annual leave due, but not taken, is recognised as a current liability at current rates of pay.

b) *Pension obligations*
Pension contributions for employees of the Portfolio of the Civil Service are paid to the Public Service Pensions Fund (the "Fund). The fund is administered by the Public Service Pensions Board and is operated as a multi-employer non-contributory Fund, whereby the employer pays both employer and employee contributions. Prior to 1 January 2000 the scheme underlying the Fund was a defined benefit scheme. With effect from 1 January 2000 the Fund had both a defined benefit and a defined contribution element. Participants joining after that date became members of the defined contribution element. Pension scheme contributions are included in the personnel costs in the operating statement.

The Public Service Pension Liability for all civil servants (both current and past) is an executive liability managed by the Hon. Financial Secretary. This liability is reported on the Hon. Financial Secretary's executive financial statements.

Provisions
Provisions are recognised in accordance with IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets.

Employee entitlements
Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognised as a liability.

Long service leave liabilities are measured as the present value of estimated leave service entitlements.

CABINET OFFICE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: PERSONNEL COSTS

	Annual Actual $000	Annual Budget $000
Salaries and wages (including employee pension contributions)	350	519
Employer pension expense	19	27
Other personnel costs	36	
Total Personnel Costs	**405**	**546**

NOTE 2: SUPPLIES AND CONSUMABLES

	Annual Actual $000	Annual Budget $000
Supply of goods and services	299	230
Operating lease rentals	56	55
Other		230
Total Supplies and Consumables	**355**	**515**

NOTE 3: DEPRECIATION

	Annual Actual $000	Annual Budget $000
Buildings		
Vehicles		
Aeroplanes		
Boats		
Furniture and fittings	2	2
Computer hardware and software	6	5
Office equipment	0	1
Other plant and equipment		
Other assets		
Total Depreciation	**8**	**8**

Assets are depreciated on a straight-line basis as follows:

	Years
Buildings	N/A
Vehicles	N/A
Aeroplanes	N/A
Boats	N/A
Furniture and fittings	N/A
Computer hardware and software	10 – 20
Office equipment	3 – 10
Other plant and equipment	4 – 25
Other assets	N/A

NOTE 4: CASH AND CASH EQUIVALENTS

	Annual Actual $000	**Annual Budget $000**
Cash on hand		
Bank accounts	1,761	52
Deposits with Portfolio Finance and Economic (Treasury)		
Total Cash and Cash Equivalents	**1,761**	**52**

NOTE 5: ACCOUNTS RECEIVABLE

	Annual Actual $000	**Annual Budget $000**
Outputs to Cabinet	93	79
Outputs to other government agencies		
Outputs to others		
Interest receivable		
Prepayments	0	1
Interest Receivable		
Other Receivables		2
Total Gross Accounts Receivable	93	82
Less provision for doubtful debts		
Total Net Accounts Receivable	93	82

NOTE 6: INVENTORIES

	Annual Actual $000	Annual Budget $000
Raw Materials (including Consumable Stores)	0	0
Work in Progress	0	0
Finished Goods	0	0
Total Inventories	**0**	**0**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	Cost or Revalued Amount $000	30 June 2005 Book Value Actual $000
Buildings		
Vehicles		
Aeroplanes		
Boats		
Furniture and fittings	30	28
Computer hardware and software	13	7
Office equipment		
Other plant and equipment		
Construction in progress		
Other assets (list if material)		
Total	43	35

NOTE 8: ACCOUNTS PAYABLE

	Annual Actual $000	Annual Budget $000
Trade Creditors	1	11
Operating lease rental		
Accruals	341	4
Total	342	15

NOTE 9: EMPLOYEE ENTITLEMENTS (CURRENT)

	Annual Actual $000	Annual Budget $000
Long service leave and other leave entitlements	81	11
Other salary related entitlements		
Total Employee Entitlements	**81**	**11**

NOTE 10. EMPLOYEE ENTITLEMENTS (NON-CURRENT)

	Annual Actual $000	Annual Budget $000
Long service leave and other leave entitlements	0	50
Other salary related entitlements		
Total	**0**	**50**

NOTE 11: OTHER NON-CURRENT LIABILITIES

	Annual Actual $000	Annual Budget $000
Provision for agency revenue repayable	0	0
Provision for restructuring		
Accounts payable		
Unearned revenue		
Other		
Total	**0**	**0**

NOTE 12: RECONCILIATION OF OPERATING SURPLUS TO CASH FLOWS FROM OPERATING ACTIVITIES

	Annual Actual $000	Annual Budget $000
Operating surplus/(deficit)	1,132	0
Non-cash movements		
Depreciation	8	8
Increase in provision for doubtful debts		
(Decrease)/increase in payables/accruals	594	27
Net (gain)/loss from sale of fixed assets		
Net gain/loss from sale of investments		
Increase in other current assets		(76)
(Increase)/decrease in receivables	(86)	
Net cash flows from operating activities	**1,648**	**(41)**

NOTE 13: RELATED PARTY DISCLOSURES

During the year the Cabinet Office provided output services in the amount of $1,014K. Cabinet Office, on behalf of its eligible employees, paid pension contributions to the Public Service Pension Plan in the amount of $55K during the year.

NOTE 14: EXTRAORDINARY ITEMS

Extraordinary items are outputs which were not included in the original budget; rather, these were part of a Post Hurricane Ivan supplemental budget. Revenue and expenses from extraordinary outputs are shown separately in the “Extraordinary items” section of the Operating Statement. Extraordinary outputs are comprised of outputs CAB 9-11. Revenue of $16,731K represents funding received from Cabinet to cover extraordinary expenses associated with these outputs, in the amount of $15,787K.