



Annual Report

of

Office of the Complaints Commissioner

For the 2009/10 Financial Year

Appendix: Financial Statements for the year ended 30 June 2010

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Auditor General's Report

To the Members of the Legislative Assembly of the Cayman Islands

I have audited the accompanying financial statements of the Office of the Complaints Commissioner ("The Office") for the year ended 30 June 2010 which comprise the statement of financial position as at 30 June 2010, and the statement of financial performance, statement of changes in net worth and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes in accordance with the provisions of Section 44(3) of the Public Management and Finance Law (2010 Revision).

Management's Responsibilities for the Financial Statement

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 control 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

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 judgement, 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 controls 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 an 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 qualified audit opinion.

Basis for Qualified Opinion

Property Plant and Equipment

I was not provided with a detailed fixed asset register which reconciled to the amount recorded in the Statement of Financial Position of 18,870, as a result I was unable to satisfy myself that the amount presented along with the related depreciation expense is fairly stated as at 30 June 2010.

Employee Entitlement

I was not provided with adequate support for the employee entitlement accruals which totalled \$15,000, as a result I was unable to satisfy myself that the amount is fairly stated as at 30 June 2010.

Supplies and Consumables

Electricity

I was not able to conclude on the electricity expense which amounted to \$23,000 as I did not receive adequate support for \$9,000 of the total amount presented. As a result I was unable to satisfy myself that the amount is fairly stated as at 30 June 2010.

Misc Supplies

I was not able to conclude on the misc supplies expense which totalled \$22,164, as I did not receive adequate support for \$18,000 of the total amount presented. As a result I was unable to satisfy myself that the amount is fairly stated as at 30 June 2010.

Opening Balances

Based on the fact that the 2009 financials were disclaimed and no representations were made with regards to the correction of opening balances we are unable to conclude that the opening balances are fairly stated.

Net worth and related balances

Due to the above noted issues, I am unable to conclude that the total Networth of \$143,000 and the associated Surplus Payable amount of \$530,000 recorded in the other payable and accruals is fairly stated as the qualified items directly affected the integrity of these balances. Furthermore the presentation requirement to disclose separately the accumulated surplus, contributed capital and other reserves under IPSAS 1 has not been complied with.

Qualified Opinion

In my opinion, except for the effects described above, these financial statements present fairly, in all material respects, the financial position of the Office of the Complaints Commissioner as at June 30, 2010 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read 'A. Swarbrick', with a stylized flourish at the end.

Alastair Swarbrick, MA (Hons), CPFA
Auditor General

Cayman Islands
March 20, 2012



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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Office of the Complaints Commissioner in accordance with the provisions of the Public Management and Finance Law (2010 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 (2010 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 Office of the Complaints Commissioner

As Chief Officer I am responsible for the preparation of Office of the Complaints Commissioner financial statements, representation and judgements made in these statements.

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

- (a) Completely and reliably reflect the financial transactions of the Office of the Complaints Commissioner for the year ended 30 June 2010;
- (b) fairly reflect the financial position as at 30th June 2010 and performance for the year ended 30th June 2010;
- (c) Comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants. Where guidance is not available, the financial statements comply with International 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 the information necessary to conduct an audit in accordance with International Standards of Auditing.



Nicola Williams
Chief Officer

Date:

16/3/12



John Regan
Chief Financial Officer

Date:

16.3.2012.

OFFICE OF COMPLAINTS COMMISSIONER
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010
(Expressed in Cayman Islands Dollars)

Prior Year Actual CIS\$000		Note	Current Year Actual CIS\$000	Final/Original Budget CIS\$000	Variance (Original vs. Actual) CIS\$000
	Current Assets				
538	Cash and cash equivalents	2	715	404	(311)
82	Trade receivables	3	-	181	181
<u>620</u>	Total Current Assets		<u>715</u>	<u>585</u>	<u>(130)</u>
	Non-Current Assets				
28	Property, plant and equipment	4	19	41	22
<u>648</u>	Total Non-Current Assets		<u>19</u>	<u>41</u>	<u>22</u>
			<u>734</u>	<u>626</u>	<u>(108)</u>
	Total Assets				
	Current Liabilities				
-	Trade payables		-	71	71
503	Other payables and accruals	5	576	32	(544)
2	Employee entitlements	6	15	2	(13)
<u>505</u>	Total Current Liabilities		<u>591</u>	<u>105</u>	<u>(486)</u>
	Non-Current Liabilities				
-	Employee entitlements		-	21	21
<u>505</u>	Total Non-Current Liabilities			<u>21</u>	<u>21</u>
			<u>591</u>	<u>126</u>	<u>(412)</u>
	Total Liabilities				
<u>143</u>					
	Net Assets		<u>143</u>	<u>500</u>	<u>304</u>
	Net Worth				
143	Contributed capital		143	139	(4)
-	Accumulated surpluses		-	99	99
<u>143</u>	Total Net Worth		<u>143</u>	<u>238</u>	<u>4295</u>

The accounting policies and notes on pages 10 – 25 form part of these financial statements.

OFFICE OF COMPLAINTS COMMISSIONER
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2010
(Expressed in Cayman Islands Dollars)

Prior Year Actual CIS000		Note	Current Year Actual CIS000	Final /Original Budget CIS000	Variance (Original vs. Actual) CIS000
	Revenue				
916	Sale of goods and services	7	673	1,002	386
<u>916</u>	Total Revenue		<u>673</u>	<u>1,002</u>	<u>386</u>
	Expenses				
(515)	Personnel costs	8	(472)	(571)	99
(360)	Supplies and consumables	9	(190)	(415)	225
(12)	Depreciation	4	(11)	(16)	5
(29)	Other expenses (Capital charge)	10	-	-	-
<u>916</u>	Total Expenses		<u>673</u>	<u>1,002</u>	<u>329</u>
	Surplus or (Deficit) for the period		<u>-</u>	<u>-</u>	<u>-</u>

The accounting policies and notes on pages 10 - 25 form part of these financial statements.

**OFFICE OF COMPLAINTS COMMISSIONER
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2010
(Expressed in Cayman Islands Dollars)**

	Contributed Capital CIS000	Accumulated Surplus/(deficits) CIS000	Total Net worth CIS000	Final/Original Budget CIS000	Variance (Original vs. Actual) CIS000
Balance at 30 June 2008	143			115	(28)
Equity Investment from Cabinet			143		
Equity Adjustment					
Balance at 30 June 2009	143		143	115	(28)
Surplus/(deficit) for the period (2009/10)					
Balance at 30 June 2010	143		143	115	(28)

The accounting policies and notes on pages 10-25 form part of these financial statements.

OFFICE OF COMPLAINTS COMMISSIONER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010
(Expressed in Cayman Islands Dollars)

Prior Year Actual CIS000		Note	Current Year Actual CIS000	Final/Original Budget CIS000	Variance (Original vs. Actual) CIS000
	CASH FLOWS FROM OPERATING ACTIVITIES				
	<i>Receipts</i>				
1,087	Outputs to Cabinet		809	1,002	247
	Outputs to other government agencies				
	Sale of goods and services - third party				
	<i>Payments</i>				
(515)	Personnel costs		(460)	(571)	(111)
(312)	Supplies and consumables		(170)	(415)	(245)
(29)	Other payments		-		(54)
<u>231</u>	Net cash flows from operating activities	11	<u>179</u>	<u>16</u>	<u>(163)</u>
	CASH FLOWS FROM INVESTING ACTIVITIES				
(2)	Purchase of property, plant and equipment		(2)		2
<u>(2)</u>	Net cash flows from investing activities		<u>(2)</u>		<u>2</u>
	CASH FLOWS FROM FINANCING ACTIVITIES				
	Equity Investment				
	Net cash flows from financing activities				
229	Net increase/(decrease) in cash and cash equivalents		177	16	(161)
309	Cash and cash equivalents at beginning of period		538	388	(150)
<u>538</u>	Cash and cash equivalents at end of period		<u>715</u>	<u>404</u>	<u>(311)</u>

The accounting policies and notes on pages 10-25 form part of these financial statements.

OFFICE OF COMPLAINTS COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Description and principal activities

The office of the Complaints Commissioner is a Government owned entity as defined by section 2 of the Public Management and Finance Law (2010 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 office of the Complaints Commissioner as defined in the Annual Plan and Estimates for the Government of Cayman Islands for the financial year ending 30 June 2010.

In addition, the Ministry has reported the activities and trust monies that it administers on behalf of Cabinet.

The principal office of the Complaints Commissioner is located at 202 Piccadilly Centre 28 Elgin Avenue George Town, Grand Cayman. As of 30 June 2010 The Complaints Commission had 5 employees (2009: 5)

Note 1: Significant Accounting Policies

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

There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will have a significant impact on these financial statements other than enhanced disclosures.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented. The financial statements are presented in Cayman Islands dollars and the measurement base applied to these financial statements is the historical cost basis.

Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

**OFFICE OF COMPLAINTS COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1: Significant Accounting Policies (continued)

The presentation of the prior year financial statements has been changed to include a comparison of actual amounts with amounts in the original and final budget as required by IPSAS 24 including explanations of material difference between original budget and actual amounts.

The details and presentation of the Statement of Changes in Net Worth has been changed to show greater detail and to reflect changes in accounting policies and corrections of errors and omissions.

Segment reporting has been included in accordance with IPSAS 18.

(b) Reporting Period

The reporting period is the year ended 30 June 2010.

(c) Budget Amounts

The original budget amounts for the financial year are as presented in the 2009/2010 Annual Budget Statement and approved by the Legislative Assembly. The Final Budget is those budget amounts approved in Supplementary Budget.

(d) Judgments and Estimates

The preparation of financial statements is in conformity with International Public Sector Accounting Standards that 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.

(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 office of the Complaints Commissioner 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 when incurred on the accrual basis of accounting. In addition, an expense is recognized for the consumption of the estimated fair value of contributed goods and services received.

OFFICE OF COMPLAINTS COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 1: 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) Capital Charges

Capital charges on the net assets due to the Cayman Islands Government are recognized as an expense in the period in which they are incurred.

(i) 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.

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

(j) Prepayments

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

(k) Property, Plant and Equipment

Property, plant and equipment, 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.

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

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Computer Equipment	3 – 10 years
• Office equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 years
• Other equipment	5 – 20 years

**OFFICE OF COMPLAINTS COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1: Significant Accounting Policies (continued)

(k) Property, Plant and Equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at year end. Assets that are subject to amortization are reviewed for impairment whenever events of 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.

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.

(l) 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 Portfolio 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 Complaints Commission.

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

(m) Financial Instruments

The office of the Complaints Commissioner is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognised in the Statement of Financial Position.

OFFICE OF COMPLAINTS COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 1: Significant Accounting Policies (continued)

(m) Financial Instruments (continued)

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 prepayments.

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 instruments comprise of accounts payable and accrued expenses.

Recognition

The office of the Complaints Commissioner 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 statements 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.

(n) Contingent Liabilities and Assets (including guarantees)

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

De-recognition

A financial asset is de-recognition when the Office of the Complaints Commission 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 expired.

**OFFICE OF COMPLAINTS COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1: Significant Accounting Policies (continued)

(o) 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.

(p) Comparative Figures

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

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank accounts in the name of Portfolio maintained at Royal Bank of Canada. As at 30 June 2010 the Office of the Complaints Commissioner held no restricted cash balances (30 June 2009: \$0). No interest was earned during the year on the amounts held in these bank accounts (30 June 2009: \$0)

Actual Prior Year	Description	Foreign Currency	Exchange Rate	Actual Current Year
CIS000		\$000		CIS000
516	CI\$ Operational Current Account	686		686
22	US\$ Operational Current Account	34	.83	29
	Payroll Current Account			
538	TOTAL			715

Note 3: Trade receivables and other receivables

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

Actual Prior Year CIS\$000	Trade Receivables	Actual Current Year CIS\$000	Final/Original Budget CIS\$000	Variance (Original vs. Actual CIS\$000)
82	Sale of goods and services			
	Outputs to Cabinet			
	Outputs to other government agencies			
	Other			
	Less: provision for doubtful debts			
82	Total trade receivables			

Note 4: Property, plant and equipment

	2010				
	Vehicles \$000	Furniture and fittings \$000	Computer hardware and software \$000	Office equipment \$000	Other Assets \$000
<u>Cost</u>					
At July 1, 2009		22	34	30	86
Additions			2		2
Disposals/transfers					
At June 30, 2010		22	36	30	88
<u>Accumulated depreciation</u>					
At July 1, 2009		7	29	22	58
Depreciation charge for the year		2	6	3	11
At June 30, 2010		9	35	25	69
Net book value at June 30, 2009		13	1	5	19

OFFICE OF COMPLAINTS COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 4: Property, plant and equipment (continued)

	2009				
	Vehicles \$000	Furniture and fittings \$000	Computer hardware and software \$000	Office equipment \$000	Other Assets \$000
<u>Cost</u>					
At July 1, 2008		20	34	30	
Additions		2			
Disposals/transfers					
At June 30, 2009		22	34	30	
<u>Accumulated depreciation</u>					
At July 1, 2008		6	22	18	
Depreciation charge for the year		1	7	4	
At June 30, 2009		7	29	22	
Net book value at June 30, 2010		15	5	8	

OFFICE OF COMPLAINTS COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 5: Trade payables, other payables and accruals

Actual Prior Year		Actual Current Year	Final/Original Budget	Variance (Original vs. Actual
CI\$000		CI\$000	CI\$000	CI\$000
477	Creditors surplus payable	531		(531)
218	Creditors Ministries/Portfolios	30		(30)
8	Accrued Expenses	15	78	63
	Payroll deductions			
503	Total trade payables, other payables and accruals	576	78	(498)

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

Note 6: Employee entitlements

Actual Prior Year		Actual Current Year	Final/Original Budget	Variance (Original vs. Actual
CI\$000		CI\$000	CI\$000	CI\$000
2	<i>Current employee entitlements are represented by:</i>			
	Annual Leave	15	6	(9)
2	Total current portion	15	6	
	<i>Non-current employee entitlements are represented by:</i>			
	Retirement and long service leave		21	21
2	Total employee entitlements	15	27	12

The retirement and long-service leave entitlements are calculated based on current salary paid to those employees who are eligible for this benefit.

OFFICE OF COMPLAINTS COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 7: Revenue

Actual Prior Year	Revenue type	Actual Current Year	Final/Original Budget	Variance (Original vs. Actual)
CI\$000		CI\$000	CI\$000	CI\$000
916	Outputs to Cabinet	673	1,002	329
	Outputs to other government agencies			
	Fees and charges			
916	Total sales of goods and services	673	1,002	329

Note 8: Personnel costs

Actual Prior Year	Description	Actual Current Year	Final/Original Budget	Variance (Original vs Actual)
CI\$000		CI\$000	CI\$000	CI\$000
383	Salaries, wages and allowances	384		
39	Health care	30		
47	Pension	44		
46	Other personnel related costs	14		
515	Total Personnel Costs	472	571	99

Note 9: Supplies and consumables

Actual Prior Year	Description	Actual Current Year	Final/Original Budget	Variance (Original vs. Actual)
CI\$000		CI\$000	CI\$000	CI\$000
	Supplies and Materials			
97	Purchase of services			
59	Lease of Property and Equipment	61		
52	Utilities	36		
3	Insurance			
	Interdepartmental expenses			
23	Travel and Subsistence	8		
126	Other	85		
360	Total Supplies & consumables	190	415	225

OFFICE OF COMPLAINTS COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 10: Capital charge

A capital charge is payable to the Portfolio of Finance and Economics as required by *Public Management and Finance Law, (2010 Revision)* section 41(5). The Financial Secretary annually sets the capital charge rate which was 0% as no capital was budgeted for in 2009-10 (2009: 5.95%). The capital charge is recorded semi-annually, on December 31 and June 30 and calculated by multiplying the capital charge rate by the net assets/net worth amount. For 2009-10, the capital charge is \$0K (2008-9: \$0K).

Note 11: Reconciliation of net cash flows from operating activities to surplus

Actual Prior year CI\$000	Description	Actual Current year CI\$000	Final/Original Budget CI\$000	Variance (Original vs. Actual) CI\$000
	Surplus/(deficit) from ordinary activities			
12	Non-cash movements	11	16	(16)
	Depreciation expense			
	Changes in current assets and liabilities:			
171	(Increase)/decrease in receivables	82		
46	(Increase)/(decrease) in payables	86		
	(Increase)/decrease in inventories			
229	Net cash flows from operating activities	179	16	(163)

**OFFICE OF COMPLAINTS COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 12: Explanation of major variances against budget

Explanations for major variances for Complaints Commissioner performance against the original budget are as follows:

Statement of financial performance

Cabinet revenue

Revenue from cabinet was \$329k lower than budget

Personnel Costs

Personnel costs were \$99K lower than budget.

Supplies and consumables

Supplies and consumables were \$225K below budget

Training, travel and professional fees were all substantially lower than budget

Depreciation

Depreciation expenses were \$5K lower than budget at \$11K.

Statement of financial position

Cash and cash equivalents

The actual year-end cash balances were \$311K above budget at \$311k.

Debtors and other receivables

The actual year-end debtors and other receivables balances were zero at year end verses a budget of \$181K

Creditors and other payables

Creditors, accruals and other payables were \$544K higher than the budget. The principle reason for the variance was poor budgeting

Statement of cash flows

Cash from operating activities

The increase in cash from operating activities of \$179k is due decrease in receivables and an increase in Payables

**OFFICE OF COMPLAINTS COMMISSIONER
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NOTE 13: Related party and key management personnel disclosures

Related party disclosure

The office of the Complaints Commissioner is a wholly owned entity of the government from which it derives a major source of its revenue. The Office of the Complaints Commissioner and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the financial year ended 30 June 2010 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Key management personnel, are defined to include Ministers of the Government, Chief Officer, Deputy Chief Officer and the Chief Financial Officer, are also considered to be related parties.

There is one full-time equivalent personnel considered at the senior management level. The total remuneration includes: regular salary, allowances, pension contributions and health insurance contributions. Total remuneration for senior management in 2009-10 was \$115k (2008-09: \$127k). There were no loans made to key management personnel or their close family members in 2009-10 (2008-09: \$0).

NOTE 14: Financial instrument risks

The office of the Complaints Commissioner is exposed to a variety of financial risks including credit risk and liquidity risk. The Portfolio'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 (2010 Revision).

Credit risks

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Office of the Complaints Commissioner. Financial assets which potentially expose the Portfolio to credit risk comprise cash and cash equivalents and accounts receivable.

The office of the Complaints Commissioner 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 to be financially secure and well managed.

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NOTE 14 Financial instrument risks (continued)

Credit risks The office of the Complaints Commissioner is also exposed to a significant concentration of credit risk in relation to accounts receivable, significant of which are due from other Government entities. No credit limits have been established. As at 30 June 2009 and 2010, no provision for doubtful debts has been made on these receivable as none of these accounts are impaired and management considers these debts to be recoverable in full.

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

Liquidity risk

Liquidity risk is the risk that the Office of The Complaints Commissioner is unable to meet its payment obligations associated with its financial liabilities when they are due.

The ability of the office of the Complaints Commissioner to meet its debts and obligation is dependent upon its ability to collect the debts outstanding to the Office of The Complaints Commissioner in a timely basis. In the event of being unable to collect its outstanding debts, it is expected that the Government would temporarily fund any shortfalls the office of the Complaints Commissioner would have with its own cash flows. As at 30 June 2009 and 2010, all of the financial liabilities were due within three months of the year end dates.

NOTE 15: Financial instruments – fair values

As at 30 June 2010 and 2009, the carrying values of cash and cash equivalents, accounts receivable, accounts payable and employee entitlements approximate their fair values due to their relative short-term maturities.

Fair values are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

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NOTE: 16 Segment reporting

	Office of the Complaints Commissioner \$000				
Revenue					
Outputs from Cabinet	673				
Sale of goods and services					
Other revenue	673				
Total Revenue					
Expenses					
Salaries and Wages	472				
Other expenses	201				
Total Expenses	673				
Surplus/ (Deficit) from Operating Activities	-	-	-	-	-
Net Surplus/ (Deficit)	-	-	-	-	-
Assets					
Current Assets		-	-	-	-
Fixed Assets		-	-	-	-
Total Assets		-	-	-	-
Liabilities					
Current Liabilities		-	-	-	-
Non-current Liabilities	-	-	-	-	-

The Complaints Commission does not maintain a separate Statement of Financial Position or Statement of Financial Performance for each segment.

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NOTE: 17 Appropriations used

Appropriation Description (including Output number and name)	Amount Appropriated	Appropriation Used	Variance
OCC 1	1,002	673	(329)

1,002

673

(329)