



DEPARTMENT OF IMMIGRATION
FY 2015/16 UNANNOUNCED CASH AUDIT

Audit Report

November 2015

INTERNAL AUDIT UNIT
CAYMAN ISLANDS GOVERNMENT

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I. EXECUTIVE SUMMARY

Under the Public Management and Finance Law, the Internal Audit Unit (IAU) is required to review the management systems of all ministries, portfolios, statutory authorities and government companies.

In accordance with the 2015-16 Audit Plan, the IAU recently conducted an unannounced cash count at the Department of Immigration.

Summary of Cash Count

All funds on hand at the Department, were audited during our cash count. No exceptions were noted between the funds counted and the collections records:

Department of Immigration Cash Count Summary	IAU Count (inclusive of float)	Cashier's Records (inclusive of float)	Variance
Total:	[REDACTED]	[REDACTED]	-

Audit Conclusion

The results of the cash count at the Department of Immigration did not identify any variances between the cash on hand and the cash collection reports.

Deloris E. Gordon
Director, Internal Audit

November 16, 2015



II. INTRODUCTION

Background

Section 29 of the Financial Regulations (2013 Revision) states that "A chief officer of a prescribed entity shall ensure that an appropriate system of internal controls operates within the entity and that that system is adequate to safeguard the entity or executive resources for which the prescribed entity is responsible."

Cash is highly susceptible to abuse; therefore, it is expected that adequate cash controls are present in all cash handling environments. Such controls should include adequate segregation of duties, thorough supervisory review procedures, timely deposit of funds collected, proper recording of cash transactions and safeguards to protect funds until they are deposited.

The Department of Immigration is responsible for collecting various fees as established under Schedule 2 of the Immigration Regulations (2015 Revision). All revenue is collected at the Head Office located on Elgin Avenue, George Town.

Audit Objectives and Scope

Our specific objectives were to:

- Confirm the existence, accuracy and completeness of funds/collections in hand;
- Verify that funds collected were adequately safeguarded until deposited; and,
- Determine whether the internal controls/systems in place for the collection, deposit, review and change in custody were adequate.

The scope of the audit was cash collected on November 12, 2015 at the Department of Immigration's Elgin Avenue office.

Audit Methodology

The audit methodology involved conducting the unannounced cash count at the above mentioned location, and comparing total cash on hand to the relevant receipts and system generated reports. In addition, observations and enquiries were made to assess the adequacy of:

- Physical safeguards/security measures at the office;
- Change in custody procedures;
- End-of-day reconciliation, review and approval procedures; and,
- Overage/shortage procedures.



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The general aim of a cash audit is to assess the accuracy and completeness of cash on hand as well as to determine whether adequate internal controls are in place to safeguard and account for cash. While our methodology did include the use of enquiry and observation to assess the aforementioned internal controls, those measures were limited to the specific cash counts and did not involve audit sampling, as would ordinarily be conducted in a full audit.

Audit Criteria

The Department's cash collections procedures were measured against the requirements of the Public Management and Finance Law (2013 Revision), the Financial Regulations, generally accepted accounting principles and best business practices.