

**BINDURA UNIVERSITY OF SCIENCE EDUCATION**  
**FACULTY OF SCIENCE AND ENGINEERING**  
**DEPARTMENT OF COMPUTER SCIENCE**  
**BSc HONS DEGREE IN NETWORK ENGINEERING**  
**BSc HONS DEGREE IN SOFTWARE ENGINEERING**  
**INFORMATION SYSTEMS AUDITING - NWE211 / SWE213 / IT211**  
**2 HOURS 30 MINUTES**

**INSTRUCTION TO CANDIDATES**

Answer all questions.  
Total marks are 100.

APR 2025

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**Question 1**

- a. Explain various factors that render manual audit method ineffective in IS audit. [6]
- b. Auditing an AIS effectively requires that an auditor have some knowledge of computers and their accounting applications. However, it may not be feasible for every auditor to be a computer expert. Discuss the extent to which auditors should possess computer expertise to be effective auditors. [6]

**Question 2**

- a. The assistant finance director for the City of Bindura, was fired after city officials discovered that she had used her access to city computers to cancel her daughter's \$300 water bill. An investigation revealed that she had embezzled a large sum of money from City of Bindura in this manner over a long period. She was able to conceal the embezzlement for so long because the amount embezzled always fell within a 2% error factor used by the city's internal auditors.
  - i. What weaknesses existed in the audit approach? [3]
  - ii. How could the audit plan be improved? [3]
  - iii. What internal control weaknesses were present in the system? [3]

- iv. Should City of Bindura's internal auditors have discovered this fraud earlier? [4]
- b. Explain the four steps of the risk-based audit approach, and discuss how they apply to the overall security of a company. [12]

### Question 3

Following a competitive tender, your audit firm Cal & Co has just gained a new audit client Tirrol Co. You are the manager in charge of planning the audit work. Tirrol Co's year end is 30 June 2009 with a scheduled date to complete the audit of 15 August 2009. The date now is 3 June 2009.

Tirrol Co provides repair services to motor vehicles from 25 different locations. All inventory, sales and purchasing systems are computerised, with each location maintaining its own computer system.

The software in each location is the same because the programs were written specifically for Tirrol Co by a reputable software house. Data from each location is amalgamated on a monthly basis at Tirrol Co's head office to produce management and financial accounts.

You are currently planning your audit approach for Tirrol Co. One option being considered is to re-write Cal & Co's audit software to interrogate the computerised inventory systems in each location of Tirrol Co (except for head office) as part of inventory valuation testing.

However, you have also been informed that any computer testing will have to be on a live basis and you are aware that July is a major holiday period for your audit firm.

#### Required:

- a. Outline three benefits and three drawbacks of using audit software in the audit of Tirrol Co. [6]
- b. Explain the problems that may be encountered in the audit of Tirrol Co and for each problem, explain how that problem could be overcome. [16]

#### Question 4

a. Discuss the following computer fraud and abuse techniques:

- ii. Hacking
- iii. Logic time bomb
- iv. Piggy backing
- v. Spamming
- vi. Data diddling

[10]

b. Auditing an AIS effectively requires that an auditor have some knowledge of computers and their accounting applications. However, it may not be feasible for every auditor to be a computer expert. Discuss the extent to which auditors should possess computer expertise to be effective auditors. [6]

#### Question 5

a. Lou Goble, an internal auditor for a large manufacturing enterprise, received an anonymous note from an assembly-line operator who has worked at the company's Bindura factory for the past 15 years. The note indicated that there are some fictitious employees on the payroll as well as some employees who have left the company. He offers no proof or names. What computer-assisted audit technique could Lou use to help him substantiate or refute the employee's claim? [10]

b. Using examples, discuss the following terms as applied to IS Audit

- i. Snapshot technique. [5]
- ii. Review areas of an IS Auditor. [5]
- iii. Integrated test facility [5]

\*\*\*\* END OF EXAM\*\*\*\*