BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF SCIENCE AND ENGINEERING

DEPARTMENT OF COMPUTER SCIENCE

BSc HONS DEGREE IN SOFTWARE ENGINEERING

BSc HONS DEGREE IN NETWORK ENGINEERING

NWE211/ SWE213: INFORMATION SYSTEMS AUDITING

2 HOURS 30 MINUTES

INSTRUCTION TO CANDIDATES

Answer **all** questions.
Total marks are **100**.

Question 1

a. Discuss any the 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 in order 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 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 Tustin'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

a. Briefly explain the advantages of Computer Assisted Audit Techniques (CAATs) [6]

b. Discuss the contents of an Audit report [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 didding [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****