## EGERTON UNIVERSITY

## NAKURU CAMPUS

## BCOM 412: AUDITING II

1. You conducted a SAS Type I audit of an educational institution. Write a short report describing FOUR internal controls that you found in each of:
   1. The revenue process. (9 mks)
   2. The purchases process (9 mks).
2. Assume the audit you were conducting in question 1 above were a SAS Type II audit. Write a report that indicates the tests you conducted on the internal controls over the revenue process to evaluate their effectiveness. (9 mks)
3. “Internal auditors are viewed by fellow employees as internal policemen and spies.” Do you agree with the view that internal auditors are policemen cum spies? Give your reasons. (6 mks)
4. Independence is paramount for every auditor.
   1. What do you understand by the term independence? (3 mks)
   2. Give two issues that may erode independence of an auditor. (4 mks)