



UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

FIC4030-A

INFORMATION SYSTEMS AUDIT

FALL MID EXAMS

MARKING SCHEME

Time 1Hr 30 Mins

1. **Answer all the questions in the Section A and any TWO Question in section B in the answer booklet provided.**
2. **Do not write on your question papers. All rough work should be done in your answer booklet.**
3. **Clearly indicate which question you are answering.**
4. **Write neatly and legibly.**
5. **Follow all the instructions in the answer booklet**

SECTION A (ATTEMPT ALL QUESTIONS IN THIS SECTION) [40 MARKS]

Question One.

a) Describe Information systems Audit in the IT perspectives. [2 marks]

Ans- (The Process of collecting and evaluating evidence to determine whether a computer system safeguards assets, maintains data integrity)

Process of collecting and evaluating evidence to determine whether a computer system safeguards assets, maintains data integrity

b) Your ABC Audit firm has been awarded a tender to participate in auditing Kenya's Independent Electoral & Boundaries Commission (IEBC) after the last concluded election.

Discuss FOUR Key objectives that ABC firm would seek to accomplish. [8 marks].

Ans-

- ✓ *Establish if Computer systems do not merely record business transactions, but actually drive the key business processes of the enterprise.*
- ✓ *To review and provide feedback, assurances and suggestions*
- ✓ *To Establish Staff skills, awareness and productivity to plan, organize, acquire, deliver, support and monitor information systems and services as per the policies in Place)*
- ✓ *To Ensures that the following seven attributes of data or information are maintained- Effectiveness Efficiency, Confidentiality, Integrity, Availability*

Question Two.

a) Describe any THREE attributes of data or information that any Audit Process would seeks to ensure that are maintained. [6 marks]

Ans-

Effectiveness - Deals with information being relevant and pertinent to the business process as well as being delivered in a timely, correct, consistent and usable manner.

Efficiency - concerns the provision of information through the optimal (most productive and economical) usage of resources.

Confidentiality - concerns protection of sensitive information from unauthorized disclosure.

-Integrity - relates to the accuracy and completeness of information as well as to its validity in accordance with the business' set of values and expectations.

Availability - relates to information being available when required by the business process, and hence also concerns the safeguarding of resources.

b) All audits follow a similar sequence of activities and may be divided into four stages:
(Planning, Collecting evidence, Evaluating evidence and Communicating audit results
Discuss the metrics you would apply as an Auditor at the Evidence collection stage/level.

[3 marks]

Ans- Ans- Data gathering Techniques (Facts finding Techniques / Methods)

Interviews

Document Review

Observation

Questionnaires

Samplings

Analyzing documents

Prototyping

(Any well discussed concept award a mark)

c) Interpret the following concepts as used in Audit Engagements.

[6 marks]

- i. Materiality
- ii. Irregularities
- iii. Audit Staffing

Ans-

1.Materiality

Materiality is the concept of the relative significance or importance of a particular matter in the context of the whole organization.

The assessment of what is material is a matter of professional judgment and includes the consideration of the effect of the error, omissions on the organization which may arise from control weaknesses identified during the audit.

2. Irregularities

When planning an audit, the auditor is responsible for assessing the risk of fraud and incorporating the audit objectives and tests related to detecting irregularities.

The category of irregularities such as fraud includes the following:

- ✓ *Acts that involve deception to obtain an illegal advantage*
- ✓ *Suppression or the omission of the effects of fraudulent transactions*
- ✓ *False recording of transactions without substance etc.*

3. Audit Staffing

Part of planning IS audits involves making auditor assignments.

- ✓ *Schedules, individual audit timing, and skill requirements must all be juggled to satisfy the plan requirements.*
- ✓ *Aligning the audit and technical skill requirements with the skills of the available staff and the development goals of the team members requires thought and management skills.*

Question Three

a) Goodman & Lawless states that there are three specific systematic approaches to carry out an IT audit under the following classifications; Debate each in of them as listed below.

- i. Technological innovation process audit. [3 marks]
- ii. Innovative comparison audit. [3 marks]
- iii. Technological position audit. [3 marks]

Ans-

1. Technological innovation process audit. *This audit constructs a risk profile for existing and new projects. The audit will assess the length and depth of the company's experience in its chosen technologies, as well as its presence in relevant markets, the organization of each project, and the structure of the portion of the industry that deals with this project or product, organization and industry structure.*

2. Innovative comparison audit. *This audit is an analysis of the innovative abilities of the company being audited, in comparison to its competitors. This requires examination of company's research and development facilities, as well as its track record in actually producing new products.*

3. Technological position audit: *This audit reviews the technologies that the business currently has and that it needs to add. Technologies are characterized as being either "base", "key", "pacing" or "emerging".*

b) Interpret any THREE Major factors a Chief Audit Executive (CAE) and the internal audit team should consider in developing their audit plan. [6 marks]

Ans- Factors considered when developing the audit plan,

- The organization's industry sector,*
- Revenue size,*
- Revenue type,*
- Complexity of business processes,*
- Geographic locations of operations.*

SECTION B DISCUSS ANY TWO FRAMEWORKS. [20 MARKS]

Question Four

Several IT governance frameworks exist to help any Chief Audit Executives (CAE's) and internal audit teams develop the most appropriate risk assessment approach for their organization.

Evaluate any TWO of the listed Most Known set frameworks you handled in your assignment case studies;

a) **COBIT**, [10 marks]

b) The **UK's** Office of Government Commerce. [10 marks]

c) IT Infrastructure Library (**ITIL**) [10 marks]

d) International Organization for Standardization's (**ISO's**) 27000 Standard series.

[10 marks]