



MUNHUMUTAPA SCHOOL OF COMMERCE
DEPARTMENT OF BANKING AND FINANCE

MAIN EXAMINATION

B.Com HONS RISK MANAGEMENT	PART 1 SEMESTER 1
COURSE	INTERNAL AUDITING FOR RISK MANAGERS
CODE	HRMI 112
DATE	
DURATION	3 HOURS



INSTRUCTIONS TO CANDIDATES

- 1. THE PAPER COMPRISES 4 QUESTIONS.**
- 2. YOU ARE REQUIRED TO ANSWER ALL QUESTIONS.**
- 3. BEGIN THE ANSWER TO EACH QUESTION ON A FRESH PAGE OF THE ANSWER BOOKLET.**
- 4. NON-PROGRAMMABLE FINANCIAL OR SCIENTIFIC CALCULATORS ARE ALLOWED INTO THE EXAMINATION.**
- 5. CANDIDATES WILL OBTAIN CREDIT FOR GIVING APPROPRIATE EXAMPLES WHERE NECESSARY.**

Question 1 (25 Marks)

- a) Describe the term “internal auditing aids” explain any three types thereof. (10 marks)
- b) Explain the purpose of working papers to the internal auditor. (8 marks)
- c) Describe kinds of internal audit evidence. (7 marks)

Question 2 (25 Marks)

- a) Discuss the four phases followed when efficient and effective internal auditing process (20 marks)
- b) Describe the purpose, Authority and Responsibility as given by the audit charter and standard 1000 (5 marks)

Question 3 (25 Marks)

- a) Explain the concepts of governance, risk management, and control that are included in the definition of internal auditing (9 marks)
- b) Dr Thomas Mutsvene is the new audit manager for Sukkot Limited, a company that manufactures heavy machinery. Dr Thomas is an industrial engineer with three years’ work experience. He has recently been transferred to the company’s internal audit department after having completed a number of internal auditing modules with GZU. He is planning his first audit and has asked you to assist him. With reference to the International Standards for the Professional Practice of Internal Auditing (standards), briefly explain what Dr Thomas should consider in planning for the audit in line with standard 2201. (16 marks)

Question 4 (25 Marks)

- a) While conducting an internal audit of the security and maintenance facilities of a company’s delivery vehicles, you discover that the company is only using security guards and no other methods to protect their assets, even though, collectively, the vehicles are valued at US \$450 000.

List and explain other preventive, detective and directive controls the company could implement to ensure the effective and efficient physical maintenance and security of its vehicles. (15 marks)

- b) Describe risk based internal auditing (RBIA) approach and its impact on an organisation’s corporate governance. (10 marks)

...END OF EXAMINATION...