nAmIBIA UnIVERSITY
OF SCIEnCE AnD TECHnOLOGY

FACULTY OF COMPUTING AND INFORMATICS

DEPARTMENT OF INFORMATICS

QUALIFICATION : POST GRADUATE CERTIFICATE IN INFORMATICS (INFORMATION SYSTEMS AUDIT)	
QUALIFICATION CODE: 08PGCI	**LEVEL:** 8
COURSE CODE: ISA822S	**COURSE NAME:** INFORMATION SYSTEMS AUDIT
SESSION: JULY 2019	**PAPER:** THEORY
DURATION: 3 HOURS	**MARKS:** 100

SUPPLEMENTARY / SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
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INSTRUCTIONS
1. Answer ALL the questions.
2. Write clearly and neatly.
3. Number the answers clearly.
4. Answers should be neat, relevant and brief
5. In marking, the Examiners will take into account clarity of exposition, logic of arguments, effective presentation and language use.

PERMISSIBLE MATERIALS

None

THIS QUESTION PAPER CONSISTS OF 6 PAGES (Including this front page)

SECTION A: MULTIPLE CHOICE [20]

Question 1 [20]
1. Who sets the priorities and objectives of the IT balanced scorecard (BSC)?
   A. Chief information officer (CIO)
   B. Chief financial officer (CFO)
   C. Chief executive officer (CEO)
   D. IT steering committee

2. Which of the following statements has the best correlation to the definition of strategy ?
   A. Defines the techniques to be used in support of the business objective
   B. Defines the necessary procedures to accomplish the goal
   C. Defines guidelines to follow in a recipe for success
   D. Defines what business an organization is in for the next three years

3. Which of the following is not considered a control failure?
   A. Using a policy that lacks a detective mechanism to identify violations
   B. Modifying an ineffective procedure outside of change control
   C. Testing to discover how many policy violations have occurred
   D. Implementing a policy or standard without consequences of failure

4. Which of the following statements is true concerning the steering committee?
   A. Steering committee membership is composed of directors from each department.
   B. The steering committee focuses the agenda on IT issues.
   C. Absence of a formal charter indicates a lack of controls.
   D. The steering committee conducts formal management oversight reviews.

5. Who has responsibility for setting the scope of the audit?
   A. Auditor
   B. Client
   C. Audit manager
   D. Auditee

6. Auditors base their report on findings, evidence, and the results of testing. It's more of a score than an opinion. Which of the following types of evidence sampling refer to a 100 percent sample?
   A. Attribute
   B. Stop-and-go
   C. Cell
   D. Discovery

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7. Which of the following types of risk are of the most interest to an IS auditor?
   A. Control, detection, noncompliance, risk of strike
   B. Inherent, noninherent, control, lack of control
   C. Sampling, control, detection, inherent
   D. Unknown, quantifiable, cumulative

8. Which type of audit may be used for regulatory licensing or external reporting?
   A. Qualified audit
   B. Independent assessment
   C. Control self-assessment
   D. Traditional audit

9. Which of the following is not a type of quantitative sampling model?
   A. Difference estimation
   B. Stratified mean per unit
   C. Unstratified mean per unit
   D. Qualitative estimation per unit

10. What is the purpose of the audit charter?
    A. To engage external auditors
    B. To grant responsibility, authority, and accountability
    C. To authorize the creation of the audit committee
    D. To provide detailed planning of the audit

11. Which is not t a purpose of risk analysis?
    A. Support risk-based audit decisions
    B. Assist the auditor in determining audit objectives
    C. Assist the auditor in identifying risks and threats
    D. Ensure absolute safety during the audit

12. What is the best data collection technique the auditor can use if the resources are available?
    A. Surveys that create a broad sample
    B. Review of existing documentation
    C. Auditor observation
    D. Interviews

13. An IS auditor is performing a review of an application and finds something that might be illegal. The IS auditor should do which of the following?
    A. Disregard or ignore the finding because this is beyond the scope of this review
    B. Conduct a detailed investigation to aid the authorities in catching the culprit
    C. Immediately notify the auditee of the finding
    D. Seek legal advice before finishing the audit

14. What is the security issue regarding packet analysers?
    A. Viewing passwords
    B. Special training
    C. Purchase cost
    D. Only for auditor's use

15. An IT steering committee would most likely perform which of the following functions?
    A. Explain to the users how IT is steering the business objectives
    B. Issue directives for regulatory compliance and provide authorization for ongoing IT audits
    C. Facilitate cooperation between the users and IT to ensure that business objectives are met
    D. Ensure that the business is aligned to fulfil the IT objectives

16. What is the primary purpose of the reviews at the end of each phase in the SDLC?
    A. Approval for the funding to continue development
    B. Approval by management to proceed to the next phase or possibly kill the project
    C. Approval of the final design
    D. Provide the auditor with information about management's decision for regulatory compliance

17. Why is ongoing system monitoring important?
    A. For preventative control
    B. For historical logging and trend analysis
    C. To collect metrics for SLA reports
    D. To find inconsistencies and errors

18. Segregation of duties may not be practical in a small environment. A single employee may be performing the combined functions of server operator and application programmer, for example. The IS auditor should recommend controls for which of the following?
    A. Automated logging of changes made to development libraries
    B. The hiring of additional technical staff to force segregation of duties
    C. Preventing the operator login ID from making program modifications
    D. Procedures verifying that only approved program changes are implemented

19. What type of control is representative of exception reporting?
    A. Processing
    B. Output
    C. Database integrity
    D. Service level

20. When separation of duties is not possible, what would be the terminology for forcing employees to take vacation, job rotation, reconciliation, and supervisor review?
    A. Preventative control
    B. Corrective control
    C. Compensating control
    D. Transaction control

SECTION B: SHORT STRUCTURED QUESTIONS [30]

Question 2 [30]

a) Briefly explain the concept of Agile System implementation. (10)

b) COBIT 5's view on this key distinction between governance and management is, briefly describe the difference between the two. (4)

c) A database is one of the structured set of data held in a computer and is accessible in various ways. How could be the database integrity, availability and maintenance be ensured. (6)

d) Auditors can use different techniques for testing safekeeping. List and explains the three methods used to test the security. (6)

e) What are the following framework used for during Information System Auditing?

   i.   ITSM (2)

   ii. ITIL (2)

SECTION C: LONG STRUCTURED QUESTIONS [50]

Question 3 [10]

Electronic Data Interchange (EDI) replaces the traditional paper document exchange such as invoices, purchase order etc. Due to revolution of E-commerce, Megabuild Company hired a web developer to design and implement web-based EDI system. Web based EDI consists of Front-end application designed with open source software PHP and MySQL database used on backend. Briefly discuss the risks associated with deployment of EDI applications.

Question 4 [10]

In order to ensure timely detection of errors and misappropriations during normal course of business process, IS auditor has advised to segregate duties within IS department. The segregation may further avoid the possibility of single person responsible for diverse and critical functions. Several control mechanisms can be used to strengthen segregation of duties. Describe the control mechanisms that should be used by the IS auditors to strengthen segregation of duties in organization?

Question 5 [20]

GEKO oil and gas company has just implemented IT Governance framework to provide assurance to its stakeholders that IT services are aligned with business vision, mission and objectives. You are appointed as new IS auditor of the company and asked to share key concepts of knowledge statements regarding effective governance and management of IT in organization. Discuss the audit role in the governance of Enterprise IT.

Question 6 [10]

A risk-based audit approach is usually adopted to develop and improve the continuous IS audit process. Explain five stages of risk-based audit approach.

End of question paper