



***"Investing in Africa's Future"***

**COLLEGE OF BUSINESS PEACE LEADERSHIP AND GOVERNANCE**

**NMAC 208: AUDIT SKILLS**

**END OF SECOND SEMESTER EXAMINATIONS**

**APRIL 2023**

**LECTURER: T. TEMBO**

**DURATION: 3 HOURS**

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### ***INSTRUCTIONS***

ANSWER ***ALL QUESTIONS***

MARKS ALLOTTED TO EACH QUESTION ARE SHOWN

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CLEAR AND NEATLY PRESENTED WORK WILL BE AWARDED MARKS FOR  
PRESENTATION

## QUESTION 1

Identify **Code of Professional Conduct** principles, threats to each principle and three safeguards on each threat *30 marks*

## QUESTION 2

- a. As the chairman of compliance committee for Victor Bank, draft a board charter. *15 marks*
- b. Using a scenario of your choice, explain the concept of subsequent events according to ISA 560 *10 marks*

## QUESTION 3

- a. According to **International Standard (ISA) 300**, Planning an Audit for Financial Statements, auditors have a number of due diligence exercises before accepting a client and audit.
- i. What should auditors do before accepting a client according to (ISA) *8 marks*
  - ii. Under what circumstances can an auditor decline to audit a potential client *3 marks*
  - iii. Assuming that the auditor has accepted a client, draw up the audit plan *4 marks*
  - iv. Identify and explain stages of the audit process *5 marks*

## QUESTION 4

- a. According to ISA 550, Audit Evidence, apply both tests of controls and substantive procedures to audit a motor vehicle which was bought in 2021. Give reasons for each procedure. *15 marks*
- b. According to ISA 330, Auditors response to assessed risks, clearly distinguish between tests of controls and substantive procedures *10 marks*

**END OF EXAMINATION**