

OCT/NOV 2015 EXAM MEMO REFERENCES

QUESTION 1

- Q1.1 The requirements of sound corporate governance pertaining to the board of directors and board committees** *(15 marks + 1 mark for presentation)*
- a) **Board of Directors: composition and appointments** (Max 6 marks)
Refer to King III report principle 2.16, principle 2.18, principle 2.18 point 73, principle 2.18 point 72.
 - b) **Board of Directors: meetings** (Max 1.5 marks)
Refer to King III report principle 2.1 point 1, principle 2.19 point 83.
 - c) **Risk committee: composition and appointments** (Max 4.5 marks)
Refer to King III report principle 4.3 point 21, principle 4.3 point 20, principle 2.23, principle 2.23 point 131.
 - d) **Company secretary** (Max 3 marks)
Refer to King III report principle 2.21, principle 2.21 point 97, principle 2.21 point 98.
- Q1.2 Eligibility of M Bricks and G Tiles as members of the audit committee** *(3 marks)*
Refer to King III report principle 3.2 point 9
- Q1.3 Requests for internal audit department's services** *(6 marks + 1.5 marks for presentation)*
- 1) Yes – *Refer to King III report principle 7.1 point 2.3*
 - 2) No – *Refer to King III report principle 7.2 point 9*
 - 3) No – *Refer to King III report principle 7.3*
 - 4) Yes – *Refer to King III report principle 7.1*
- Q1.4 General physical access controls to prevent access to the computer onto which the company's bank account software is loaded** *(10.5 marks + 0.5 marks for presentation)*
Refer Jackson & Stent (2014: 8/17 – 8/18)
- Q1.5 Password control to prevent unauthorized access to the company's bank account** *(12 marks + 0.5 marks for presentation)*
Refer Jackson & Stent (2014: 8/20)

QUESTION 2

- Q2.1 Internal controls relating to the ordering of goods in the acquisitions and payments cycle** *(10.5 marks + 0.5 marks for presentation)*
Refer Jackson & Stent (2014: 11/9)
- Q2.2 Inherent limitations of internal control** *(4 marks)*
Refer Jackson & Stent (2014: 5/4 – 5/5)
- Q2.3 Procedures for conducting a monthly inventory count** *(18 marks + 0.5 for presentation)*

Refer Jackson & Stent (2014:12/12 – 12/13)

Q2.4 Internal controls that management should design and implement to ensure that only valid new employees are added to the Masterfile and only valid changes are made to the employee Masterfile **(9 marks + 0.5 for presentation)**

Refer Jackson & Stent (2014:13/16 – 13/18)

Q2.5 Weakness in credit sales **(6 marks + 1 for presentation)**

Refer Jackson & Stent (2014:10/10 – 10/13)

Did you notice that there were a total of 6 marks for presentation? These are easy marks to obtain by simply following instructions. If we ask for a table, use a table. If we ask for headings, use headings. It's as easy as that. Note that these presentation marks are also awarded for communication, logic, structure and presentation. Therefore do not use abbreviations that are not universally known, as this is not professional language (communication). You could lose these easy presentation marks.

For example:

MAF is an accepted abbreviation for "Masterfile amendment form", but

INED is not an accepted abbreviation for "Independent non-executive director".