

Tutorial Letter 101/3/2017

Corporate Governance in Accountancy AUE2602

Semesters 1 and 2

Department of Auditing

This tutorial letter contains important information
about your module.

BARCODE



CONTENTS

Page

1	INTRODUCTION	3
2	PURPOSE AND OUTCOMES	3
2.1	Purpose	3
2.2	Outcomes	4
3	CONTACT DETAILS	4
3.1	Lecturers.....	4
3.2	Department.....	4
3.3	College	5
3.4	University	5
4	RESOURCES	7
4.1	Prescribed books	7
4.2	Prescribed resources	7
5	STUDENT SUPPORT SERVICES	7
5.1	Information on tutorial offerings at Unisa.....	7
5.2	Telecentres	8
5.3	Unisa Library.....	8
6	STUDY PLAN	9
7	ASSESSMENT	9
7.1	Assessment plan	9
7.2	General assignment numbers	10
7.2.1	<i>Unique assignment numbers</i>	<i>10</i>
7.2.2	<i>Due dates for assignments</i>	<i>10</i>
7.3	Submission of assignments	10
7.4	Assignments	11
7.4.1	<i>Semester 1: Assignment 01</i>	<i>11</i>
7.4.2	<i>Semester 1: Assignment 02</i>	<i>17</i>
7.4.3	<i>Semester 2: Assignment 01</i>	<i>20</i>
7.4.4	<i>Semester 2: Assignment 02</i>	<i>26</i>
8	OTHER ASSESSMENT METHODS	29
9	EXAMINATION.....	34
10	FREQUENTLY ASKED QUESTIONS	35
11	CONCLUSION.....	35

1 INTRODUCTION

Dear Student

It gives us great pleasure to welcome you as an AUE2602 student in the Department of Auditing. We, as lecturers, are at your disposal and will gladly assist you with your studies. Be assured of our willingness to support you with advice during your studies.

You will receive a number of tutorial letters during the semester. A tutorial letter is one way of communicating with you about teaching, learning and assessment. Please read the **Study @ Unisa (formerly myStudies @ Unisa)** brochure in combination with this Tutorial Letter 101, as it gives you a general idea of important information when studying at our college.

Right from the start, we would like to point out that you should read **all the tutorial letters** you receive during the semester **immediately and carefully**, as they always contain important and, sometimes, urgent information.

This tutorial letter contains important information that will assist you with your studies. Please read it carefully and keep it at hand when working through the study material; preparing for the assignments and examination and addressing questions to your lecturers. We trust that you will benefit from everything that this module has to offer.

Study material

You will be supplied with the following tutorial material for this module by the Despatch Department:

- MO001 (printed online material)
- Tutorial letters

All tutorial material will be mailed to you on registration. Tutorial matter that is not available when you register will be posted to you as soon as possible; however, it is also available on *myUnisa*.

To contact the Department of Despatch regarding tutorial material you have not received, use the telephone numbers indicated in the booklet entitled **Study @ Unisa (formerly myStudies @ Unisa)** (which you received with your tutorial material).

You may access the tutorial letters for the modules for which you are registered on the university's online campus, *myUnisa*, at <http://my.unisa.ac.za>. You can also use *myUnisa* to confirm that you have received all the tutorial letters. **It is essential that you access *myUnisa* regularly, because important announcements that will assist you in preparing for the examinations will appear on *myUnisa* during the semester.**

2 PURPOSE AND OUTCOMES

2.1 Purpose

The purpose of this module is stated in the "Introduction and overview" of your learning units included in the MO001.

2.2 Outcomes

For the learning outcomes of this module, we refer you to the various topics covered in the MO001.

During the semester you should:

- Work through your study material; make summaries and complete the “do” activities.
- Answer the questions contained in Tutorial Letter 102 and compare your answers with the suggested solutions contained in Tutorial Letter 103.
- Complete and submit Assignment 01 and Assignment 02 **before the due dates** and complete the self-evaluation assessment. All the assignments and the self-evaluation assessment are included in this tutorial letter.
- Prepare yourself for the examination (for examination preparation and techniques, refer to the ***Study @ Unisa (formerly myStudies @ Unisa)*** brochure).

All students will receive the solutions to the assignments even if they do not submit their assignments.

3 CONTACT DETAILS

3.1 Lecturers

Lecturers for AUE2602:

The lecturers responsible for this module and to whom you should direct your enquiries are:

Ms J Groenewald

E-mail: AUE2602@unisa.ac.za

Tel: 012 429 2164/+27 12 429 2164

Ms N Coetzee

E-mail: AUE2602@unisa.ac.za

Tel: 012 429 6480/+27 12 429 6480

Course co-ordinator:

Prof HJ Theron

E-mail: therohj@unisa.ac.za

Tel: 012 429 4364/+27 12 429 4364

PLEASE NOTE: Personal appointments should be arranged beforehand.

Always have your student number and module code ready when contacting the university.

3.2 Department

Department of Auditing:

If you wish to write to us, letters should be addressed to:

The Module Leader: AUE2602

Department of Auditing

PO Box 392

UNISA

0003

Secretary:

Tel: +27 12 429 4707

Departmental web page

<http://www.unisa.ac.za/Default.asp?Cmd=ViewContent&ContentID=194>

The Department of Auditing is situated on the fifth level of the Samuel Pauw Building on the main campus in Pretoria; and our telephone number is +27 12 429 4707. Mr RE Hlakudi is the chair of the department.

3.3 College

For college-related undergraduate enquiries, please phone +2712 429 2233/2982 or send an e-mail to Casenquiries-undergraduate@unisa.ac.za.

3.4 University

If you need to contact Unisa about matters not related to the content of this module, please consult the brochure, **Study @ Unisa (formerly myStudies @ Unisa)**, which you should have received with your study material. In this document you will find the contact details of various administrative departments.

Please ensure that you contact the correct section or department for each enquiry because this will result in a speedy resolution of the enquiry.

Please take note that administrative questions should be directed to our Student Information Hub on +27 12 429 4211 or Casenquiries-undergraduate@unisa.ac.za.

The contact details are:

E-mail addresses



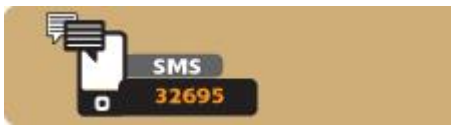
- info@unisa.ac.za for general enquiries
- study-info@unisa.ac.za for application and registration enquiries (prospective and registered students)
- international@unisa.ac.za for international students (registration enquiries)
- assign@unisa.ac.za for assignment enquiries
- exams@unisa.ac.za for examination enquiries
- despatch@unisa.ac.za for study material enquiries
- finan@unisa.ac.za for student account enquiries
- gaudeamus@unisa.ac.za for graduation enquiries
- myUnisaHelp@unisa.ac.za for assistance with myUnisa
- myLifeHelp@unisa.ac.za for assistance with myLife e-mail accounts
- aegrotats@unisa.ac.za for aegrotat examinations
- remark@unisa.ac.za for remarking papers
- recheck@unisa.ac.za for rechecking papers
- condiscipuli@unisa.ac.za for names of fellow students
- counselling@unisa.ac.za for student counselling and career development
- vospresc@unisa.ac.za for enquiries about prescribed books

Library

The ***Study @ Unisa (formerly myStudies @ Unisa)*** booklet, which is part of your registration package, lists all the services offered by the Unisa Library.

General library catalogue enquiries	bib-oasis@unisa.ac.za
Library web co-ordinator	bib-web@unisa.ac.za
Interlibrary loans enquiries	libr-ill@unisa.ac.za
Enquiries about subject databases	bib-dbase@unisa.ac.za
Library information desk	bib-help@unisa.ac.za
Enquiries about training presented by the library	bib-oplei@unisa.ac.za
Send a question to the library staff	bibrefq@unisa.ac.za

SMS numbers



Send an SMS to 32695 for more information on how to contact Unisa via SMS (only for students within the borders of South Africa). Students will receive an auto response SMS with the various SMS options. Standard SMS rates apply.

Students can also SMS enquiries directly to:

43578 for applications and registrations*
43584 for assignments*
43584 for examinations*
43579 for study material*
31954 for student accounts*
43582 for *myUnisa* and *myLife**

* The SMS number is only for students residing in South Africa. International students are requested to use the e-mail address info@unisa.ac.za.

Online address	http://my.unisa.ac.za
Unisa website	http://www.unisa.ac.za

Other means of contacting the university are:

Physical address	University of South Africa Preller Street Muckleneuk Pretoria City of Tshwane
Postal address	University of South Africa PO Box 392 UNISA 0003

Note: Lecturers cannot assist you with registration, payments, module codes, examinations and so forth. These are administrative issues which should be discussed with the relevant sections.

4 RESOURCES

The resources at your disposal are classified into the following two categories:

4.1 Prescribed books

The following is a list of the prescribed books for this module:

- Jackson RDC & Stent WJ. 2014. *Auditing notes for South African students*. 9th edition. Durban: LexisNexis.
- LexisNexis. *Auditing: Legislation and Standards*. First edition. LexisNexis.
- Gowar H & Jackson RDC. 2017. *Graded Questions on Auditing 2017*. Durban: LexisNexis.

NB: All three books are essential for passing this module.

Please consult the list of official booksellers and their addresses listed in the **Study @ Unisa (formerly myStudies @ Unisa)** brochure.

Prescribed books are available at the university's official booksellers. If you have any difficulties in obtaining books from these bookshops, please contact the prescribed book section as soon as possible at telephone number +27 12 429 4152 or e-mail address vospresc@unisa.ac.za.

Information on the use and the sources of information available in the Unisa Library is available in the **Study @ Unisa (formerly myStudies @ Unisa)** brochure.

4.2 Prescribed resources

Insight Education; available from: <http://insighteducation.co.za>

5 STUDENT SUPPORT SERVICES

For student support services, you are referred to the **Study @ Unisa (formerly myStudies @ Unisa)** brochure.

5.1 Information on tutorial offerings at Unisa

Unisa offers online tutorials (e-tutoring) to students registered for modules at NQF level 5 and 6, this means qualifying first year and second year modules. Please communicate with your module leader to find out if any of the modules you have registered for, falls within this category.

Once you have been registered for a qualifying module, you will be allocated to a group of students with whom you will be interacting during the tuition period as well as an e-tutor who will be your tutorial facilitator. Thereafter you will receive an SMS informing you about your group; the name of your e-tutor; and instructions on how to log onto *myUnisa* to receive further information on the e-tutoring process.

Online tutorials are conducted by qualified e-tutors who are appointed by Unisa and are offered free of charge. All you need to be able to participate in e-tutoring is a computer with internet connection. If you live close to a Unisa regional centre or a telecentre contracted with Unisa, please feel free to visit any of these to access the internet. E-tutoring takes place on *myUnisa* where you are expected to communicate with other students in your allocated group. It is the

role of the e-tutor to guide you through your study material during this interaction process. For you to get the most out of online tutoring, you need to participate in the online discussions that the e-tutor will be facilitating.

5.2 Telecentres

Unisa has entered into partnerships with establishments (referred to as Telecentres) in various locations across South Africa to enable you (as a Unisa student) free access to computers and the Internet. This access enables you to conduct the following academic related activities: registration; online submission of assignments; engaging in e-tutoring activities and signature courses; etc. Please note that any other activity outside of these are for your own costing e.g. printing, photocopying, etc. For more information on the Telecentre nearest to you, please visit www.unisa.ac.za/telecentres.

5.3 Unisa Library

Unisa Library login

You will be required to provide your login details, in other words, your student number and your *myUnisa* password in order to access the library's online resources and services.

This will enable you to

- view or print your electronic course material
- request library material
- view and renew your library material
- use the library's e-resources

Requesting library books

Students are expected to purchase their own copies of the **prescribed books and prescribed resources** listed in Tutorial Letter 101 (this tutorial letter) under section 4.1 and 4.2. There are a limited number of copies available at the Unisa libraries, subject to each branch library's lending regulations. Problems experienced in obtaining copies from booksellers should be directed to the Prescribed Books Section at e-mail vospresc@unisa.ac.za or telephone +27 12 429 4152.

Electronic requests

The preferred way of requesting **recommended or additional** books is **online** via the library's catalogue.

Go to <http://oasis.unisa.ac.za>, or

Via *myUnisa*, go to <http://my.unisa.ac.za> > Login > Library > Library catalogue, or

For mobile access, go to <http://oasis.unisa.ac.za/airpac> (AirPAC).

Telephonic book requests

Telephonic book requests can be placed by contacting +27 12 429 3133 and supplying the reservation order number (RON).

6 STUDY PLAN

You are responsible for pacing yourself. The volume of work is immense; therefore, you should bear this in mind when planning your studies. Spread your studies evenly throughout the semester.

Also use the **Study @ Unisa (formerly myStudies @ Unisa)** brochure for general time management and planning.

7 ASSESSMENT

7.1 Assessment plan

Assignments

The submission of one of the assignments, Assignment 01 or 02 will prove that you are an active student and will therefore earn you admission to the examination. You can obtain admission to the examination by submitting one of the assignments. You will undoubtedly realise the importance of commencing your study programme in good time so that you can obtain admission to the examination and earn a good year mark.

Assignments are seen as part of the learning material for this module. As you do the assignments; study the reading texts; consult other resources; discuss the work with fellow students or tutors and do research, you are actively engaged in learning.

The marks you obtain for Assignment 01 and Assignment 02 will contribute towards your year mark. Thus, it is in your best interest to attempt to submit both assignments.

Comments and feedback on assignments

The solution to Assignment 01 and 02 will be provided to you in Tutorial Letter 201 and 202, which will only be distributed after the due dates of Assignment 01 and 02.

As soon as you have received the comments, please check your answers. The assignments and the comments on these assignments constitute an important part of your learning; and should help you to be better prepared for the next assignment and the examination. The solution and comments on the self-evaluation assessment will be included in Tutorial Letter 202, which will enable you to mark the assessment yourself.

Year mark

The marks that you obtained for Assignment 01 and Assignment 02 will contribute towards your year mark for the module.

Your year mark contributes 20% towards your final examination mark. A student requires a final mark of 50% to pass a module and the final mark is calculated as follows:

5% x mark obtained for Assignment 01 plus

15% x mark obtained for Assignment 02 plus

80% x mark obtained in the examination (subminimum of 40%)

The subminimum of 40% implies that if you obtain a mark of less than 40% in the examination, your year mark will not be taken into account.

Please ensure that Assignment 01 and Assignment 02 reach the university **before the relevant due dates – late submission of these assignments will result in you not receiving marks that count towards your year mark.**

THUS:

TO GAIN ADMISSION TO THE EXAMINATION, YOU MUST SUBMIT ASSIGNMENT 01 OR ASSIGNMENT 02 BEFORE OR ON THE RELEVANT DUE DATES.

YOUR MARKS FOR THE TWO ASSIGNMENTS, 01 AND 02, WILL BE USED TO DETERMINE YOUR YEAR MARK.

7.2 General assignment numbers

Assignments are numbered consecutively per module, starting from 01. Only Arabic numerals are used, for example, Assignment 01 and 02 and so forth.

7.2.1 Unique assignment numbers

In addition to the general assignment number (e.g. 01), each assignment has its **own unique assignment number** (e.g. 102717). This number must be written in the designated area on the mark-reading sheet or assignment cover page.

7.2.2 Due dates for assignments

Assignment	FIRST SEMESTER Due dates if you are registered for the first semester	SECOND SEMESTER Due dates if you are registered for the second semester
01 (5% of year mark)	10 March 2017 Unique number: 860245	11 August 2017 Unique number: 579000
02 (15% of year mark)	4 April 2017 Unique number: 592295	4 September 2017 Unique number: 824944

7.3 Submission of assignments

You may submit written assignments and assignments done on mark-reading sheets either by post or electronically via *myUnisa*. We **recommend** students **to submit the assignments electronically** via *myUnisa* (in a PDF format) instead of posting them.

Refer to the **Study @ Unisa (formerly my Studies @ Unisa)** brochure received with your study material for complete information and requirements regarding assignments.

To submit an assignment via *myUnisa*:

- Go to *myUnisa*.
- Log in with your student number and password.
- Select the module from the orange bar.
- Click on “Assignments” in the left-hand menu.
- Click on the assignment number you want to submit.
- Follow the instructions on the screen.

PLEASE NOTE: You may submit either of the assignments in order to be admitted to the examination; however, please note that both Assignment 01 and Assignment 02 contribute to determining your year mark. No extension of due dates can be given by the lecturers for these assignments.

General remarks

For enquiries about assignments (for example whether or not the university has received your assignment or the date on which an assignment was returned to you), please refer to the contact information in 3.4 of this tutorial letter. You may also find this information on *myUnisa*. To go to the *myUnisa* website, start at the main Unisa website, <http://www.unisa.ac.za>, and then click on the “login to *myUnisa*” link under the *myUnisa* tab on the screen. This should take you to the *myUnisa* website. You can also go there directly by typing in <http://my.unisa.ac.za>.

Assignments should be addressed to:

The Registrar
PO Box 392
UNISA
0003

Completion of assignment cover

PLEASE NOTE: Make sure that you read the instructions on the assignment cover carefully before completing it. The cover must be completed **correctly**. The following information must appear on the COVER of your assignment:

Name
Address (and postcode)
Student number
Subject code (AUE2602)
Correct assignment number
Correct unique assignment number
Label with bar code

7.4 Assignments

7.4.1 Semester 1: Assignment 01

Instructions

- (1) Write the correct unique assignment number in the six blocks provided on the mark-reading sheet.

- (2) Write the ordinary assignment number (01) in the two blocks provided on the mark-reading sheet.
- (3) Consult **Study @ Unisa (formerly myStudies @ Unisa)** for an example of how a computer mark-reading sheet should be completed.
- (4) If you do not follow these instructions, the computer will reject your answer sheet and it will be returned to you unmarked. Also consult **Study @ Unisa (formerly myStudies @ Unisa)** when answering multiple-choice assignments.

Special information on answering the assignment

- (1) This assignment consists of 20 multiple-choice questions.
- (2) This assignment covers topics 1 and 2 of the MO001.

ASSIGNMENT 01: MULTIPLE-CHOICE QUESTIONS

UNIQUE ASSIGNMENT NUMBER FOR THE FIRST SEMESTER:
860245

DUE DATE

First semester: 10 March 2017

QUESTION 1

30 marks

REQUIRED

For each question, select only **ONE** alternative you consider to be the most correct and then mark on *myUnisa*, or on the mark-reading sheet, the digit that corresponds with the digit of the alternative you have selected as your answer. Answer the subsections of this question in numerical sequence, for example:

1. 1
2. 3

(1½ marks per question)

1. Select the **best** alternative to complete the following sentence:

The **key aspects** of the King III Report revolve around ...

- 1 alternative dispute resolution (ADR) and risk-based internal audit;
- 2 sustainability;
- 3 shareholders and remuneration;
- 4 leadership, sustainability and corporate citizenship.

2. Within how many days should the board appoint the audit committee members after a public or state-owned company has been incorporated?
- 1 30 Business days.
 - 2 40 Business days.
 - 3 50 Business days.
 - 4 60 Business days.
3. Select the **correct** answer relating to the responsibilities of the audit committee in terms of the King III Report.

The audit committee is responsible for monitoring the integrity and completeness of the company's integrated reporting. This includes:

- a) Evaluating judgments and reporting decisions.
 - b) Resolving disputes relating to the company's operations.
 - c) Considering whether there are any conditions which may tempt management to manipulate the financial statements.
 - d) Dealing with complaints and queries relating to previously published financial information.
 - e) Determining the accounting principles to be applied in the annual financial statements.
 - f) Reviewing management's assessment of the company's going concern ability.
- 1 a, c, d, e and f;
 - 2 a, d and f;
 - 3 b, c, d, e and f;
 - 4 a, c, d and f;
4. Which ONE of the following alternatives will **not** lead to the financial director being held liable in terms of the Companies Act 71 of 2008?
- 1 Failing to disclose to the board a personal financial interest.
 - 2 Failing to act in good faith and for a proper purpose.
 - 3 Failing to act in the best interest of the company.
 - 4 Failing to inform the board of all environmental law changes.
5. Which of the following companies are required by the Companies Act to have an audit committee?
- i) State-owned companies.
 - ii) Public companies.
 - iii) Private companies.

- iv) A public company that is a subsidiary of a holding company which has an audit committee, but which will not perform the functions of an audit committee within the subsidiary.

- 1 Options (i) and (ii).
- 2 Options (ii) and (iii).
- 3 Options (i), (ii) and (iv).
- 4 All the options.

6. Select the **correct** alternative to complete the following sentence:

The chairperson of the board of directors should ...

- 1 also be the chairperson of the remuneration committee;
- 2 be a member of the nomination committee;
- 3 be the chair of the risk committee;
- 4 be a member of the audit committee.

7. Which ONE of the following alternatives is a function of the **remuneration committee**?

- 1 To assist with the process of identifying suitable members of the board.
- 2 To assist the board in setting and administering remuneration policies.
- 3 To consider the risk management policy; and to plan and monitor the risk management process.
- 4 To set and administer remuneration policies and ensure that these policies are being implemented by the board.

8. Which ONE of the following alternatives is **not** an **input application control** to ensure **accuracy** in a computerised environment?

- 1 Alphanumeric format checks.
- 2 Access control.
- 3 Sign checks.
- 4 Reasonableness and limit tests.

9. Which ONE of the following alternatives is **not** one of the **ethical values** on which decisions and actions of directors should be based?

- 1 Conscience.
- 2 Responsibility.

3 Transparency.

4 Accountability.

10. What is the **minimum** number of members that an audit committee must have?

1 Six members.

2 Two members.

3 Three members.

4 Five members.

11. Which ONE of the following statements regarding internal control is **incorrect**?

1 Monitoring the internal control process is all about determining whether the control activities are actually taking place.

2 Control activities are actions which are carried out to achieve the entity's objectives.

3 The control environment is about the control consciousness of the entity.

4 Internal control procedures are designed to deal with potential risks and limit such risks.

12. Which ONE of the following control activities in a payroll and personnel business cycle is an example of **segregation of duties**?

1 Before the batch of clock cards is transferred for payroll preparation, the section head should check calculations and authorise overtime payment.

2 The appointment or dismissal of employees should be signed by the section head and countersigned by the section manager after referring to the budget.

3 Any unclaimed wage packages should be retained by the paymaster who should lock them away.

4 Wage packets should be made up by two wage department members, while the pay-out of wages should be conducted by an independent paymaster and the section foreman.

13. Select the option that **best** answers the following question.

Which of the following parties are responsible for the internal control process of an entity?

1 Management and the board of directors.

2 The board of directors.

3 Employees of the entity and management.

4 Management, the board of directors and the employees.

14. Which ONE of the following internal controls is **not** an example of **physical access control** in a computerised environment?
- 1 Users should provide unique user IDs and passwords to gain access to the system.
 - 2 Entry and exit points to the data centre should be limited to one and may be under closed-circuit TV surveillance.
 - 3 The building in which the equipment that runs the computerised system is housed (for example the servers and CPU) should have a dedicated room to which only a dedicated number of personnel should have access.
 - 4 With the exception of IT personnel, company personnel do not need to enter the data centre; access should also be controlled.
15. Which ONE of the following is **not** a risk that will be dealt with by internal controls in a business?
- 1 Fraud.
 - 2 Non-compliance with laws and regulations.
 - 3 Late submission of a director's personal tax return.
 - 4 Theft of the assets of the company.
16. Select from the following alternatives the **incorrect** alternative with regard to the characteristics of internal control.
- 1 Internal controls are not affected by changes in conditions; therefore, compliance with procedures will not deteriorate.
 - 2 Internal control is a process: a combination of systems, policies and procedures, designed, implemented and maintained to deal with the risks of running a business.
 - 3 The potential of human error due to carelessness, distraction, errors of judgement and misunderstanding of instructions is a limitation of internal controls.
 - 4 The board of directors has overall responsibility and accountability for the internal control of a business.
17. Select the alternative which **best** completes the following statement:
- The term "computerised environment" refers to any particular, unique combination of ...
- 1 computerised business cycles;
 - 2 hardware, software and personnel;
 - 3 data centres housing servers, routers, modems and so forth;
 - 4 general and application controls.

18. Which ONE of the following alternatives is **not** a factor the external auditor should consider when assessing whether a risk is a significant risk?
- 1 Significant transaction with related parties.
 - 2 Recent significant economic, accounting or other developments.
 - 3 The complexity of the transactions.
 - 4 The nature, timing and extent of audit procedures.
19. Which ONE of the following alternatives is **not** one of the **five components** of internal control according to the framework provided by ISA 315 of the auditing standards?
- 1 Control activities.
 - 2 Risk assessment.
 - 3 Monitoring controls.
 - 4 Segregation of duties.
20. Which programme check can be implemented to ensure that data captured during the input phase is **complete**?
- 1 Limit check.
 - 2 Alpha-numeric check.
 - 3 Mandatory fields.
 - 4 Sign check.

---X---

7.4.2 Semester 1: Assignment 02

Instructions

- (1) Consult **Study @ Unisa (formerly myStudies @ Unisa)** for instructions on how to submit assignments online.

Special instructions on answering the assignment

- (1) This assignment covers all the topics of the MO001.
- (2) All the questions should be answered.
- (3) Only selected questions will be marked.

ASSIGNMENT 02: ESSAY-TYPE QUESTIONS

UNIQUE ASSIGNMENT NUMBER FOR THE FIRST SEMESTER:

592295

DUE DATE

First semester: 4 April 2017

QUESTION

50 marks

Building Blocks (Pty) Ltd (hereafter referred to as “BB”) is a large manufacturing company in South Africa. The company manufactures bricks and intends to list on the JSE (previously the Johannesburg Stock Exchange) in the near future.

Corporate governance in the company

The chairperson of BB, Mr H Block, instructed a task team to make a presentation to the board of directors of BB on recommendations for good governance in terms of the King III Report relating to the composition and membership of the board of directors, since compliance is compulsory for companies listed on the JSE.

The company secretary provided the following information on the board of directors that BB has in place:

1. Board of directors

Mr. H Block	Non-executive chairperson *1
Mr. M Stone	Chief Executive Officer (CEO)
Ms. G Gumba	Risk Director (an executive director)
Mr. J Mohlane	Financial Director (an executive director)
Ms. A Marais	Non-executive director *2
Mr. S Ramasodi	Non-executive director *3
Mr. H Vanmali	Non-executive director *4

Note 1: Mr H Block was the previous CEO of BB. He retired five years ago and was succeeded by Mr M Stone. He owns 8% of the shareholding of BB which he received as part of his retirement package.

Note 2: Ms A Marais provides professional legal advice to BB on an ad-hoc basis for which she is remunerated.

Note 3: Mr S Ramasodi owns 3% of the shareholding of BB and is married to Ms G Gumba.

Note 4: Mr H Vanmali had been the financial director of BB before he retired four years ago. He currently holds no business or other relationship with BB which could be seen to interfere materially with his capacity to act independently.

Inventory

High volumes of inventory are stored in the warehouse until delivery to customers is scheduled.

Employee relations

BB has started a process of hiring new wage workers in the manufacturing department. The following risks were identified relating to the manual personnel function:

- Recruitment of unsatisfactory or unnecessary employees.
- Unauthorised amendments to employee records by means of fictitious additions.
- Inaccurate or incomplete employee records.

Ordering of goods

The ordering of goods is computerised and all order clerks have been trained sufficiently in using the system. The following controls have been implemented by BB relating to the ordering of goods:

- The order clerks need an ID swipe card to gain access to the building where the terminals that are being used for ordering goods are kept.
- Order clerks have a unique username and password to gain access to the ordering module to place orders.
- Order forms are sequentially numbered by the system and a sequence test checks for gaps in the order forms matched to requisitions.
- When an order is placed, a dropdown list of approved suppliers is available for order clerks to select the supplier from whom the goods are ordered.
- Limit checks are in place to ensure that unreasonable quantities of a product are not ordered.
- Sophisticated anti-virus programs are installed on all terminals that are being used in the ordering department.

REQUIRED

Marks

- 1.1** Indicate whether the non-executive directors on the board are regarded as independent in terms of the King III Report; and give detailed reasons for your answers.

(10)

Present your answer in the following table format:

Director's name	Independent (Yes/No)	Reason for your answer
Mr H Block		
Ms A Marais		
Mr S Ramasodi		
Mr H Vanmali		

A mark will be allocated for presenting the answer in the correct format.

(1)

- 1.2** Comment on the information provided on the **board of directors** in relation to the requirements of sound corporate governance in terms of the King III Report.

Limit your answer to the **composition and membership of the board of directors**.

Compliance and non-compliance should be discussed in your answer.

(6)

- 1.3** According to the recommendations of the King III Report, who is responsible for ensuring that a company has an effective and independent audit committee?

(1½)

- 1.4 Who should approve a company's remuneration policy in terms of the recommendations of the King III Report? (1½)
2. List **six** risks associated with storing finished goods in the warehouse. (9)
3. List at least **six** internal controls that should be implemented to reduce the risks associated with hiring new employees in a manual system. (9)
4. Indicate for each of the internal controls implemented in the ordering of goods department whether the control relates to a **general control** or an **application control**; and name the type of control to which it refers, for example, physical access control. (9)

Present your answer in the following table format:

Internal control no.	General control/application control and type of control
a)	
b)	
c)	
d)	
e)	
f)	

Presentation mark for correct presentation. (1)

7.4.3 Semester 2: Assignment 01

Instructions

- (1) Write the correct unique assignment number in the six blocks provided on the mark-reading sheet.
- (2) Write the ordinary assignment number (01) in the two blocks provided on the mark-reading sheet.
- (3) Consult **Study @ Unisa (formerly myStudies @ Unisa)** for an example of how a computer mark-reading sheet should be completed.
- (4) If you do not follow these instructions, the computer will reject your answer sheet and it will be returned to you unmarked. Also consult **Study @ Unisa (formerly myStudies @ Unisa)** when answering multiple-choice assignments.

Special instructions for answering of this assignment

- (1) This assignment consists of 20 multiple-choice questions.
- (2) This assignment covers topics 1 and 2 of the MO001.

ASSIGNMENT 01: MULTIPLE-CHOICE QUESTIONS

**UNIQUE ASSIGNMENT NUMBER FOR THE SECOND SEMESTER:
579000**

DUE DATE

Second semester: 11 August 2017

QUESTION 1**30 marks****REQUIRED**

Select for each question only **ONE** alternative that you consider to be the most correct; and then mark on *myUnisa* or on the mark-reading sheet the digit that corresponds with the digit of the alternative you have selected as your answer. Answer the subsections of this question in numerical sequence, for example:

1. 1
2. 3

(1½ marks per question)

1. Within how many days after the incorporation of a public or state-owned company must the board appoint the audit committee members?
 - 1 30 Business days
 - 2 40 Business days
 - 3 50 Business days
 - 4 60 Business days

The following scenario pertains to questions 2 to 5:

Cluedo Limited is a large company that manufactures and sells board games. The board of directors meets at least once a year or when required.

The members of the board of directors are:

Colonel Mustard	-	Chairperson and Independent Non-executive Director
Dr Black	-	Chief Executive Officer (CEO)
Miss Scarlett CA (SA)	-	Financial Director
Mrs White	-	Operations Director
Mr Green	-	Independent Non-executive Director
Prof Plum	-	Independent Non-executive Director

2. Which ONE of the following statements is **false**?

- 1 The chairperson of the board, Colonel Mustard, may not be a member of the audit committee.
- 2 Dr Black may not be a member of the remuneration committee.
- 3 Colonel Mustard may be a member of the risk committee.
- 4 Dr Black may be a member of the audit committee.

3. Select the **correct** alternative to complete the following sentence:

Cluedo Limited's board of directors is **not** complying with principle 6.2 of the King III Report, because ...

- 1 each of the directors does not have an in-depth knowledge of all the laws and regulations that apply to the company;
- 2 collectively, the directors might not have an understanding of the effect of laws and regulations governing the company;
- 3 the company secretary, whose duty it is to assist the board in fulfilling their duties regarding the laws and regulations is not a member of the board;
- 4 the CEO, Dr Black, is not a qualified chartered accountant.

4. Select the **correct** alternative to complete the following sentence:

Cluedo Ltd does not comply with principle 2.18 of the King III Report relating to the composition of the board. The board of directors should comprise a balance of power with ...

- 1 a majority of non-executive directors;
- 2 a majority of independent directors;
- 3 a majority of executive directors;
- 4 a majority of non-executive directors, of which the majority must be independent.

5. The chairperson of the board of directors must be ...

- 1 the CEO of the company;
- 2 a previously disadvantaged person;
- 3 the CEO of the company, or an independent non-executive director who reports to the CEO;
- 4 an independent non-executive director.

6. Select the **incorrect** option. The CEO should ...

- 1 not be the chairperson of the board;
- 2 consider the appropriateness of taking on non-executive directors outside the group of companies with great care;
- 3 not be the chairperson of companies outside the group;
- 4 be a member of the remuneration, audit and nomination committee.

7. Select the **correct** alternative to complete the following sentence:

The King III Report and the Code on Governance for South Africa are based on the principle of ...

- 1 the Companies Act No 71 of 2008;
- 2 “apply or explain”;
- 3 “comply or explain”;
- 4 “comply or else”.

8. An independent, non-executive director is a director who ...

- a) does not receive remuneration contingent on the performance of the company;
- b) is not a professional advisor to the company;
- c) has not been employed by the company in any executive capacity for the preceding two financial years;
- d) holds 6% of the shareholding of the company or its subsidiary;
- e) is not a representative of a shareholder who has the ability to control or significantly influence management.

- 1 a, b and d;
- 2 a, b and e;
- 3 a, b and c;
- 4 c, d and e;

9. Who is ultimately responsible for ensuring that the company complies with applicable laws and regulations?

- 1 The board of directors.
- 2 The audit committee.
- 3 The risk committee.
- 4 All the personnel of the company.

10. Select the **best** alternative to complete the following statement:

The term “**risk assessment**” as part of sound governance refers to ...

- 1 the performing of tests of control to determine the effectiveness of the system of control;
- 2 the audit work performed by the outgoing auditor to determine the risk of material misstatement;
- 3 assessing the likelihood and frequency of risks identified and estimating the potential impact of the risk;
- 4 estimating the amount of financial losses should a specific risk occur and determining the recovery actions to be taken;

11. Select the **best** alternative to complete the following sentence:

Stakeholders in a governance context are considered to be ...

- 1 any group that can affect or be affected by the company’s operations;
- 2 the community in which the company operates;
- 3 the shareholders of the company;
- 4 any group that could affect the company’s financial performance, or be affected by the company’s financial performance.

12. Which ONE of the following control activities in a payroll business cycle is an example of **segregation of duties**?

- 1 Before the batch of clock cards is transferred to payroll preparation, the section head should check the calculations and authorise overtime.
- 2 The appointment or dismissal of employees should be signed by the section head and countersigned by the section manager after reviewing the budget.
- 3 Any unclaimed wage packages should be retained by the paymaster who should lock them away.
- 4 Wage packets should be made up by two wage department members and the wages should be paid out by the independent paymaster and the section foreman.

13. Information security consists of the following three components:

- 1 Availability, accountability and confidentiality.
- 2 Availability, confidentiality and integrity.
- 3 Accountability, integrity and transparency.
- 4 Availability, confidentiality and transparency.

14. Which ONE of the following alternatives is **not** an **input application control** to ensure accuracy in a computerised environment?

- 1 Alpha-numeric format checks.
- 2 Access control.
- 3 Sign checks.
- 4 Reasonableness and limit tests.

15. As part of systems development, which ONE of the following alternatives is **not** an advantage of packaged software purchased?

- 1 Packages are upgraded on an ongoing basis.
- 2 Changes cannot be made by a purchaser of the software.
- 3 Lower costs.
- 4 Technical support is available.

16. Select the alternative which **best** completes the following sentence:

All masterfile amendments in a computerised environment should be automatically logged by the computer on sequenced logs and should later be sequence-checked against the log to satisfy the ... assertion.

- 1 occurrence
- 2 accuracy
- 3 completeness
- 4 authorisation

17. Select the alternative which **best** completes the following sentence:

The financial manager ensures that **all** sales for the financial year are recorded in order to satisfy himself or herself that ...

- 1 debtors paid their accounts in good time during the financial year;
- 2 the completeness assertion has been fulfilled and to ensure that revenue is not materially misstated in the financial records of the company;
- 3 the profit is increased to an acceptable level;
- 4 the going concern concept is adhered to.

18. Which ONE of the following alternatives represents the “**triple bottom line**” concept on which company reporting should occur?
- 1 Economic aspects, environmental aspects, and social aspects.
 - 2 Economic aspects, political aspects and environmental aspects.
 - 3 Environmental aspects, health and safety aspects and financial aspects.
 - 4 Educational aspects, social aspects and financial aspects.
19. Which ONE of the following is **not** part of the risk assessment process, as one of the components of internal control?
- 1 Deciding on actions to deal with the risks.
 - 2 Identifying and assessing audit risks.
 - 3 Estimating the potential impact if a risk was to occur.
 - 4 Identifying business risks relevant to financial reporting objectives.
20. Select the alternative which **best** completes the following statement:
- Accuracy** can be defined as ...
- 1 a transaction or event which has been recorded took place and pertains to the entity;
 - 2 amounts and other data relating to recorded transactions and events have been recorded appropriately;
 - 3 all assets, liabilities, transactions or events that should have been recorded, were recorded;
 - 4 a transaction or event has been recorded in the correct accounting period.

---X---

7.4.4 Semester 2: Assignment 02

Instructions

- (1) Consult **Study @ Unisa (formerly myStudies @ Unisa)** for instructions on how to submit assignments online.

Special instructions on answering the assignment

- (1) The assignment covers all the topics of the MO001.
- (2) All the questions should be completed.
- (3) Only selected questions will be marked.

ASSIGNMENT 02: ESSAY-TYPE QUESTIONS

**UNIQUE ASSIGNMENT NUMBER FOR THE SECOND SEMESTER:
824944**

DUE DATE

Second semester: 4 September 2017

QUESTION 1**25 marks**

You are a third year audit trainee at Clean Books Incorporated, a medium sized audit firm based in Johannesburg. You have been assigned as the audit senior on the audit of OutBound Ltd (hereafter referred to as "OutBound") for the year ended 28 February 2017.

During the planning phase of the audit, the following information was gathered on the company's compliance with the King III report.

1. Board of directors

Name of director	Position and Qualification	Member of Audit Committee	Member of Remuneration Committee	Note
Mr George Mathlala	Chairperson and Chief Executive Officer (CEO) with a formal degree obtained in logistics.	Yes (Chairperson)		1
Mr Richard Thompson	Marketing Director with a Diploma in marketing.		Yes (Chairperson)	
Mrs Alida Masuru	Human Resource Director with a degree in Industrial Organisation.			1
Mr Thabiso Lebise	Information Technology (IT) Director with a certificate in MySQL database development.		Yes	
Mr Johan Combrink	Independent Non-executive Director with a law degree obtained from Unisa.	Yes		

Note 1

During the year Mr Mathlala finally tied the knot with Mrs Masuru and they had a grand wedding at the Uptown convention centre.

2. Audit Committee

During December 2016 the audit committee held its only meeting, where a decision was taken to transfer the responsibility for overseeing the internal audit function to the remuneration committee.

REQUIRED

Marks

- 1.1 Comment on the information provided in terms of the requirements of the King III report on sound corporate governance practices.

Present your answer under the following headings:

- a) Board of directors: composition and appointments (7 comments)
- b) Audit committee: (6 comments)
- c) Remuneration committee (3 comments)

(24)

Please note: Only discuss issues of **non-compliance** with the King III Report.

Communication, logic, structure and layout.

(1)

QUESTION 2

57 marks

You have been assigned to the audit of ClearSkin Ltd (hereafter referred to as “Clearskin”), a company which operates in the cosmetics industry in South Africa. You have gained an understanding of the control environment and business cycles at ClearSkin.

Continuity of operations

During the year a fire broke out on the premises of ClearSkin. The Financial Director, Mrs Glow, informed you that her finance team is in the final stages of recovering accounting information that was lost in the blaze. The company did not back up any information as there is no disaster recovery plan in place.

Findings of the internal audit report

Password controls continue to be a weakness at Clearskin.

Documentation

Properly designed source documents remain a challenge with a result that information captured on the accounting system may not be valid, accurate or complete.

Major risks identified

The following major risks that have been identified in the acquisitions and payments business cycle:

- Goods accepted are damaged or broken.
- Goods received are not recorded on goods received notes.
- Recording of incorrect amounts of creditors arising from incorrect purchase invoices relating to quality, quantity and type not as ordered or received and/or calculation errors.

REQUIRED

Marks

- 2.1 Describe the **general controls** that Mrs Glow should implement at ClearSkin to ensure that an adequate disaster recovery plan exists and that adequate backups are kept.

(16)

Present your answer under the following headings:

- a) Disaster recovery plan (4 comments)
- b) Backups (4 comments)

Communication, logic, structure and layout.

(1)

- 2.2 As part of **logical access controls**, describe the **password controls** that ClearSkin should implement as a result of the finding in the internal audit report. (15)

Note: Your answer should only deal with password controls.

- 2.3 **Describe** the controls that ClearSkin should implement to ensure that their **source documents** are well designed and contain information that is valid, accurate and complete. (9)

- 2.4 Indicate for **each major risk identified**, the **internal controls** that ClearSkin could implement to reduce the risk. (15)

Present your answer in the following tabular format:

Risk	Internal Controls
Example: Goods accepted are damaged or broken.	Example: The clerk who receives the goods should perform a superficial test on the condition of goods that are delivered.
Goods received are not recorded on goods received notes.	(5 Controls)
The recording of incorrect amounts of creditors arising from incorrect purchase invoices relating to quality, quantity and type not as ordered or received and/or calculation error.	(3 Controls)

A mark will be allocated if your answer is presented in the correct format. (1)

Note: The example above will not count towards any marks; and should thus not be included in your answer.

---X---

8 OTHER ASSESSMENT METHODS

An examination paper which serves as a self-assessment is included below.

Special instructions and remarks on answering the self-assessment

It is advised that you complete this self-assessment under examination conditions within two hours without consulting your study material.

On completing the assessment, compare your answers with the solution in Tutorial Letter 202. The assessment **should not** be sent to the university.

Purpose of this assessment opportunity

The purpose of the assessment opportunity is to serve as a revision of the study material as a whole, and as an indication of the standard which can be expected in the examination.

QUESTION 1**50 Marks**

CGC (Pty) Ltd (hereafter referred to as “CGC”) is a property development company situated in Johannesburg, Gauteng. CGC specialises in developing shopping centres and letting shops to tenants.

CGC has grown significantly during the last couple of years. To obtain additional capital for developments, the board of CGC is investigating the option of listing the company’s equity on the JSE (previously named Johannesburg Stock Exchange). In order to do so, CGC has to meet the recommendations of good governance of the King III Report, since compliance is compulsory for companies listed on the JSE.

You obtained the following information on the board of directors and sub-committees from the annual financial statements of CGC for the year ended 31 December 2014.

Board of directors

<u>Director</u>	<u>Position</u>	<u>Additional information</u>
M Bricks	Chief Executive Officer (CEO)	M Bricks is 55 years old and has a passion for the construction industry.
F Plaster	Independent non-executive chairperson	F Plaster is 60 years old and also serves as a non-executive director on the board of directors of other construction companies in South Africa. None of these companies have any dealings or relationships with CGC.
G Tiles	Non-executive director	G Tiles is 59 years old and has a degree in civil engineering. He has currently no financial interest in or business relationship with CGC.
H Concre	Risk director (executive director)	H Concre is 38 years old and holds a postgraduate diploma in risk management.
K Landsdain	Marketing director (executive director)	K Landsdain is 44 years old and obtained his degree in marketing from the University of South Africa.
S Deeds	Non-executive director	S Deeds is 42 years old and the son of the founder of CGC. He owns 15% of the shareholding of CGC
L Buildt	Non-executive director	L Buildt is a CA (SA) who was the financial director of CGC until he retired a year ago.
W Gable	Information technology (IT) director (executive director)	W Gable is 35 years old and completed her Bachelor degree of Information Technology last year.

The board of directors meet every four months at the request of S Deeds who lives abroad and

does not want to travel to South Africa more often.

Risk committee

The Risk committee consists of the following members:

L Buildt (chairperson)

F Plaster

G Tiles

H Concre

W Gable

Company secretary

A company secretary has not been appointed yet, and W Gable will perform the duties of the company secretary until a formal appointment has been made.

Internal audit

You have obtained the internal audit report for the financial year and have noticed that the internal audit department identified that no physical controls exist to prevent access to the computer on which the company's internet banking software is loaded. However, the report indicates that there are sufficient controls governing the access of visitors from outside the company to the separate IT building. They also identified that all personnel in the finance department share a single password to gain unlimited access to the bank account.

CGC requires its internal audit department to perform the following functions among others:

1. Assisting with the review of the internal controls implemented in the payment of suppliers as part of the purchases cycle.
2. Performing a review of the current project, the Hills Mall that is being developed in Centurion by comparing the actual spending to the approved capital budget.
3. Performing a review of the fixed asset register of CGC to ensure that it is complete.
4. The chairperson of the audit committee requested that the head of the internal audit department make a presentation to the board of directors on the laws and regulations that govern the company and its operations, highlighting any areas where laws and regulations are not complied with.

REQUIRED

Marks

- 1.1** **Comment** on the information provided on the **requirements of sound corporate governance** in terms of the King III Report.

Present your answer under the following headings:

- a) Board of directors: composition and appointments (4 comments)
- b) Board of directors: meetings (1 comment)
- c) Risk committee: composition and appointments (3 comments)
- d) Company secretary (2 comments)

(15)

- Discuss **compliance** and **non-compliance** in your answer.
- One mark will be awarded for the correct presentation of your answer.

(1)

- 1.2** **Indicate** in terms of the recommendations of the King III Report, by giving brief reasons whether M Bricks and G Tiles are eligible for appointment as members to the audit committee.

(3)

- 1.3** **Indicate** whether the internal audit department should, in accordance with the King III Report, perform the functions listed in **1- 4** in the scenario; and provide **brief reasons** for your answers. **(6)**

Present your answer in the following tabular format:

Function number	Should the function be performed? Yes/No (½ mark)	Brief reason (1 mark)
1		
2		
3		
4		

Communication, logic, structure and presentation. **(1½)**

- 1.4** **Describe** the additional **general physical access controls** that CGC should implement to control **access to the computer** on which the company's internet banking software is loaded. **(10½)**

Communication, logic, structure and presentation. **(½)**

- 1.5** **Describe password controls** as part of good, logical access control that CGC should implement to prevent the theft of money due to unauthorised access to the company's bank account in a **computerised environment**. **(12)**

Note that your answer should only deal with password controls.

Communication, logic, structure and presentation. **(½)**

QUESTION 2

50 Marks

Bags Galore (Pty) Ltd (hereafter referred to as "Bags Galore") sells handbags from all the popular brand names such as Guess, Gucci, Prada, Louis Vuitton and so forth. Bags Galore which opened its doors two months ago purchases inventory from different suppliers across South Africa.

The directors of Bags Galore are committed to good corporate governance. During a recent risk committee meeting, they identified the following risks relating to the **acquisitions and payments cycle**, specifically in the **ordering of goods** function:

- Ordering incorrect or unnecessary goods resulting in liquidity problems.
- Ordering unauthorised goods which results in losses to the company through fraud.
- Requisitions not acted on or orders not placed timeously; or not at all.
- Obtaining inferior quality goods.
- Paying unnecessarily high prices for goods.
- Orders placed with suppliers not completed in good time.
- Misused order forms – placing orders for private purchases.

Inventory

Due to the high value of the inventory of Bags Galore, monthly inventory counts are being performed by the warehouse employees.

Personnel

Bags Galore is expanding and therefore they are employing more personnel. Management is in the process of designing appropriate internal controls to ensure that only valid new employees are added to the Masterfile; and that only valid changes are made to the employee masterfile.

Credit sales

The following is a brief description of the functions in an everyday credit sales transaction of Bags Galore:

1. Once an order is received from an existing client, the order clerk immediately records it on an internal sales order (ISO) and sends it to the warehouse clerk who picks and despatches it.
2. The warehouse clerk uses the ISO, which serves as a picking list to pick out goods from the warehouse and then sends the goods straight away to despatch.>>Author do you mean picking list? DM
3. The despatch clerk receives the goods from the warehouse; loads it directly on the delivery vehicle and leaves for delivery.
4. The customer is given an invoice on delivery to indicate the goods delivered and the amount due.

REQUIRED

Marks

- | | | |
|-----|--|--------------|
| 2.1 | Describe any seven internal controls in the acquisitions and payments cycle , specifically in the ordering of goods function that Bags Galore should implement to reduce the risks identified by the directors. | (10½) |
| | Communication, logic, structure and presentation. | (½) |
| 2.2 | List four limitations of internal control that could threaten Bags Galore's objectives from being achieved. | (4) |
| 2.3 | Describe the procedures to be followed when conducting a monthly inventory count at Bags Galore. | (18) |
| | Communication, logic, structure and presentation. | (½) |
| 2.4 | Describe six internal controls that management should design; and implement them to ensure that only valid new employees are added to the masterfile and that only valid changes are made to the employee masterfile . | (9) |
| | Communication, logic, structure and presentation. | (½) |
| 2.5 | For each of the functions in the everyday credit sales transactions listed in 1-4 in the scenario, identify one weakness in the internal control. | (6) |

Present your answer in the following format:

Function	Weaknesses (1½ marks per weakness)
1	
2	
3	
4	

Communication, logic, structure and presentation.

(1)

9 EXAMINATION

Requirements for admission to the examination

Submitting either **Assignment 01 OR Assignment 02** by the due date will give you **admission** to the examination in this module. Admission will be obtained by submitting either assignment **in time** and not on the basis of the marks you obtain for it. Please ensure that the assignment reaches the university **before or on the due date**. **Late submission of an assignment will result in you not being admitted to the examination. No extension will be granted for the submission of assignments.**

The examination period

This module is offered in both semesters. This means that if you are registered for the first semester, you will write the examination in May/June 2017 and the supplementary examination will be written in October/November 2017. If you are registered for the second semester, you will write the examination in October/November 2017 and the supplementary examination will be written in May/June 2018.

During the semester, the examination section will provide you with information regarding the examination in general, examination venues, examination dates and examination times.

The examination paper

Your self-evaluation assessment is an example of an examination paper. It is included in this tutorial letter under point 8. Please refer to this assessment opportunity for the format of the examination paper and type of questions you can expect in the examination.

Calculator policy

Candidates may only use silent, electronic, battery-driven pocket calculators, subject to the following conditions:

- Calculators must be cordless and may not have print-out facilities or alpha keys.
- Any financial calculator will be allowed, since the following tables will not be provided:
 - tables of present value factors for various discount rates for varying periods
 - tables of future value factors for various interest rates for varying periods
- The calculator function on mobile telephones; or any electronic device (laptops and/or any smartphone) may not be used.
- A candidate may not share a calculator with another candidate in the examination room.

Previous examination papers

Previous examination papers are available to students on *myUnisa*. Suggested solutions are not provided. You may, however, accept that the type of questions that will be asked in the examination will be similar to those found in your study material.

Use the ***Study @ Unisa (formerly myStudies @ Unisa)*** brochure for general guidance for the examination and for your preparation for the examination.

10 FREQUENTLY ASKED QUESTIONS

The ***Study @ Unisa (formerly myStudies @ Unisa)*** brochure contains an A–Z guide of the most relevant study information.

11 CONCLUSION

We wish you success with your Auditing studies! We are here to assist you where we can with the content of the module. Please make the most of your opportunity to learn about this module.