FACULTY OF MANAGEMENT

SUPPLEMENTARY EXAMINATION

DEPARTMENT OF APPLIED INFORMATION SYSTEMS (AIS)

MODULE	:	IT GOVERNANCE
CODE	:	PGD002
DATE	:	DECEMBER 2014
DURATION	:	3 HOURS
TIME	:	TBA
TOTAL MARKS	:	100

EXAMINER (S)	:	MR KWETE MWANA NYANDONGO
EXTERNAL MODERATOR (S)	:	MR BRYTON SIYANDA MASIYE
NUMBER OF PAGES	:	4 PAGES

INSTRUCTIONS TO CANDIDATES:

- Question paper must be handed in.
- This is a closed book assessment.
- Read the questions carefully and answer only what is asked.
- Number your answers clearly.
- Write neatly and legibly.
- Structure your answers by using appropriate headings and sub – headings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

QUESTION 1

Given the following Audit Situation:

New World Bank provides free services such as money transfers, letters of credit, and foreign exchange for customers who maintain the minimum balance requirement in a demand deposit account (DDA). Earnings on DDA balances compensate the bank for free services and contribute to the entity's revenue stream. However, the amount of income earned by DDA balances is a function of variable interest rates. Interest rate variability is beyond the bank's control, and the bank cannot continually adjust the minimum customer balance requirements as interest rates fluctuate.

The bank utilizes an electronic spreadsheet model, located on a personal computer, to assist in planning changes in minimum DDA balances. The spreadsheet model projects investment results for different minimum balances. As interest rates fall, larger DDA balances are required to produce the same revenue. Total services cost provided to customers include fixed costs and variable costs, with variable cost-to-volume having a linear relationship. As an IT auditor, you are requested to identify controls and exposures associated with this personal computer application as part of your audit planning.

Utilizing the information provided, derive and document five (5) preventive, five (5) detective, and two (2) corrective controls for scenario spreadsheet application and the associated mitigated exposures for each listed item. Use the following format for your answers:

	Control	**Exposure**
Preventive:		
Detective:		
Corrective:		

[24]

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QUESTION 2

List and briefly discuss six (6) available organisation governance deployment and maintenance models.

[12]

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QUESTION 3

Assessing the entity's and IT department's mission, vision, value, strategy, and objectives alignment are critical to determining the ability of IT to assist in achieving the entity's objectives and goals.

A. Discuss in details the task of the IT auditor when assessing this control at the entity level.

(6)

B. At a more detail level, examining audit area business objectives to ensure correspondence to the type of operations and technology deployed for processing as well as the relationship to organization business objectives are IT auditor focal points. Discuss what IT Auditor should consider when evaluating the IT strategic planning process.

(6)
[12]

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QUESTION 4

Given the following Audit Situation:

You are developing an IT governance audit report for Ethical Corporation. Within this corporation is a small wholly owned subsidiary that was audited by the independent public accounting firm of Tic and Tie. According to your audit planning documents, Tic and Tie rendered an unqualified IT governance audit opinion. After contemplating your professional authority, responsibility, and accountability; you are unsure whether referencing Tic and Tie's audit in your audit report is appropriate.

Document and discuss considerations in making a decision for this situation with regard to the principal ship and the referencing.

[10]

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QUESTION 5

Compare and contrast IT governance and IT management use diagrams to illustrate the differences.

[12]

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QUESTION 6

Directly related to IT governance audit competency is system development audit course and experience. Discuss the skills requirements for an IT System Development Auditor.

[11]

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QUESTION 7

After completing your studies, you have been offered a lecturing position at a university which never offered IT governance subject before to it students. After discussion with the HOD you are requested to develop the subject content. Knowing that your students are seeking IT Auditor skills to develop their career, discuss the possible content that you would include in such course and explain how each of the content will enable them to achieve their goals.

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QUESTION 8

Compare and contrast Organizational-Based IT governance audit and review with Results-Based IT governance audit and review.

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