

Accountancy@UJ



Governance and Control 3AB (GAC3AB0)
Auditing 3B (ODT3B01, S3PACQ02, ADIA003)

FINAL ASSESSMENT OPPORTUNITY - REQUIRED

11 November 2017

FIRST EXAMINERS: Ms Rozanne Smith
Ms Belinda Schutte
Mr James Matlala

SECOND EXAMINERS: Prof Ben Marx
Ms Vanessa van Dyk

READING TIME: 25 Minutes reading time

TOTAL TIME: 2 hours and 55 minutes

TOTAL MARKS: 125 marks

INSTRUCTIONS:

1. This paper consists of **three** pages. If your paper does not contain all the pages, please put up your hand so that a replacement paper can be handed to you.
2. Answer all the questions.
3. Calculate the time that you should spend on each question and part of a question by multiplying the number of marks by 1.2 to determine the time, in minutes, available for each question. Adhere to these time constraints in order to finish the paper in the given time.
4. You have **25 minutes** reading time. During this time you are only allowed to read and make notes on the question paper. You are not allowed to write anything on the answering sheet.
5. Delete all (even single open lines) open spaces on your answer sheets with pen. Pages on your answer sheets that contain open spaces will be marked as such and those pages **will not be eligible for a remark**.
6. No tippex or pencil may be used on your answer sheets. Pages on your answer sheets that contain pencil or tippex will be marked as such and those pages will not be eligible for a remark.
7. All the examination regulations of the UJ and the policy document for students of the Department of Accounting will apply before, during and after this test.
8. The neatness, disclosure and presentation of your answers will be taken into account when marking your paper.
9. Read the questions carefully. If you are required to provide explanations, you must use full sentences.

Question 1**(45 Marks)****You are required to:**

- a) Identify your concerns regarding SATS's application of the recommended practices contained in the King IV Report. For each concern explain how the SATS can improve their recommended practice to adhere to King IV. (23)

Your answer should be in table format as follows:

Concerns regarding practices (6)	Recommendations regarding practices (17)
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- b) Identify the contraventions in terms of the Public Finance Management Act (PFMA), and for each contravention, provide a recommendation in terms of the PFMA. Also discuss the consequences in the case of financial misconduct (if applicable). (20)

Please ensure that you follow the **state, define, apply and conclude** method to answer the question.

Precision and interpretation marks (2)**Question 2****(45 marks)****You are required to:**

- a) Discuss the contraventions of the Companies Act 71 of 2008 that are evident from the above scenario and provide suitable recommendations for the contraventions. Your recommendations must include specific guidance from relevant sections of the Companies Act 71 of 2008. (25)

Please ensure that you follow the **state, define, apply and conclude** method to answer the question.

- b) Identify the violations in terms of the International Professional Practice Framework Standards (hereafter IPPF) during the process that BJR Inc. followed when providing an internal auditing service to Waterworx. (18)

Your answer should be in tabular format as indicated below:

Violations in terms of the IPPF	Recommendations in terms of the IPPF
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- c) Name and discuss one environmental audit that would apply to Waterworx. (2)

Question 3**(35 Marks)****You are required to:**

- a) Respond to the questions presented by the members in attendance by referring to the provisions and relevant sections contained in the Close Corporation Act by writing a report. (20)
- b) Critically analyse the ethical dilemma presented in the email in the scenario by referring to the guidelines of the SAIPA Code of Ethics. (15)