THE CO-OPERATIVE UNIVERSITY OF KENYA

END OF SEMESTER EXAMINATION DECEMBER -2022

EXAMINATION FOR THE DEGREE OF BACHELOR OF CO-OPERATIVE BUSINESS (YR III SEM
UNIT CODE: BCOB 3201

UNIT TITLE: CO-OPERATIVE AUDITING

DATE: WEDNESDAY, 14TH DECEMBER, 2022

TIME: 2:00 PM – 4:00 PM

INSTRUCTIONS:

- **Answer question ONE (compulsory) and any other TWO questions**

QUESTION ONE

(a) Briefly explain the term confidentiality in relation to Auditors professional ethics (4 marks)

i. You are requested to explain to a new client who have approached to you the advantages of an audit (5 marks)

ii. Discuss FIVE internal control measures that an organization should put in place in order to prevent errors and fraud (5 marks)

(b) Briefly explain FIVE factors to be considered when designing an internal audit function (5 marks)

i. Explain in details the term Audit programme (4 marks)

ii. Differentiate between qualified & unqualified audit report (4 marks)

iii. Auditors may require some technical advice from experts while doing their audit, you are requested to explain. Example of information that an auditor may require from the lawyers (3 marks)

QUESTION TWO

(a) Discuss FIVE rights of an auditor while carry out an audit in a cooperative society (10 marks)

(b) Discuss FIVE limitations of an audit programme in a cooperative society (10 marks)

QUESTION THREE

(a) Discuss the factors that an external auditor should consider before relying on internal auditors work (10 marks)

(b) Highlight **FIVE** importance of internal control system to the client (10 Marks)

QUESTION FOUR

(a) You have been appointed as an external auditor in Jitegemee Co-operative Society which is a Sacco with over 50,000 members. The Board members has requested you to explain to them the advantages and disadvantages of continuous audit which they require to be done in the Sacco (10 marks)

(b) Discuss the classification of an audit based on the method of approach to the work done (10 marks)

QUESTION FIVE

(a) list and explain FIVE types of audit evidence that an auditor may gather in an organization (10 marks)

(b) Discuss FIVE advantages of working papers (10 marks)