

KASNEB

CS PART III SECTION 6

GOVERNANCE AND SECRETARIAL AUDIT

FRIDAY: 26 May 2017.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

- (a) Explain the process to be followed in order to ensure that a governance audit is credible. (10 marks)
 - (b) Discuss five parameters to be focused on while undertaking a governance audit. (10 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Discuss the stages to be followed when carrying out investigations in a forensic audit. (8 marks)
 - (b) Summarise six issues that might be highlighted in a management letter in a governance audit. (6 marks)
 - (c) Explain the importance of an audit review before preparing a governance audit report. (6 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Describe five items in the engagement letter which might help a governance auditor to carry out his role effectively. (10 marks)
 - (b) Analyse the circumstances where a governance auditor might issue a qualified opinion. (3 marks)
 - (c) Explain the circumstances under which an audit opinion might be revised. (3 marks)
 - (d) Summarise four areas which a governance auditor and an expert in the specific area of the governance audit should agree upon prior to commencement of the audit. (4 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) Outline five functions of the Institute of Certified Public Secretaries in your country. (5 marks)
 - (b) Summarise five matters to be considered when carrying out a secretarial audit with regard to compliance with terms and conditions of listing agreement. (5 marks)
 - (c) Outline five reasons that could lead to the withdrawal of a company secretary's practising certificate. (5 marks)
 - (d) Discuss five ways in which a company secretary could minimise outstanding dividend and interest warrants in a company. (5 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) Prepare a checklist of issues to be taken into account when issuing bonus shares in a listed company. (10 marks)
 - (b) With reference to audit governance practices, explain the following compliance areas:
 - (i) Accountability. (5 marks)
 - (ii) Disclosure and transparency. (5 marks)
- (Total: 20 marks)**

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