



**MASENO UNIVERSITY**  
**UNIVERSITY EXAMINATIONS 2016/2017**

**FOURTH YEAR SECOND SEMESTER EXAMINATION FOR  
DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION  
(PROCUREMENT OPTION) WITH INFORMATION  
TECHNOLOGY**

**CITY CAMPUS - EVENING**

**ABA 442: PROCUREMENT AUDIT AND INVESTIGATIONS**

Date: 23<sup>rd</sup> November, 2016

Time: 5.30 - 8.30pm

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**INSTRUCTIONS:**

- Answer Question ONE and any other TWO.

### **QUESTION ONE (30 marks)(Compulsory)**

- (a) (i) Explain the meaning of the concept of Purchasing Management Audit. [3 marks]
- (ii) Enumerate the objectives of Purchasing Management Audit. [5 marks]
- (b) State and explain the principles of good procurement. [12 marks]
- (c) Describe the various stages in procurement process. [10 marks]

### **QUESTION TWO**

- (a) Discuss the content of Purchasing Management Audits. [12 marks]
- (b) Describe some of the common procurement related risks. [ 8 marks]

### **QUESTION THREE**

- (a) Explain why it is important for an audit to develop an Audit programme. [3 marks]
- (b) (i) Explain the meaning of the term Audit Evidence. [2 marks]
- (ii) State the sources and examples of Audit Evidence [5 marks]
- (c) Describe significant components of an audit Report. [10 marks]

### **QUESTION FOUR**

- (a) Distinguish between Audit and Investigation. [ 8 marks]
- (b) Explain the meaning of fraud and state indicators of potential fraud. [12 marks]

### **QUESTION FIVE**

- (a) Identify and discuss crimes that fall under the umbrella of Fraud. [12 marks]
- (b) Describe various ways to prevent the threat of procurement fraud. [8marks]
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