



MASENO UNIVERSITY

UNIVERSITY EXAMINATIONS 2016/2017

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

MAIN CAMPUS

ABA 442: PROCUREMENT AUDIT AND INVESTIGATIONS

Date: 28th November, 2016

Time: 8.30 - 11.30am

INSTRUCTIONS:

- Answer Question ONE (Compulsory) and any other TWO.



QUESTION ONE (30 marks) (Compulsory)

- (a) (i) Explain the meaning of Procurement audit and the purpose of such Audits. [4 marks]
- (ii) Enumerate the objectives of procurement Function [4marks]
- (b) Discuss the areas of interest to auditors when conducting Purchasing Management Audits. [12 marks]
- (c) Describe the components of Procurement Life Cycle. [10 marks]

QUESTION TWO

- (a) Describe the principles of good procurement [12 marks]
- (b) Enumerate on common procurement related risks. [8 marks]

QUESTION THREE

Discuss Key activities involved in Procurement Audit Plan, Execution and Reporting.

[20 marks]

QUESTION FOUR

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

QUESTION FIVE

- (a) "Procurement fraud is a common phenomenon in many organizations." In light of the foregoing statement, identify and describe the crimes that fall under the umbrella of Fraud. [12 marks]
- (b) Discuss the measures that can be taken by management to prevent the threat of Procurement Fraud. [8 marks]