



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS & ECONOMICS**  
**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS**  
**ADMINISTRATION WITH IT**  
**4<sup>TH</sup> YEAR 2<sup>ND</sup> SEMESTER 2016/2017 ACADEMIC YEAR**  
**KISII CAMPUS-PART TIME**

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**COURSE CODE: ABA 442**

**COURSE TITLE: PROCUREMENT AUDIT AND INVESTIGATION**

**EXAM VENUE: LR 17**

**STREAM: (BBA )**

**DATE: 20/12/16**

**EXAM SESSION: 9.00 – 11.00 AM**

**TIME: 2 HOURS**

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**Instructions:**

- 1. Answer Question ONE (COMPULSORY) and ANY other 2 questions**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

### **QUESTION ONE**

- a) You have been appointed an investigator to an alleged malpractice in a multi-million tender of road construction in the Ministry of Roads.
- i. Highlight the specific areas and questions of interest that will be useful during the investigation. (10 mks)
  - ii. Highlight the legislation that will guide your investigation (5 mks)
- b) Discuss the objectives of carrying out procurement audits in an organization (10 mks)
- c) Identify any Five ways of mitigating fraud in a procurement process (5 mks)

### **QUESTION TWO**

- a) What is audit evidence? Discuss any Six sources of audit evidence (12 mks)
- b) Identify and explain some of the incentives for procurement staff to engage in corruption (8 mks)

### **QUESTION THREE**

- a) Discuss the drivers of procurement risks in and organisation. (12 mks)
- b) Highlight the purposes of conducting purchasing management audit (8 mks)

### **QUESTION FOUR**

- a) Discuss the role of procurement professional ethics in prevention of corruption in public entities. (10 mks)
- b) Identify and explain any Six forms of corruption in procurement. (10 mks)

### **QUESTION FIVE**

What is bid rigging? Discuss how both procurement officers and contractors can contribute to bid rigging. (20mks)