## PRO 3203 PROCUREMENT AUDITS AND INVESTIGATIONS

**Short description**

This course provides students with the principles and practices of procurement audits and investigations. The course enables students to understand the essential tools needed to perform internal-control related services. Students are able to design or implement programs and controls to prevent, deter, and detect fraud.  The course provides useful indicators and checklists. In addition, this unit provides students with information on the developments of fraudulent transactions being external or internal threats to the organization.

**Course objectives**

The course aims at:

* Explain the principles of procurement audits and investigations
* Discuss the professional and legal requirements for procurement auditing
* Identify the elements of procurement fraud and misconduct
* Discuss the operations of procurement audits and investigations
* Describing ways of classifying fraud for improved detection
* Discussing responsibilities for fraud detection, investigation and prosecution
* Describing ethical conduct, fraud prevention and detection.

**Learning Outcomes**

At the end of the course the students should be able to;

* Make a classification of fraud for detection
* Describe ethical conduct, fraud prevention and detection
* Designing case studies for fraud detection and control.
* Build a good foundation in knowledge of fraud prevention and detection.
* Acquire knowledge; skills and techniques needed to prevent, detect and deter fraud in organizations.

**Intellectual, practical and transferable skills**

* Problem solving skills, Team work, Analytical, Communication

**Teaching and Learning Patterns**

* Use of case studies, class discussions, straight lecture, Group presentations

**Indicative Content**

Introduction to procurement audits and investigation: The nature and scope of procurement audits and investigations, Importance of procurement audits, Principles of procurement audits, Types of procurement audits and investigations, The process of procurement audits, Stakeholders and their roles in procurement audits. Professional and legal requirements for procurement auditing: Professional requirements, Responsibilities, Rules of professional conduct. Audit Management: Audit planning including audit programmes, Audit risk; Staffing the assignment, Controlling the audit work, Recording the  work done (Using audit working papers and audit files); Audit evidence, Audit procedures. Detection of procurement fraud and misconduct: procurement internal controls, Structure of procurement regulations, Causes and consequences of procurement fraud, Misconduct and procurement mismanagement, Recent procurement scandals on the local and international scene. Audit report and audit opinion: Reports to management, The nature and form of the audit report, Uses of the procurement audited information

**Assessment Method**

The assessment method is structured to include coursework and final examination. Coursework consists of assignments, presentations and tests.

Each course in the programme shall be assessed on the basis course work and final examination represented as

Course work assessment 30%

Final Examination 70%

100%

The minimum mark required to pass is 50%, this includes course work and final examination. Each course in the programme is allowed a maximum of three hours for final examination

**Indicative Sources**

* 1. Coenen, T., (2008) [Essentials of Corporate Fraud (Essentials Series)](http://www.amazon.com/Essentials-Corporate-Fraud-Tracy-Coenen/dp/047019412X/ref=sr_1_2?ie=UTF8&s=books&qid=1207565779&sr=1-2)
  2. Davia, H.R ;Coggins, P.C; Wideman, J.C; and Kastantin, J.T (2000), Fraud detection and control. - Accountant's Guide to Fraud Detection and Control, Second Edition. John Wiley& Sons
  3. Joseph, T. and Wells, J.T (2007)[Corporate Fraud Handbook: Prevention and Detection](http://www.amazon.com/Corporate-Fraud-Handbook-Prevention-Detection/dp/0470095911/ref=sr_1_4?ie=UTF8&s=books&qid=1207565779&sr=1-4)
  4. Zack, G.M., (2003).[Fraud and Abuse in Nonprofit Organizations: A Guide to Prevention and Detection](http://www.amazon.com/Fraud-Abuse-Nonprofit-Organizations-Prevention/dp/0471446157/ref=sr_1_8?ie=UTF8&s=books&qid=1207565779&sr=1-8)
  5. Bologna, G. J. and R. J. Lindquist (1995). Fraud Auditing and Forensic Accounting (2 ed.). John Wiley & Sons.
  6. Bolton, R. and D. Hand. Unsupervised profiling methods for fraud detection.
  7. Bonchi, F., F. Giannotti, G. Mainetto, and D. Pedreschi (1999). A classification-based methodology for planning audit strategies in fraud detection
  8. Cahill, M., D. Lambert, J. Pinheiro, and D. Sun (2000). Detecting fraud in the real world.
  9. Cortes, C., D. Pregibon, and C. Volinsky (2002). Communities of interest. Intelligent Data Analysis 6, 211–219.
  10. Deshmukh, A. and T. Tallur (1997). A rule based fuzzy reasoning system for assessing the risk of management fraud. Journal of Intelligent Systems in Accounting, Finance & Management 7(4), 669–673.