

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS
RESIT/SPECIAL EXAMINATION**

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
COOPERATIVE MANAGEMENT**

BCOP 341: COOPERATIVE AUDITING

STREAMS: BCOP Y3S2

TIME: 2 HOURS

DAY/DATE: MONDAY 28/08/2023

8.30 A.M – 10.30 A.M.

INSTRUCTIONS:

- **Answer question one and any other two only.**
- **Do NOT write anything in the Question paper.**

QUESTION ONE

- a) State and briefly explain the various classification of auditing. (12 marks)
- b) Mataara tea farmers union in TharakaNithi has provided its unaudited financial statements for the year ended 31st December 2021. In the statement the controversial issues have been raised that the figures of debtors and book value of motor vehicles are actuary overstated with due purpose intending to fraud the company. Some of the debtors were truly paid during the year, but cash was not deposited in the company's bank account but was personally pocketed by managers hence still such debtor are indicated fraudulently as due amount. For that purpose, the shareholders have hired you to carry out an audit of the two matters.

Required:

- c) Describe the type of fraud committed above and its effect in the financial statements. (8 marks)
- d) Describe the audit procedures of verification of each of the cases that you can apply to get material facts. (12 marks)

QUESTION TWO

- a) Describe the duties of an Auditor of a public Limited Cooperative society in Kenya. (10 marks)
- b) Explain the various liabilities of an auditor. (10 marks)

QUESTION THREE

- a) Mawingu cooperative society is a large firm operating both banking activities and credit lending in Kenya, it is well established with several branches in Mount Kenya region where on daily basis thousands of transactions are carried out. You are required to advise the management the most convenient type of audit from the various classification that will be appropriate and why such audit will be advantageous to the society than others. (10 marks)
- b) Describe the rights of an external Auditor of a public institution. (10 marks)

QUESTION FOUR

- a) An Auditor is required to gather valid and reliable evidence that with due diligence can stand in the eyes of the court of law with facts. Describe the various technique that the auditor may apply to get such evidence. (10 marks)
 - b) An auditor is required to be independent and professional in his audit work. Discuss the various provisions given in audit practices that gives an Auditor independence in his audit work and procedure. (10 marks)
-