***Compliance Audit***

1.Compliance Audit is concerned with:

1. Regularity audit
2. Compliance Audit
3. Both the above
4. None of the above

2.Auditors should gather audit evidence which is:

1. sufficient
2. appropriate
3. both the above
4. none of the above

3.Preparation of annual compliance audit plan requires

1. top down, risk based, Department centric mechanism for macro level planning
2. bottom up, risk based, Department centric mechanism for macro level planning

4.Based on their\_\_\_\_\_\_\_\_\_\_\_\_the audit units should be prioritised for planning and conduct of compliance audits.

1. risk profile
2. HoD

5.The benchmarks used to evaluate or measure the subject matter consistently and reasonably are called

1. Criteria
2. Objective
3. Scope
4. Evidence

6.In the planning phase, auditors review the\_\_\_\_\_\_\_\_\_\_\_\_\_\_and institutional arrangements established by the auditable entity to prevent, detect, and rectify instances of noncompliance.

1. external controls
2. internal controls

7.Issues that may be considered material even if the monetary value is not significant would include the following:

1. Fraud
2. Intentional unlawful acts or non-compliance
3. Incorrect or incomplete information to executive, the auditor or to the legislature (concealment)
4. Intentional disregard to the executive, authoritative bodies or auditors
5. All the above

8.Compliance Audit Design Matrix format includes:

1. Audit objective/Sub objective
2. Audit questions on selected subject matters
3. Data collection and analysis method
4. Audit Criteria
5. All the above

9.Statistical sampling may be adopted for selection of transactions, which would enhance the level of verifiable audit assurance.

1. True
2. False

10.A Departmental Appreciation Note is issued to the Apex Auditable Entity

1. True
2. False

11.The auditor should gather sufficient but may not be appropriate audit evidence to provide the basis for the conclusion or opinion

1. True
2. False

12.\_\_\_\_\_\_\_\_\_\_\_\_\_of evidence lies in its relevance, its validity and its reliability in providing support for the auditor’s conclusion

1. Sufficiency
2. Appropriatenes

13.Where the auditable entity does not co-operate with physical inspection, the fact of such non-cooperation may be appropriately documented and reported to the top management of the auditable entity, but the physical inspection may continue nevertheless by the audit team on its own.

1. True
2. False

14.Audit Findings Matrix includes

1. Audit objective/Sub objective
2. Criteria Audit
3. Evidence
4. Conclusion
5. All the above

15.Conclusion in Compliance Audit should include all findings - both positive and negative findings.

1. True
2. False

16.Documentation in compliance audits should comprise

1. Audit file
2. Working papers
3. none of above
4. both the above

17.At the close of audit, the audit team leader or the Group officer in charge should hold an entry meeting with the officer in charge of the audit unit to discuss the audit findings and request responses.

1. True
2. False

18.If auditors come across instances of non-compliance, which may be indicative of unlawful acts or fraud, due professional care and caution needs to be exercised so as not to interfere with the potential future legal proceedings or investigations and respond appropriately.

1. True
2. False

19.Auditors may present the results of compliance audit in the following forms of reports:

1. Inspection Report
2. Departmental Appreciation Note
3. Compliance Audit Report
4. All the above

20.Which part of Inspection report contains– Follow up on findings outstanding from previous reports:

1. Part III
2. Part V

21.Inspection Report Part IV contains:

1. Best practices– Any good practices or innovations, if noticed, during the course of audit may be mentioned
2. Follow up on findings outstanding from previous reports
3. Introduction
4. None of the above

22.A period of may be allowed to the Audit Units to provide responses to the audit findings contained in the Inspection Report

1. four weeks
2. six weeks

23.The responsibility of drafting the Inspection Reports shall vest with the respective audit team and that of review and approval with the respective in field offices

1. Group Officer
2. PAG/AG

24.Presently, the significant audit findings that could potentially feature in the Compliance Audit Report are communicated to the Apex Auditable Entity by issuing:

1. Draft Paragraphs
2. Statement of Facts
3. None of the above
4. Both the above

25.There shall be a regular interaction with the Departmental Audit Committees to review and settle old paragraphs as per extant orders.

1. True
2. False

26.functional classification is designed to group the main items of Government expenditures in terms of broad purposes to be served:

1. Defence
2. Administration
3. Health
4. Education
5. All the above

27.Expenditure of the Central Government has been grouped into main categories excluding:

1. General Services
2. Social Services
3. Economic Services
4. Cultural Services

28.Which is not a Social services

1. Medical and Health
2. Primary Eduction
3. Information Publicity
4. Rural Development

29.Which is not allocable service:

1. interest payment
2. pensions
3. consumer subsidies
4. Science & Technology

30.social sector mainly aims to improve the conditions of the weaker sections, the disadvantaged, the discriminated and the disabled

1. True
2. False