***Questions on Performance/Compliance Audit***

1. Audit is a fact-finding process that compares actual results with:
2. Expected results
3. Premature results
4. Specified standards and plans
5. Preliminary results

1. Which International Standard of Auditing is about Audit evidence:
2. ISA 400
3. ISA 500
4. ISA 600
5. Auditors should gather audit evidence which is:
6. sufficient
7. appropriate
8. both the above
9. none of the above
10. The benchmarks used to evaluate audit evidence consistently and reasonably are called
11. Criteria
12. Objective
13. Scope
14. Compliance Audit Design Matrix format includes:
15. Audit objective/Sub objective
16. Audit questions on selected subject matters
17. Audit criteria
18. Data collection and analysis method
19. All above
20. The auditor should gather sufficient but may not be appropriate audit evidence to provide the basis for the conclusion or opinion. (T/ F)
21. Sufficiency/ Appropriateness of evidence lies in its relevance, its validity and its reliability in providing support for the auditor’s conclusion.
22. Which type of evidence is more reliable:
23. Oral evidence
24. Direct evidence
25. Uncertified photocopies
26. Calculating the gross margin as a percent of sales and comparing it with previous periods is what type of evidence:
27. Physical examination
28. Analytical procedures
29. Inquiry
30. Which of the following is an example of persuasive evidence:
31. Delayed evidence
32. Relevant evidence
33. Indirect evidence
34. None of the above
35. Evidence which is accepted by the entity, is always reliable. (T/F)
36. Which of the following factors affect the reliability of audit evidence:
37. Conflicting evidence
38. Biased evidence
39. Both the above
40. None of the above
41. 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. (T/F)
42. Audit Findings Matrix includes:
43. Audit objective/Sub objective
44. Criteria Audit
45. Evidence
46. Conclusion
47. All the above
48. Documentation in audit should comprise:

(a) Audit file

(b) Working papers

(c) both the above

(d) none of above

1. Which of the following is not the primary purpose of audit working papers:
2. To coordinate the examination
3. To assist in preparation of audit report
4. To support the financial statements
5. To provide evidence of the audit work performed
6. Auditors may present the results of audit in the following forms of reports:
7. Inspection Report
8. Performance Audit Report
9. Compliance Audit Report
10. All the above
11. Conclusion in Compliance/ Performance Audit should include all findings - both positive and negative findings. (T/F)
12. Which part of Inspection report contains– Follow up on findings outstanding from previous reports:
13. Part III
14. Part V
15. Inspection Report Part IV contains:
16. Best practices– Any good practices or innovations, if noticed, during the course of audit may be mentioned
17. Follow up on findings outstanding from previous reports.
18. Introduction
19. None of the above
20. 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. (T/ F)
21. The responsibility of preparing and ensuring the quality of the Audit Report before it is submitted to CAG for approval would be with the Accountant General/ Group Officer in field offices.
22. Presently, the significant audit findings that could potentially feature in the Audit Report are communicated to the Apex Auditable Entity by issuing:
23. Draft Paragraphs
24. Statement of Facts
25. Both the above
26. None of the above
27. Characteristics of a good report:
28. Complete
29. Timely
30. Constructive
31. All the above
32. During Reporting its use should be avoided:
33. Long sentences
34. Use of jargons
35. Foreign phrase
36. All the above