

Ques 1 • These are different types of audits :-

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- 1) Compliance audit - This is an examination of the policies and procedures of an entity or department to see if it is in compliance with internal or regulatory standards.
- 2) Construction audit - This is an analysis of the costs incurred for a specific construction project. Activities may include an analysis of the contracts granted to contractors, prices paid, overhead costs for reimbursement.
- 3) Financial audit - This is an analysis of the fairness of the information contained within an entity's financial statements. It is conducted by a CPA firm, which is independent of the entity under review.
- 4) Information Systems audit - This involves a review of the controls over software development, data processing, and access to computer systems.
- 5) Investigative audit - This is an investigation of a specific area or individual when there is a suspicion of inappropriate or fraudulent activity.
- 6) Operational audit - This is a detailed analysis of the goals, planning processes, procedures and results of the operations of a business.
- 7) Tax audit - This is an analysis of the tax returns submitted by an individual or business entity to see if the tax information and any resulting income tax payment is valid.