

# Internal Audit and Cost Manager Job Interview Questions And Answers



**Interview Questions Answers**

<https://interviewquestionsanswers.org/>

## About Interview Questions Answers

**Interview Questions Answers . ORG** is an interview preparation guide of thousands of Job Interview Questions And Answers, Job Interviews are always stressful even for job seekers who have gone on countless interviews. The best way to reduce the stress is to be prepared for your job interview. Take the time to review the standard interview questions you will most likely be asked. These interview questions and answers on Internal Audit and Cost Manager will help you strengthen your technical skills, prepare for the interviews and quickly revise the concepts.

If you find any **question or answer** is incorrect or incomplete then you can **submit your question or answer** directly with out any registration or login at our website. You just need to visit [Internal Audit and Cost Manager Interview Questions And Answers](#) to add your answer click on the *Submit Your Answer* links on the website; with each question to post your answer, if you want to ask any question then you will have a link *Submit Your Question*; that's will add your question in Internal Audit and Cost Manager category. To ensure quality, each submission is checked by our team, before it becomes live. This [Internal Audit and Cost Manager Interview preparation PDF](#) was generated at **Wednesday 29th November, 2023**

You can follow us on FaceBook for latest Jobs, Updates and other interviews material.  
[www.facebook.com/InterviewQuestionsAnswers.Org](http://www.facebook.com/InterviewQuestionsAnswers.Org)

Follow us on Twitter for latest Jobs and interview preparation guides.  
<https://twitter.com/InterviewQA>

If you need any further assistance or have queries regarding this document or its material or any of other inquiry, please do not hesitate to contact us.

Best Of Luck.

**Interview Questions Answers.ORG Team**  
<https://InterviewQuestionsAnswers.ORG/>  
[Support@InterviewQuestionsAnswers.ORG](mailto:Support@InterviewQuestionsAnswers.ORG)



# Internal Audit and Cost Manager Interview Questions And Answers Guide.

## Question - 1:

Explain what is Internal Audit?

### Ans:

The internal audit is conducted to help the management. The weakness of the management is disclosed. The external audit is conducted to help the shareholder. The rights of owners are protected. The appointment of internal audit is made by the management. The appointment in external audit is made by the shareholders. Internal audit is the part of internal control.

[View All Answers](#)

## Question - 2:

Explain what is External audit?

### Ans:

External audit is the not the part of internal control. The internal audit can suggest improvement in internal check system. The external audit can not suggest improvement in internal check system. The internal audit can perform his duties under the terms of appointment. The management can limit the scope of work at any time. The external auditor can perform his work to terms of appointment and other prescribed law. The scope is very wide. Internal audit is an employee of the company. He is not an independent person. External auditor is not an employee of the company.

[View All Answers](#)

## Question - 3:

How internal audit differ from an external audit?

### Ans:

Internal audit nothing but the checking the product that you produced.

External audit is checking your product by your customer.

Here it means you may not find mistakes in your processes but a third man who comes and check the system he may see some deviations in the system and give suggestions for the improvements of the system.

[View All Answers](#)

## Question - 4:

List the basic principles of an internal audit control system?

### Ans:

The basic principles of financial internal control are explained below: Financial and accounting operations must be separated that is the handling of cash and the recording of the movement thereof should be done by different persons. Responsibility for the performance of the job must be clearly stated so that there may be no room for doubt or confusion subsequently.

Too much confidence should not be pinned in one individual. Nearly all frauds have been committed by trusted officials or employees. It is interesting to note that frauds have occurred owing to their being trusted. Relation principle relating to transfer of an employee from one job to another should be the inflexible guiding rule. This is an effective safeguard against collusion and is recognized as an important canon of sound organization.

Mechanization of the work wherever feasible and practicable should be resorted to, mechanical devices such as cash register, recording time clocks, calculation machines should be introduced. A system of control accounts should elegantly be fitted in the book keeping system.

The work should be so arranged that work done by one employee should be properly checked by independent employee. Such continuous and constant checking goods moral control and the errors and the frauds cannot go undetected.

[View All Answers](#)

## Question - 5:

Explain intangible assets?

### Ans:

Intangible assets are those which we can't be seen like goodwill of the company.

[View All Answers](#)

**Question - 6:**

Explain tangible assets?

**Ans:**

Tangible Assets are those assets which we can see or touch like fixed asset ,machinery,etc.

[View All Answers](#)

**Question - 7:**

Explain vouching?

**Ans:**

Vouching is the process of checking for the existence an example for this is checking from the final record to the supporting document.

[View All Answers](#)

**Question - 8:**

Who audit an auditing firm?

**Ans:**

One auditing firm can audit other auditing firm.

[View All Answers](#)

**Question - 9:**

Explain CARO 2004?

**Ans:**

CARO means company audit report order 2004.It describes the matter on witch Statutory Auditors has to report in their Audit Report.

[View All Answers](#)

**Question - 10:**

Explain social audit?

**Ans:**

Social audit is performed to know the corporate social responsibility.

[View All Answers](#)

**Question - 11:**

Explain final audit?

**Ans:**

Final audit is commenced when all account has been closed and final accounts is been prepared.

[View All Answers](#)

**Question - 12:**

Explain internal audit?

**Ans:**

This is a review of operation carried out sometimes continuously specially assigned staff with in the client business.

[View All Answers](#)

**Question - 13:**

Explain external audit?

**Ans:**

External audit is that which is critical review of the representation of the published financial statements it is compulsory for all company;s which are listed in the stock exchange.

[View All Answers](#)

**Question - 14:**

Explain non statutory audit?

**Ans:**

This is the audit not specially required by law this scope of the audit will be outline by the contract between the auditor and the clients.

[View All Answers](#)

**Question - 15:**

What are the different types of audits?

**Ans:**

- \* Statutory Audit
- \* Non-statutory Audit



- \* External Audit
- \* Internal audit
- \* Final Audit
- \* social audit
- \* performance Audit

[View All Answers](#)

### Question - 16:

What are the reasons for getting audited?

#### Ans:

It is requested by Audit committee or the Company's; shareholders. The main objective of modern Audit is to help the MGMT to achieve its various objectives by bringing a systematic approaches and evaluating the risks.

[View All Answers](#)

### Question - 17:

Explain audit control procedure?

#### Ans:

Audit control procedures are policies and procedures in addition to control environment, (altitude, awareness and actions of directors and management regarding the internal control system) which the management has established to achieve the entity specific objectives. The mix of type of controls implemented by the management will depend on the control objectives and the size of the entity.

[View All Answers](#)

### Question - 18:

Define the mean of statutory audit?

#### Ans:

Attempt of a legally review of the accuracy of an entities financial records.

[View All Answers](#)

### Question - 19:

Define the purpose of meeting in Audit?

#### Ans:

Providing key description on the type of audit to be taken place and to analyse the responsibilities during the field work as well as client to be aware of what is going to happen after the field work.

[View All Answers](#)

### Question - 20:

Define the mean of internal Audit?

#### Ans:

Internal Audit is an audit, it is carried out either by a separate department within the bank or a firm of chartered accountant.

[View All Answers](#)

### Question - 21:

List the importance of evaluating an internal audit department?

#### Ans:

Significance of Internal Auditing:

Internal auditing refers to an assessment activity managed within a corporation as a check to the entity. Its main function is to monitor control within the corporation. The task of internal auditing is determined by organization itself, and its goals differ from those of the external auditor who is appointed to report independently. The depth and goals of internal auditing vary widely and depend on the volume and structure of the body and the requirements of its administration. Ordinarily, the importance of internal auditing can be seen by one or more of the following:

- \* Implementing and monitoring of sufficient internal control. That is the duty of management that demands proper attention on a permanent basis. Internal auditors are ordinarily assigned definite task by management for reviewing controls, monitoring their function and suggesting improvements for them.
- \* Inspection of monetary and operational information. This may include review of the means used to recognize, determine, categorize and report such information and definite inquiry into individual items as well as in depth testing of balances, transactions and procedures.
- \* Review of the economy, effectiveness and efficiency of operations including non-financial controls of the corporation.
- \* Review of fulfillment of laws, regulations and other external requirements and compliance with administration policies and commands.

[View All Answers](#)

### Question - 22:

List the importance of internal audit to the organization?

#### Ans:

An audit helps keep track of where the money is going and makes sure the money is going where it is supposed to and not in someone's pocket. An audit can also help a company know if it is losing or making more money.

[View All Answers](#)

### Question - 23:



What are the advantages of Internal Audit?

**Ans:**

Advantages of Internal Audit are following:

It is in-expensive.

No chartered accountant is required to audit internally.

Errors will be removed before preparing financial statements.

There will not be any type of embarrassment in the society because errors have been removed.

Accounting staff will remain in pressure so record will remain update every time in the organization.

[View All Answers](#)

**Question - 24:**

Please explain the difference between internal audit and statutory audit?

**Ans:**

An internal audit is one which is conducted by the internal auditors of the company. It is not mandatory for the company and the company just conducts it to keep a check on the operations of the company. On the other hand statutory audit is very important because it is by the external auditors and it is mandatory for all kinds of companies. Statutory audit is usually conducted for various purposes like tax regulatory requires it for taxation purposes.

[View All Answers](#)

**Question - 25:**

How I can evaluate the internal control audit?

**Ans:**

Compliance procedures are tests designed to obtain reasonable assurance that these internal controls on which audit reliance is to be placed are in effect. The auditor can test the functioning of the controls and not the transactions. He can check the exceptions and departure from suggested internal control. When there is strict supervisory control the staff can not digress from prescribed control procedures. Compliance procedures can be applied with the help of audit sampling.

The samples can be selected from various categories of transaction in order to test the control aspect. He can examine evidence through inspection of signature. He can apply re performance and observation techniques. He can check custodial control over assets. He can examine the segregation of duties. He can go through supervisory controls. The auditor can test all the items included in the sample. The compliance procedures can ensure the auditor that internal control exists. The control is operating effectively. The control has so operated throughout the period of intended reliance.

[View All Answers](#)

**Question - 26:**

What are the disadvantages of Internal Audit?

**Ans:**

Disadvantages are following:

Internal audit is not acceptable by the shareholder.

There can be errors in internal audit because he is not an auditor.

And there are some more.

[View All Answers](#)

**Question - 27:**

Does an Internal Audit charter contain?

**Ans:**

This charter describes the mission, independence and objectivity, scope and responsibilities, authority, accountability and standards of the Internal Audit function.

A charter is basically a delegation or grant of authority from a person or organization of authority to another person or organization. The purpose of an internal audit charter is to compel the departments that need to be audited to provide the information required by the auditor. Without this charter or similar authority most managers wouldn't see any benefit to being audited and would likely refuse to provide anything the auditor needed.

[View All Answers](#)

**Question - 28:**

Can scope of internal audit help you?

**Ans:**

Internal audit is an independent appraisal function which is established by the management of an organization for the review of its internal control system as a service to the organization. To learn about the scope of internal audit.

[View All Answers](#)

**Question - 29:**

How to do an internal audit effectively?

**Ans:**

With internal audit we always need to be careful of any manipulations within the company itself. Errors and frauds within the company cannot be denied /overlooked at any cost.

[View All Answers](#)

**Question - 30:**

What is the role of Internal Audit?

**Ans:**



The internal audit is a continuous review of operations and records undertaken within the business and is normally done by specially assigned staff. It should operate independently of all the internal check and in no case should divest any one of the responsibilities placed upon him. Internal auditing is an independent appraisal activity within an organization for the review of operations as a service to management. It is managerial control which functions by measuring and evaluating the effectiveness of other controls.

To achieve its objectives the auditor has to review the following areas:

- \* Reliability and integrity of the information.
- \* Compliance with the policies, plans, procedures, laws and regulations.
- \* Safeguarding of assets.
- \* Economical and efficient use of resources.
- \* Accomplishment of established objectives and goals for operations or programs.

[View All Answers](#)

### Question - 31:

What are the functions Of Internal Audit?

**Ans:**

The function of internal audit is concerned with analysis of internal check. The internal audit can look into the duties of each employee. All employees are provided jobs on the basis of their abilities. The auditor can test the effectiveness of internal check. The function of internal audit is examining the application of legal requirements.

The accounts are prepared under certain legal frame work. Verification of accuracy is a function of internal audit. The accuracy of accounting books and records can be verified with the help auditing techniques. The audit techniques include inspection, observation, inquiry, confirmation, computation and review. An auditor can check the accuracy through these techniques.

Confirmation of liability is a function of internal auditor can determine the work done by every person. The carelessness or negligence on the part of worker is noted. The concerned person is given a chance to explain his position. If the reason is not justified, the liability is confirmed. The function of internal audit is to examine the assets protection. The proper record is to be maintained. The possession must be in the hands of senior officer. The assets are used for business only. There are proper purchase and disposal of these assets. The internal auditor can check that assets are protected.

[View All Answers](#)

### Question - 32:

Described the Essential Of Internal Audit?

**Ans:**

Planning is an essential feature of internal audit. The auditor can plan to check the accounting system. The plan may relate to accounting functions like purchase, sales, income, expenses and shares. The planning includes degrees of risk and extent of audit. It also states the nature of audit work. Controlling is an essential feature of internal audit. Auditor can examine the operations of accounting system. He can control audit work through audit program. The whole audit work is distributed among audit staff.

Recording is an essential feature of internal audit. The audit can record the facts and figures in order to express his views in the business activities. The audit note book and audit working papers are used to record the information. Independence is essential element of internal audit. The work of internal audit is done by an employee of the company. He must not be influenced by management. He must be free in developing audit program, audit investigation and audit reporting.

[View All Answers](#)

### Question - 33:

Does An Internal Audit Differ From An External Audit?

**Ans:**

Internal audit nothing but the checking the product that you produced.

External audit is checking your product by your customer.

Here it means you may not find mistakes in your processes but a third man who comes and check the system he may see some deviations in the system and give suggestions for the improvements of the system.

[View All Answers](#)

### Question - 34:

Described the Objectives Of Internal Audit?

**Ans:**

The purpose of internal audit is to keep proper control over business activities. When there is proper control there is maximum efficiency. The internal auditor determines the degrees of control over work. The purpose of internal audit is to evaluate the accounting system. It is concerned with checking proper authority for transactions like purchase, retirement and disposal of fixed assets. The vouchers can be compared with entries in order to determine that figures are facts.

The purpose of internal audit is to help the management. Internal auditor can point out the weakness. The internal audit can be used as a tool to correct the situation. The management functions can be performed properly. The purpose of internal audit is to review the working of business. The working of current year can be reviewed in detail just to note the successful area of working. There is a need to locate the weak points. The corrective measures can be taken for proper working.

[View All Answers](#)

### Question - 35:

How you involve people in audit?

**Ans:**

Use audits as opportunities to train others. Ask for a volunteer (who is not an auditor) to walk through the audit process with you as an assistant. This will provide others with a better understanding of what audits are and why they are necessary.

Invite all the auditees to the closing meeting. Having been an auditee, I know it helps to hear audit findings firsthand, the positive as well as the negative.

Involving people creates a feeling that everyone is a vital contributor to the goal of the company - compliance.

[View All Answers](#)

### Question - 36:

Which techniques used during an audit?



**Ans:**

- \* Be professional at all times. Avoid being judgmental.
- \* Follow safety procedures, clean room procedures, and all other required procedures.
- \* Explain the purpose of the audit to the auditees.
- \* Answer questions or discuss compliance problems brought to your attention by auditees.
- \* Be flexible - if you find a potential problem not within the scope of the audit - evaluate the potential risks of the problem if left unaddressed.
- \* Encourage honesty with the auditees.

[View All Answers](#)

**Question - 37:**

What you do after the audit?

**Ans:**

- \* Hold an auditors meeting to discuss the closing meeting content.
- \* Hold a closing meeting with all auditees involved with the audit. First, point out what was done well. Second, address the nonconformances and ensure the auditees understand the nonconformances and what part of the standard is not met.
- \* Issue the audit report in a timely manner.
- \* Encourage auditees to decide on the corrective actions. Allowing auditees to have input will give them ownership in implementing changes.
- \* Assist those responsible for completing the corrective actions with setting reasonable deadlines. The corrective action deadlines may vary depending on the severity of the noncompliance.
- \* Be available and willing to help the auditees.
- \* Ask for feedback on how you and your audit team were perceived - adjust your approach if necessary.

[View All Answers](#)

**Question - 38:**

Tell me about the Before an audit processes?

**Ans:**

- \* Make sure the authority of the audit team is established - this will increase the cooperation from auditees.
- \* Decide what areas of the company will be audited and the frequency of the audits. Prepare a yearly audit schedule and distribute.
- \* Develop an audit plan. Decide what other audit resources are needed - checklists, other auditors?
- \* Determine the purpose of the audit - is it to comply with government regulations, quality standards, internal procedures and systems? v Define the scope of the audit - is it an overview of the area being audited or is it to concentrate on a specific system within the area?
- \* Hold a meeting with the auditors to discuss the plan, purpose, and scope of the audit.
- \* Read the documents you will be auditing against. Know what they say. Develop questions to ask the auditees.
- \* Conduct an opening meeting with the auditees.

[View All Answers](#)

**Question - 39:**

Tell me what is statutory audit?

**Ans:**

It is a compulsory audit done by a CA.  
Finance Audit conduct by the CA to compliance the legal requirements of monetary issues.

[View All Answers](#)

**Question - 40:**

What is vouching process?

**Ans:**

Vouching is the process of checking the authentication of the voucher maintain by the management with the respective supporting document.

[View All Answers](#)

**Question - 41:**

What is audit process?

**Ans:**

The word 'Audit' is a derivative of the word 'Audition' which means 'to hear'. In earlier times, the Kings used to hear their accountants narrate the accounts verbally. However, as the complexity of the accounting function grew, need was felt to thoroughly check the accounts for mistakes misclassification and document the findings in a written form so that it can be used by the Management, stakeholders, investors, Government and various other bodies. This process is known as Auditing or Audit.

[View All Answers](#)



## Management Most Popular & Related Interview Guides

- 1 : [Store Keeper Interview Questions and Answers.](#)
- 2 : [Administrative Officer Interview Questions and Answers.](#)
- 3 : [Good Team Leader Interview Questions and Answers.](#)
- 4 : [Hotel Management Interview Questions and Answers.](#)
- 5 : [Project Coordinator Interview Questions and Answers.](#)
- 6 : [Assistant Manager Interview Questions and Answers.](#)
- 7 : [Training Manager Interview Questions and Answers.](#)
- 8 : [Senior Project Officer Interview Questions and Answers.](#)
- 9 : [Project Manager Interview Questions and Answers.](#)
- 10 : [MBA Interview Questions and Answers.](#)

Follow us on FaceBook

[www.facebook.com/InterviewQuestionsAnswers.Org](http://www.facebook.com/InterviewQuestionsAnswers.Org)

Follow us on Twitter

<https://twitter.com/InterviewQA>

For any inquiry please do not hesitate to contact us.

Interview Questions Answers.ORG Team

[https://InterviewQuestionsAnswers.ORG/  
support@InterviewQuestionsAnswers.ORG](https://InterviewQuestionsAnswers.ORG/support@InterviewQuestionsAnswers.ORG)