



**Pakistan Institute of Public
Finance Accountants**

May Exam-2026

[06.May.2026] [02:30 – 05:15 pm]

Additional time – 15 min for Paper Reading

Audit & Assurance (PS)

CGA | PMAD | PRAD

Marks-80

Subjective

Duration: 02 Hours 30 Minutes

[Instructions]

- Ensure that the question paper delivered to you is the same, in which you intend to appear.
- Read the instructions given on the title page of Answer Script.
- **Books are not allowed**
- Start each question from fresh page.
- **Only required number of questions are awarded marks. The best question(s) are treated extra and rejected, if more than required questions are attempted.**

Attempt any FIVE questions only

- Q.1** Pension Disbursement and its audit has been a challenging area for Government Department. You have been asked to conduct audit of pension of a Government Entity for the Financial Year 2024-25 where total population is Rs. 5.45 billion in respect of 64,118 pensioners.
- Required:**
- Chalk out Audit Programme in respect of above mentioned Audit of Pension? **16**
- Q.2 (a)** List down essential parts of an audit finding as per recommended format of the DAGP. **06**
- (b)** Discuss how AMIS has contributed towards real-time generation of audit finding during field work/audit execution? **10**
- Q.3 (a)** What is Code of Conduct Declaration? Why is it necessary to obtain this declaration from all members of the audit team before deputing them to conduct a specific audit assignment? **06**
- (b)** What is the benefit of assigning risks and controls to auditable item in AMIS? Elaborate with the help of example. **10**
- Q.4 (a)** Describe, Audit Programme for conducting audit of procurement of common user item for stock purpose. **06**
- (b)** What are the possible error conditions with reference to substantive testing of details in audit of procurement? **10**
- Q.5 (a)** What is the role of Internal Quality Control Committee(QCC)? **06**
- (b)** What is the contribution of AMIS in ensuring completeness of working papers before submission of an audit report to Internal QCC? **10**
- Q.6 (a)** An FAO identified multiple high-risk areas during previous audits, but due to limited resources, not all areas can be audited in the current year.

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Required:

Explain how risk-based planning should be applied to prioritize audit areas. Also describe the role of materiality and risk assessment in annual planning. **08**

- (b) You are assigned an audit of payroll expenditure of a large Public Sector Entity with thousands of employees.

Required:

Develop a brief audit programme for payroll audit, highlighting key steps and controls to be tested. **08**

- Q.7** (a) During audit of procurement, the audit team relied heavily on verbal explanations from management without proper documentation.

Required:

Discuss the types of audit evidence required in such case and explain why proper documentation is critical for audit quality and accountability. **08**

- (b) While auditing revenue receipts, the audit team detected several instances of underreporting and delayed recording of revenue.

Required:

Explain different types of error conditions that may occur in revenue audits and how they impact Financial Statements. **08**
