

1. The ownership for modification in guidelines with respect to “Policy on Forensic Audit and Empanelment of Forensic Auditors” is with

- A. Risk Management Department, Central Office
- B. Credit Compliance and Monitoring Vertical ,Central Office
- C. Stressed Asset Management Vertical, Central Office
- D. Transaction Monitoring & Fraud Management Department (TM&FM), Central Office.
- E. Fraud Management vertical , Central Office

**Answer:- Transaction Monitoring & Fraud Management Department (TM&FM),
Central Office**

2. Forensic Audits are "....." unlike other audits which are ".....".

- A. rule based, problem focused
- B. problem focused, rule based
- C. both problem focused
- D. fault finding focused, rule based
- E. both rule based

Answer:- problem focused, rule based

3. Which of the following occurrences does not qualify under Diversion of Fund?

- A. Utilization of short-term working capital funds for long term purposes not in conformity with the terms of sanction
- B. Investment in other companies by way of acquiring equities / debt instruments without approval of lenders.
- C. Sole customer, sole supplier, major transactions with related parties / group companies
- D. Shortfall in deployment of funds vis-a-vis the amounts disbursed / drawn, and the difference not being accounted for.
- E. Transferring borrowed funds to the subsidiaries / group companies or other Corporate/individuals by whatever modalities not in conformity with the terms of sanction.

Answer:- Sole customer, sole supplier, sole distributor, parent and group companies

4. In case of composite credit facilities , the period of forensic audit may be covered from the facility till date.

- A. strictly from date of account opening
- B. strictly from disbursement of Term loan
- C. date of account opening or disbursement of the term loan
- D. date on which last interest/installment was served
- E. date of account turning NPA

Answer:- date of account opening or disbursement of the term loan

5. In case of only Working Capital facility in standard category, the period of forensic audit may in general cover years ,if account is running for more than 3 years

- A. 3
- B. 2
- C. 1
- D. 4
- E. 5

Answer:- 3

6. For Credit related matters , Forensic Audit should be mandatorily conducted Accounts (or group of accounts) classified as RFA having exposure with our bank of irrespective of the Lending arrangement

- A. Rs.150.00 crs and above
- B. Rs.50.00 crs and above
- C. Rs.100.00 crs and above

- D. Rs.25.00 crs and above
- E. Rs.500.00 crs and above

Answer:- Rs.50.00 crs and above

7. Who among the following does not have power to assign Forensic Audit in any accounts irrespective of the nature of the account, asset classification and exposure involved on case to case basis and also to ensure compliance with MOF / RBI/ other regulatory authorities / law enforcing agencies' directives?

- A. MD&CEO
- B. EDs
- C. CAC-II
- D. CAC-I
- E. CAC-III

Answer:- CAC-III

8. In the prescribed cases the firm will not be eligible for appointment as a Forensic Auditor in an account , which one is untrue among the following ?

- A. Statutory Auditors of the bank or its associates concern.
- B. Concurrent auditor of the branch where the account is maintained
- C. Audit firms which were assigned as ASM in the account.
- D. Auditors who have audited the balance sheet of the firm during last five years
- E. Auditors who have conducted Stock audit of the account during last three years

Answer:- Auditors who have audited the balance sheet of the firm during last five years

9. For engagement of Forensic Auditor in an account A minimum mark ofin technical bid is made mandatory for opening of financial bid

- A. 70 percent
- B. 60 percent
- C. 50 percent
- D. 80 percent
- E. 25 percent

Answer:- 70 percent

10. Forensic Audit should be completed within days from the date of assignment to the Forensic Auditor

- A.70
- B. 85
- C. 90
- D. 75
- E. 95

Answer:- 90

11. The Off site Monitoring system is migrated from existing eTHIC application to new w.e.f 16.12.2023.

- A.rt390-Unified Monitoring system
- B. rt360-Unified Monitoring system
- C. rt270-Unified Monitoring system
- D. rt90-Unified Monitoring system
- E. rt180-Unified Monitoring system

Answer:- rt360-Unified Monitoring system

Topic- Transaction Monitoring & Fraud Management Part I

12. Each ZO/Regional Office will have minimum designated officers with responsibility to monitor & attend alerts generated by OTMS module pertaining to branches under their jurisdiction.
- A. three
 - B. one
 - C. two
 - D. four
 - E. five

Answer:- **two**

13. Branches should comply & attend to alerts in OTMS Module within days of origin
- A. five
 - B. four
 - C. three
 - D. seven
 - E. two

Answer:- **five**

14. In RO, no OTMS alert should be pending for from the date of generation of alerts either at Branch or RO.
- A. more than 5 days
 - B. more than 7 days
 - C. more than 10 days
 - D. more than 3 days
 - E. more than 2 days

Answer:- **more than 7 days**

15. The..... is the nodal officer for OTMS alerts monitoring in the respective Zone

- A. Zonal Head
- B. Deputy Zonal Head
- C. Risk officer at ZO
- D. AGM/CM operations
- E. AGM/CM Credit

Answer:- Deputy Zonal Head

16. Closure of OTMS alert for Large Corporate branch is done by

- A. LCV
- B. Zonal office
- C. Regional Office
- D. itself only
- E.CAC-III

Answer:- Zonal office

17. Presently number of OTMS alerts are

- A. 5
- B. 4
- C. 3
- D. 2
- E. 6

Answer:- 3

Topic- Transaction Monitoring & Fraud
Management Part I

18. As per the guidelines the nodal officer for fraud at RO/ZO/Dept. at CO reporting of Fraud incident to CO-FMD, TM&FM Department is to be done within
- A. 36 hours
 - B. 48 hours
 - C. 24 hours
 - D. 12 hours
 - E. 6 hours

Answer:- 24 hours

19. Bank has introduced the velocity checks based on number of transactions through RTMS to detect and identify transaction related frauds in the originating system (Finacle) on real time basis in phases for newly opened saving and current accounts
- A. Operation Prahar
 - B. Operation Vajra
 - C. Operation Sahyog
 - D. Operation samyukat
 - E. Operation Sarthak

Answer:- Operation Vajra

Topic- Transaction Monitoring & Fraud
Management Part I

20. TM&FM, Central Office place note for the information before Audit Committee of Executives (ACE) on the performance of OTMC on basis along-with Alert-wise and number of alerts generated/closed during the period.

- A. half yearly
- B. quarterly
- C. yearly
- D. monthly
- E. fortnightly

Answer:- quarterly

21. For serious OTMS alerts of branch is responsible for closure of alerts in the portal

- A. RO
- B. ZO
- C. TMFM,CO
- D. RMD,CO
- E. branch itself

Answer:- ZO

22. The Forensic Auditors have to give their consent within days of the receipt of intimation of conduct of Forensic Audit of the specific account.

- A. 12
- B. 7
- C. 5
- D. 9
- E. 10

Answer:- 7

23. If borrower is not cooperating for the forensic audit, the forensic auditor has to inform respective branch within days from the date of assignment.

- A. 15
- B. 30
- C. 25
- D. 12
- E. 10

Answer:- 30

24. In case of accounts falling under where consortium, the forensic audit, wherever instituted, must be completed within a maximum period offrom the date of consortium meeting authorizing the Forensic Audit.

- A. 1 Month
- B. 2 Months
- C. 3 Months
- D. 6 Months
- E. 9 Months

Answer:- 3 Months

25. As per the guidelines, there are certain basic parameters which are covered during conduct of Forensic Audit related to Financial statement analysis. Which among the following is not one among the prescribed parameters ?

- A. Identify significant expenses made both for revenue and capital expenditure.
- B. Review major items in relation to loan utilization and asset creation.
- C. Perform various ratio analysis to identify possible anomalies

Topic- Transaction Monitoring & Fraud
Management Part I

- D. Review of stock / book debts statements submitted by the borrower
- E. Analyze Bank Reconciliation Statements for given period and review long outstanding items in same.

Answer:- Analyze Bank Reconciliation Statements for given period and review long outstanding items in same.

26. The fees for Forensic Audit is reduced as per the prescribed guidelines if the delay in submission of report is by Forensic Auditor

- A. beyond 110 days
- B. beyond 90 days
- C. beyond 75 days
- D. beyond 120 days
- E. beyond 60 days

Answer:- beyond 90 days

27. Which of the following points are covered under Model Code of Conduct for Forensic Auditor?

- A. Integrity and fairness
- B. Professional Competence and Due Care
- C. Independence and Disclosure of Interest
- D. Confidentiality
- E. All points are covered under Model code of Conduct for Auditors

Answer:- All points are covered under Model code of Conduct for Auditors

28. "Independence and disclosure of interest " is one of the significant model code of conduct for Forensic Auditor . Which among the following point is not covered under this conduct?

- A. A Forensic Auditor shall not take up an assignment if he/it or any of his/its relatives or associates is not independent in terms of association to the subject client.
- B. A Forensic Auditor shall wherever necessary disclose to the Bank, possible sources of conflicts of duties and interests, while providing unbiased services
- C. A Forensic Auditor shall maintain complete independence in his/its professional relationships and shall conduct the Forensic Audit independent of external influences.
- D. A Forensic Auditor shall appear, co-operate and will provide all information and records in case of any need or legal or statutory or professional requirement.
- E. A Forensic Auditor shall not indulge in “mandate snatching” or offering convenience Forensic Audit” in order to cater to a client’s needs.

Answer:- A Forensic Auditor shall appear, co-operate and will provide all information and records in case of any need or legal or statutory or professional requirement.

29.is the competent authority for permitting Forensic Audit in general as per the proposal placed by the CC & M Dept., CO.
- A. TMFM Vertical
 - B. CAC-II
 - C. Fraud Monitoring Group (FMG)
 - D. CAC-I
 - E. CAC-III

Answer:- Fraud Monitoring Group(FMG)

30. In Near Real Time Monitoring System alerts are generated within ----- from the conclusions of transactions in FINACLE
- A. 20-25 minutes
 - B. 40-65 minutes
 - C. 30-45 minutes
 - D. 15-25 minutes
 - E. 10-30 minutes

Answer:- 30-45 minutes

