

Advanced CAMS-Audit Certification Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Don't worry about getting everything right, your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations, and take breaks to retain information better.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning.

7. Use Other Tools

Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly — adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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- 1. What are the essential characteristics that AML audit objectives must possess?**
 - A. Distinct, obtainable, and risk-aligned**
 - B. Comprehensive, flexible, and inclusive**
 - C. Specific, achievable, and historical**
 - D. Broad, adaptable, and quantitative**
- 2. What is an external AML audit and why is it conducted?**
 - A. An audit conducted by internal staff to improve processes.**
 - B. An external audit outsourced to a third-party service provider due to lack of internal resources.**
 - C. Audits performed only for compliance with international standards.**
 - D. Internal audits conducted without the organization's knowledge.**
- 3. Which factors can influence the frequency of AML audits?**
 - A. The size of the organization**
 - B. Unique trigger events and regulator requests**
 - C. The type of business operations**
 - D. Staff turnover rates**
- 4. What does 'audit risk assessment' entail in an AML audit policy?**
 - A. The process of identifying and evaluating risks that may affect the audit's effectiveness.**
 - B. The strategic planning for future audits.**
 - C. The financial implications of conducting the audit.**
 - D. The selection of audit personnel.**
- 5. What type of relationships should AML auditors aim to establish with stakeholders?**
 - A. Competitive and informative**
 - B. Positive and collaborative**
 - C. Formal and reserved**
 - D. Mandatory and transactional**

6. How should audit testing and resources be managed over time?

- A. They should remain unchanged to ensure consistency**
- B. They should be eliminated if not needed**
- C. They should be reprioritized according to ongoing risk assessments**
- D. They should be expanded regardless of risk levels**

7. Who should discuss the contingency audit plan with relevant stakeholders?

- A. The head of the audit department**
- B. The audit staff**
- C. The audit manager**
- D. The external auditors**

8. How should disagreements between the auditor and the audited entity be documented?

- A. In a clear and concise manner, free from ambiguity and bias**
- B. Through informal discussions only**
- C. Verbally without written proof**
- D. Only if both parties agree to the terms**

9. Why is the AML risk-assessment methodology significant in the DRL?

- A. It ensures all employees are trained**
- B. It is crucial for the audit of the AML compliance function**
- C. It is used to set the audit budget**
- D. It facilitates client interactions**

10. What is defined as a trigger event in the context of an AML audit?

- A. A random sampling event in the audit process**
- B. An aspect of the AML program being audited**
- C. A regulatory change affecting the audit**
- D. A client complaint to the auditors**

Answers

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1. A
2. B
3. B
4. A
5. B
6. C
7. C
8. A
9. B
10. B

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Explanations

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1. What are the essential characteristics that AML audit objectives must possess?

- A. Distinct, obtainable, and risk-aligned**
- B. Comprehensive, flexible, and inclusive**
- C. Specific, achievable, and historical**
- D. Broad, adaptable, and quantitative**

AML audit objectives must possess characteristics that ensure they are effective and aligned with the specific needs of an organization in combating money laundering. The key traits of being distinct, obtainable, and risk-aligned are critical in this context. By being distinct, the objectives are clearly defined and differentiate themselves from other auditing goals, which is essential in a complex area such as anti-money laundering (AML) where clarity is vital for identifying risks and associated compliance requirements. The characteristic of being obtainable ensures that the objectives can be realistically achieved given the resources, time, and relevant data available. Establishing feasible goals allows organizations to implement practical and effective audits without overextending their capabilities, thereby fostering a more consistent compliance environment. Finally, being risk-aligned means that the audit objectives are directly connected to the specific risks and vulnerabilities that the organization faces in relation to money laundering. This alignment permits organizations to focus their efforts on the most critical areas, thereby enhancing their overall risk management and compliance frameworks. Collectively, these characteristics help create a robust AML audit framework that is relevant, achievable, and focused on mitigating the most pertinent risks.

2. What is an external AML audit and why is it conducted?

- A. An audit conducted by internal staff to improve processes.**
- B. An external audit outsourced to a third-party service provider due to lack of internal resources.**
- C. Audits performed only for compliance with international standards.**
- D. Internal audits conducted without the organization's knowledge.**

An external AML audit refers to an assessment performed by an independent third-party organization that specializes in anti-money laundering (AML) programs. This type of audit is primarily conducted to evaluate the effectiveness of a financial institution's AML compliance program, ensuring that it satisfies legal and regulatory requirements. Engaging an external audit typically occurs when there are limitations in internal resources or expertise, which can hinder an organization's ability to conduct a thorough and impartial evaluation of its own AML practices. In addition to addressing compliance, these audits provide an unbiased perspective on areas of improvement, help identify potential weaknesses in the existing system, and ensure alignment with the latest regulatory changes. By relying on external expertise, organizations can enhance their credibility, demonstrate commitment to compliance, and safeguard against financial crimes. The other choices do not accurately capture the essence of external AML audits. The first option implies that internal staff handles the audit, which would classify it as an internal audit rather than an external one. The third choice suggests that external audits are only focused on compliance with international standards, but in reality, they encompass a broader scope, including a review of the overall effectiveness of compliance programs beyond just regulatory adherence. The fourth option describes internal audits conducted without the organization's knowledge, which contradicts the very nature of an

3. Which factors can influence the frequency of AML audits?

- A. The size of the organization
- B. Unique trigger events and regulator requests**
- C. The type of business operations
- D. Staff turnover rates

The frequency of Anti-Money Laundering (AML) audits is notably influenced by unique trigger events and regulator requests. These trigger events could include suspicious activity reports from the organization, which may highlight irregularities in transactions, or external factors such as increased scrutiny from regulatory bodies due to recent financial scandals or cases of fraud. Regulatory agencies might mandate more frequent audits as a response to emerging threats or vulnerabilities in the financial system. When a regulator requests an audit, it typically reflects their concern about compliance with AML regulations, often due to signals that the existing measures may be inadequate. This proactive approach helps organizations to identify and rectify gaps in their AML programs, thereby enhancing overall compliance and vigilance against money laundering activities. While other factors like the organization's size, type of business operations, and staff turnover rates can have some bearing on AML audit frequency, they don't have the immediate and pressing influence that trigger events and regulator requests impose. These other factors may play a role in shaping the overall risk profile of an organization, which could lead to an increased frequency of audits in a broader sense, but they are not the direct prompts for immediate audit activity.

4. What does 'audit risk assessment' entail in an AML audit policy?

- A. The process of identifying and evaluating risks that may affect the audit's effectiveness.**
- B. The strategic planning for future audits.
- C. The financial implications of conducting the audit.
- D. The selection of audit personnel.

Audit risk assessment in an AML (Anti-Money Laundering) audit policy primarily involves the process of identifying and evaluating risks that may impact the effectiveness of the audit. This aspect is critical because it helps auditors understand potential vulnerabilities within the organization's processes and systems that could lead to compliance failures or financial crime risks. By assessing these risks, auditors can better design their audit procedures to address specific areas of concern, allocate resources effectively, and ultimately ensure that the audit achieves its objectives. This proactive approach allows for a more focused evaluation of controls and compliance measures, which is essential in a rapidly changing regulatory environment. The other options, while relevant to auditing and compliance, do not explicitly relate to the primary function of audit risk assessment in the context of an AML audit. Strategic planning for future audits is a broad area not confined to risk evaluation. The financial implications of conducting an audit pertain to budgeting and cost considerations rather than the direct assessment of risk. The selection of audit personnel is more about staffing than about understanding the risks associated with the audit environment. Thus, focusing on risk identification and evaluation is what truly defines audit risk assessment in AML contexts.

5. What type of relationships should AML auditors aim to establish with stakeholders?

- A. Competitive and informative
- B. Positive and collaborative**
- C. Formal and reserved
- D. Mandatory and transactional

AML auditors should aim to establish positive and collaborative relationships with stakeholders because these relationships are vital for ensuring effective communication and cooperation in combating money laundering and other financial crimes. A positive and collaborative approach fosters an environment where stakeholders are more likely to share pertinent information, insights, and resources that can enhance the effectiveness of the audit process. Building a rapport with stakeholders enables auditors to better understand the operational complexities and risks faced by the organization, which in turn facilitates a more thorough and comprehensive audit. Collaborative relationships encourage stakeholders to take an active role in the compliance efforts, aligning goals and fostering a shared commitment to maintaining robust anti-money laundering practices. In contrast, the other options do not align with the ideals necessary for effective auditing. Competitive relationships could hinder information sharing and create barriers, while formal and reserved relationships could limit opportunities for open dialogue and collaboration. Mandatory and transactional relationships may lead to minimal engagement, avoiding the nuances required for effective AML compliance. Therefore, positive and collaborative engagements are critical in creating a productive atmosphere that promotes adherence to AML regulations and the overall integrity of the financial system.

6. How should audit testing and resources be managed over time?

- A. They should remain unchanged to ensure consistency
- B. They should be eliminated if not needed
- C. They should be reprioritized according to ongoing risk assessments**
- D. They should be expanded regardless of risk levels

Managing audit testing and resources effectively over time is essential to align with the dynamic nature of risks faced by an organization. Reprioritizing audit testing and resources according to ongoing risk assessments allows auditors to focus on areas that present the most significant threats or vulnerabilities. This approach ensures that the audit function remains relevant and responsive to changes within the organization and the external environment. As risks evolve—whether due to regulatory changes, shifts in business strategy, emerging technologies, or other factors—audit priorities must also adapt to address the highest risks effectively. By continuously reassessing risk levels, auditors can allocate their resources more strategically, ensuring that they are maximizing the impact of their efforts. This dynamic approach fosters a proactive audit environment where the ability to identify and mitigate risks is enhanced. In contrast, maintaining unchanged audit testing and resources might lead to outdated assessments and missed opportunities to mitigate emerging risks. Eliminating audit resources without regard for risk can leave critical areas unmonitored, while expanding resources regardless of risk levels can lead to inefficiencies and wasted efforts on low-priority areas. Thus, focusing on risk-based reprioritization is the most effective strategy for managing audit testing and resources over time.

7. Who should discuss the contingency audit plan with relevant stakeholders?

- A. The head of the audit department**
- B. The audit staff**
- C. The audit manager**
- D. The external auditors**

The audit manager plays a crucial role in discussing the contingency audit plan with relevant stakeholders for several reasons. First, the audit manager is typically responsible for overseeing the audit process, ensuring that plans are aligned with organizational objectives, and maintaining effective communication between the audit team and other departments. This position requires a detailed understanding of the audit functions and the ability to articulate the strategies involved in the contingency audit plan to various stakeholders. Additionally, the audit manager is in a position to engage with both internal and external parties, facilitating discussions that consider the implications of the contingency plan and how it can be integrated into the broader audit strategy. The manager acts as a bridge between the stakeholders and the audit team, addressing concerns and providing insights on how to effectively implement the plan under varying circumstances. While the head of the audit department has a leadership role, the audit manager is more directly involved in the day-to-day operations and may have a closer relationship with the stakeholders, making the discussion of the contingency plan more effective. The audit staff typically execute tasks rather than lead discussions at this level, and external auditors are usually involved in compliance and validation but not in crafting or discussing the internal contingency plans.

8. How should disagreements between the auditor and the audited entity be documented?

- A. In a clear and concise manner, free from ambiguity and bias**
- B. Through informal discussions only**
- C. Verbally without written proof**
- D. Only if both parties agree to the terms**

Documenting disagreements between the auditor and the audited entity is critical for maintaining transparency and providing a clear record of differing viewpoints. The correct choice emphasizes the necessity of presenting these disagreements in a clear and concise manner. This involves ensuring that the documentation is free from ambiguity and bias, which helps in accurately conveying the nature of the disagreement and allows for a thorough understanding by any future reviewers of the audit process. Clear documentation can later serve as a vital reference in case of disputes or appeals and contributes to a more robust audit trail. Ensuring that the record is free from bias is equally important as it upholds the integrity of the audit process, reflecting an honest account of the auditor's assessments and the entity's perspectives without favoring either side. The incorrect options highlight less effective methods of documentation. Informal discussions alone lack the necessary formality required for audit processes, while relying solely on verbal communications does not provide any lasting evidence. Lastly, only documenting disagreements if both parties agree could lead to an incomplete or skewed representation of the audit findings, which undermines the objective nature of the auditing process.

9. Why is the AML risk-assessment methodology significant in the DRL?

- A. It ensures all employees are trained**
- B. It is crucial for the audit of the AML compliance function**
- C. It is used to set the audit budget**
- D. It facilitates client interactions**

The AML risk-assessment methodology holds significance in the context of the Designated Risk Level (DRL) because it plays a critical role in evaluating and auditing the effectiveness of the anti-money laundering (AML) compliance function within an organization. This methodology assists auditors in identifying potential vulnerabilities and weaknesses in the AML controls, thereby allowing for a focused and effective audit that addresses high-risk areas. By systematically assessing the risks associated with various activities, clients, and jurisdictions, the methodology provides a framework for auditors to determine whether the AML compliance measures in place are adequate and functioning as intended. This process not only enhances the integrity of the audit findings but also contributes to the overall improvement of the organization's AML practices, ensuring compliance with regulatory requirements. In contrast, the other options highlight aspects related to employee training, budgeting, and client engagement—none of which directly relate to the critical auditing functions that an AML risk-assessment methodology addresses in the context of the DRL.

10. What is defined as a trigger event in the context of an AML audit?

- A. A random sampling event in the audit process**
- B. An aspect of the AML program being audited**
- C. A regulatory change affecting the audit**
- D. A client complaint to the auditors**

In the context of an AML audit, a trigger event typically refers to a specific aspect of the anti-money laundering program being audited that raises concern or requires further scrutiny. This can include findings during the audit that may indicate weaknesses or failures in the AML controls, procedures, or overall effectiveness of the program. Identifying these trigger events is crucial as it guides the auditors on where to focus their attention and how to address potential risks associated with money laundering activities. Understanding how various elements of the AML program can serve as indicators of effectiveness or risk helps ensure compliance with regulatory expectations and fosters a robust framework for detecting and preventing financial crimes. Thus, recognizing what constitutes a trigger event becomes vital for auditors to carry out effective evaluations during the audit process.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://advcamsaudit.examzify.com>

We wish you the very best on your exam journey. You've got this!

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