

Advanced CAMS-Audit Certification Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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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. 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.

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. 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!

Questions

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- 1. What type of information is typically analyzed during a root cause analysis?**
 - A. Non-urgent control procedures**
 - B. Factual evidence related to the finding**
 - C. General industry practices**
 - D. Baseline findings from previous audits**

- 2. What is the significance of reviewing the enterprise-wide AML risk assessment (EWRA)?**
 - A. To check the personal performance of employees**
 - B. It helps determine compliance with regulatory requirements and the effectiveness of the AML risk-management framework**
 - C. To identify non-compliance only in financial areas**
 - D. Primarily to assess technology used in the organization**

- 3. What is the expected outcome for learners using the Advanced CAMS-Audit study guide?**
 - A. To prepare for regulatory audits**
 - B. To gain knowledge and skills necessary for effective AML auditing**
 - C. To understand criminal law related to AML**
 - D. To develop advocacy skills for AML policies**

- 4. What should auditors prioritize when conducting testing during an AML audit?**
 - A. Large transactions only**
 - B. Identified low-risk areas**
 - C. Identified high-risk areas**
 - D. Randomly selected transactions**

- 5. What is the ultimate goal of identifying and analyzing significant issues in an audit?**
 - A. To impress stakeholders**
 - B. To ensure accurate financial reporting and compliance**
 - C. To fill out the audit report**
 - D. To minimize audit costs**

6. What is the purpose of monitoring key performance indicators in AML audits?

- A. To inform the marketing strategy**
- B. To assess compliance effectiveness**
- C. To streamline the audit process**
- D. To enhance employee productivity**

7. Which of the following actions should be prioritized in the audit standby plan?

- A. Creating a budget for the audit team**
- B. Documenting schedules for the audit processes**
- C. Planning responses to potential risk scenarios**
- D. Assigning responsibilities for future audits**

8. 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**

9. What is included in the audit time frame for transaction monitoring alerts?

- A. Details of only closed alerts**
- B. Details of alerts generated, closed, and pending**
- C. Systems used for monitoring**
- D. Personnel involved in generating alerts**

10. In which area should AML auditors focus their testing efforts?

- A. Financial forecasting**
- B. Compliance with non-financial regulations**
- C. The effectiveness of controls within the audit scope**
- D. The development of new compliance technologies**

Answers

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

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Explanations

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1. What type of information is typically analyzed during a root cause analysis?

- A. Non-urgent control procedures**
- B. Factual evidence related to the finding**
- C. General industry practices**
- D. Baseline findings from previous audits**

During a root cause analysis, the primary focus is on gathering and examining factual evidence related to the finding in question. This evidence serves as the foundation for understanding why a problem occurred and provides concrete data that can lead to actionable insights. Factual evidence may include incident reports, performance metrics, violation records, and similar documentation that provides a clear picture of the issue at hand. This approach is crucial because it allows analysts to establish a direct correlation between observed problems and their underlying causes. By concentrating on verifiable information rather than assumptions or generalities, the analysis can yield effective solutions that address the core issues rather than just the symptoms. The other options fall short in providing the necessary depth for a thorough root cause analysis.

Non-urgent control procedures do not address specific incidents that require investigation. General industry practices may offer context but lack the targeted insights needed for the analysis. Baseline findings from previous audits may also inform the analysis, but without the relevance of current factual evidence, they cannot definitively identify the root cause of a specific issue.

2. What is the significance of reviewing the enterprise-wide AML risk assessment (EWRA)?

- A. To check the personal performance of employees**
- B. It helps determine compliance with regulatory requirements and the effectiveness of the AML risk-management framework**
- C. To identify non-compliance only in financial areas**
- D. Primarily to assess technology used in the organization**

Reviewing the enterprise-wide AML risk assessment (EWRA) is significant primarily because it aids organizations in determining their compliance with regulatory requirements and evaluating the effectiveness of their anti-money laundering (AML) risk-management framework. This process involves identifying potential vulnerabilities across various business lines and regions, assessing the risks associated with various products and services, and ensuring that the organization is adequately managed and compliant with established AML laws and regulations. The EWRA serves as a comprehensive tool for organizations to align their AML strategies with the current risks they face, ensuring that defenses are not only in place but functioning effectively. A thorough review of the EWRA provides insights into the robustness of the risk control measures and highlights areas where improvements are necessary to mitigate potential AML risks. While there are other areas that organizations might focus on during audits, such as technology or specific compliance aspects, the primary goal of the EWRA review is to encapsulate the overall compliance climate and risk management capabilities thus impacting strategic decisions and resource allocation across the organization effectively.

3. What is the expected outcome for learners using the Advanced CAMS-Audit study guide?

- A. To prepare for regulatory audits
- B. To gain knowledge and skills necessary for effective AML auditing**
- C. To understand criminal law related to AML
- D. To develop advocacy skills for AML policies

The selection of gaining knowledge and skills necessary for effective AML auditing as the expected outcome for learners using the Advanced CAMS-Audit study guide is well-founded. The study guide is specifically designed to enhance the understanding of anti-money laundering (AML) concepts, practices, and the audit process itself. Learners will delve deeply into various aspects of AML auditing, including risk assessment, compliance checks, and evaluating the effectiveness of established controls. Mastering these elements is crucial for professionals looking to perform audits that not only comply with relevant regulations but also ensure that organizations effectively mitigate risks associated with money laundering. By focusing on acquiring these targeted skills, individuals can significantly enhance their capabilities in this specialized field, preparing them for the complexities of AML audits they may face in their careers.

4. What should auditors prioritize when conducting testing during an AML audit?

- A. Large transactions only
- B. Identified low-risk areas
- C. Identified high-risk areas**
- D. Randomly selected transactions

When conducting testing during an AML audit, auditors should prioritize identified high-risk areas because these areas represent the greatest potential for money laundering and other financial crimes. High-risk areas are typically associated with factors such as geographic considerations, client profiles, the nature of the services offered, and transaction patterns that increase the likelihood of illicit activities. By focusing on high-risk areas, auditors can allocate resources more efficiently, concentrating their efforts where the risk of non-compliance is greatest. This targeted approach enhances the effectiveness of the audit process, allowing auditors to uncover potential issues that could have significant implications for the organization, such as regulatory penalties or reputational damage. By addressing high-risk areas, organizations can better mitigate risks, strengthen their compliance programs, and protect themselves against financial crimes. In contrast, testing large transactions, low-risk areas, or randomly selected transactions might not provide a comprehensive view of the potential vulnerabilities within an organization's AML framework, thus missing critical insights that could lead to the identification and prevention of money laundering activities.

5. What is the ultimate goal of identifying and analyzing significant issues in an audit?

- A. To impress stakeholders
- B. To ensure accurate financial reporting and compliance**
- C. To fill out the audit report
- D. To minimize audit costs

The ultimate goal of identifying and analyzing significant issues in an audit is to ensure accurate financial reporting and compliance. This process is crucial because audits are designed to provide assurance that an organization's financial statements accurately reflect its financial condition and that it adheres to relevant regulations and accounting standards. By thoroughly investigating significant issues, auditors can identify areas where there may be misstatements, noncompliance, or potential risks that could affect the financial statements. This enhances the reliability of the financial information provided to stakeholders, such as investors, regulators, and management, fostering trust and integrity in the financial reporting process. Additionally, addressing these issues helps the organization mitigate risks and improve operational effectiveness, ensuring that the financial results presented are both accurate and compliant with applicable laws and regulations. The focus is not on impressing stakeholders, completing the audit report, or minimizing costs, as these are secondary considerations. The primary aim is to uphold the quality and credibility of financial reporting and fulfill the audit's responsibility to the public and other users of the financial statements.

6. What is the purpose of monitoring key performance indicators in AML audits?

- A. To inform the marketing strategy
- B. To assess compliance effectiveness**
- C. To streamline the audit process
- D. To enhance employee productivity

Monitoring key performance indicators (KPIs) in anti-money laundering (AML) audits serves a crucial role in assessing the effectiveness of compliance measures. These KPIs provide essential insights into how well an organization's AML policies and procedures are functioning in practice. By evaluating these indicators, auditors can identify strengths and weaknesses within the compliance framework, ensuring that the organization's efforts to prevent money laundering are not just formalities but are actively achieving their intended goals. The assessment through KPIs allows for a quantitative measurement of compliance activities, such as the number of suspicious activity reports filed, the timeliness of investigations, training completion rates, and other relevant metrics. This data-driven approach helps organizations pinpoint areas requiring improvement, thereby enhancing their overall compliance posture and reducing the risk of non-compliance. Additionally, effective monitoring of these indicators ensures that the organization is able to respond promptly to emerging threats and regulatory requirements, which is vital in the ever-evolving landscape of financial crime. Thus, the primary goal of using KPIs in AML audits is to ensure that compliance activities are effective and align with regulatory expectations.

7. Which of the following actions should be prioritized in the audit standby plan?

- A. Creating a budget for the audit team**
- B. Documenting schedules for the audit processes**
- C. Planning responses to potential risk scenarios**
- D. Assigning responsibilities for future audits**

Prioritizing the planning of responses to potential risk scenarios in an audit standby plan is crucial because it directly addresses the uncertainties and challenges that may arise during an audit process. By identifying and planning for potential risks, the audit team can develop strategies and responses to mitigate those risks effectively. This proactive approach ensures that the audit process can proceed smoothly, even when unexpected issues arise, thereby safeguarding the integrity and reliability of the audit outcomes. In contrast, while creating a budget, documenting schedules, and assigning responsibilities are important components of an audit plan, they do not possess the same immediate relevance in terms of risk management. A budget might be essential for resource allocation, schedules are necessary for timeliness, and assigning responsibilities clarifies roles within the audit. However, without a solid risk response plan, these elements may not be sufficient to address challenges that could derail the auditing process. Focusing on risk planning equips the team with the ability to adapt and respond effectively, ensuring the audit can achieve its objectives despite potential obstacles.

8. 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.

9. What is included in the audit time frame for transaction monitoring alerts?

- A. Details of only closed alerts**
- B. Details of alerts generated, closed, and pending**
- C. Systems used for monitoring**
- D. Personnel involved in generating alerts**

The inclusion of details for alerts generated, closed, and pending in the audit time frame for transaction monitoring is essential for a comprehensive and effective review process. This approach allows auditors to assess the entire lifecycle of transaction monitoring alerts, enabling a thorough evaluation of the effectiveness and efficiency of the monitoring system. By examining alerts that are generated, auditors can analyze the initial triggers and patterns that lead to an alert. Looking at closed alerts provides insight into how effectively those alerts were resolved and whether the responses were adequate in mitigating risk. Additionally, including pending alerts allows for the assessment of the system's responsiveness and potential backlog issues that may affect compliance and risk management. This holistic view is necessary for identifying trends, evaluating the overall performance of the monitoring program, and ensuring that appropriate actions are taken for alerts at various stages of their lifecycle. Collectively, this information supports continuous improvement of transaction monitoring processes and enhances the organization's ability to identify and mitigate potential money laundering or suspicious activity.

10. In which area should AML auditors focus their testing efforts?

- A. Financial forecasting**
- B. Compliance with non-financial regulations**
- C. The effectiveness of controls within the audit scope**
- D. The development of new compliance technologies**

Focusing testing efforts on the effectiveness of controls within the audit scope is crucial for AML auditors. This area is central to assessing how well an organization is managing its Anti-Money Laundering (AML) compliance framework. By evaluating the effectiveness of controls, auditors can determine whether the implemented measures are functioning as intended to detect and prevent money laundering activities. Effective controls include risk assessment processes, customer due diligence measures, transaction monitoring systems, and the reporting of suspicious activities. Testing these controls helps identify potential weaknesses or gaps in the AML program, allowing organizations to strengthen their defenses against financial crimes. Other areas like financial forecasting, compliance with non-financial regulations, and the development of new compliance technologies, while important, do not have the same direct impact on evaluating the robustness of an AML program. Financial forecasting is more about predicting future financial conditions rather than safeguarding against financial misconduct. Compliance with non-financial regulations might not directly relate to AML risks, and while new compliance technologies can improve processes, they should be assessed for effectiveness rather than being a primary testing focus.

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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