



Free Questions for IIA-CIA-Part1 by certscare

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Question 1

Question Type: MultipleChoice

A chief audit executive (CAE) is concerned that the internal audit activity is not receiving adequate training and continuing education. Which of the following approaches should the CAE take?

Options:

- A- Implement a uniform professional development plan for the internal audit activity.
- B- Create a formal development agreement with each individual staff auditor.
- C- Require each internal auditor to obtain the same professional certifications.
- D- Require training and developmental activities that are sponsored by The HA.

Answer:

B

Question 2

Question Type: MultipleChoice

An internal audit of warehouse inventory revealed no material deficiencies. However, management later discovered fraud, which occurred during the period that was audited, and determined that a major control deficiency allowed the fraud to occur. Given management's discovery, which of the following statements is valid?

Options:

- A-** The internal auditors violated the standard for due professional care because they did not detect the fraud, even though it occurred during the period that was reviewed.
- B-** The internal auditors should have had sufficient knowledge of fraud to identify red flags indicating possible fraud.
- C-** The internal auditors could not have detected the fraud due to collusion among employees in the inventory unit.
- D-** The internal auditors are not responsible for considering fraud risk, which is a management responsibility.

Answer:

A

Question 3

Question Type: MultipleChoice

During an audit of an organization's accounts payable area, an internal auditor identified anomalies in the information examined that may indicate potential fraud. Which test should the auditor perform first to verify this?

Options:

- A- Verify the completeness and integrity of the data being analyzed.
- B- Identify duplicated organizational transactions.
- C- Analyze all transactions within the targeted area.
- D- Check control totals that have may have been falsified.

Answer:

C

Question 4

Question Type: MultipleChoice

Which risk management activity would cause the internal auditor to assume a management responsibility?

Options:

- A- Assessing management's acceptance of risk.
- B- Reviewing a cybersecurity risk report issued by management.
- C- Developing a list of emerging risks for management.
- D- Prioritizing risks for management.

Answer:

D

Question 5

Question Type: MultipleChoice

Which of the following is an indicator that the internal audit activity does not fully conform with the Standards?

Options:

- A- The quality assurance and improvement program identified several opportunities for the internal audit activity to make improvements.

- B-** In lieu of an external assessment, the internal audit activity performed a self-assessment with independent external validation.
- C-** During an internal quality assessment, it was identified that rotational auditors often perform consulting engagements for areas of the organization where they had previous responsibilities.
- D-** External assessments are performed every five years by a competent internal audit team from the organization's parent company.

Answer:

B

Question 6

Question Type: MultipleChoice

According to IIA guidance, which of the following is accurate regarding the chief audit executive's (CAE's) requirement to report the results of quality assessments?

1. The CAE must report the results of external assessments at least annually.
2. The CAE must report the results of ongoing monitoring at least annually.
3. The CAE must report the results of quality assessments to senior management.
4. The CAE must report the results of quality assessments to the board.

Options:

- A- 1 and 3 only.
- B- 2 and 4 only.
- C- 1,2. and 3.
- D- 2,3, and 4.

Answer:

C

Question 7

Question Type: MultipleChoice

Which of the following situations is most likely to prompt the internal audit activity to disclose its nonconformance with the Standards?

Options:

- A- One of the organization's senior internal auditors owns a side business, though to date, no sales have been made to this business.
- B- The annual internal audit plan includes performance audits of main business processes, but reviews of high-risk development

projects were not considered.

C- The internal audit activity committed to carrying out an audit of documentation on investment hedging, and a hedging expert was contracted to assist with the engagement.

D- A periodic quality self-assessment of the internal audit activity identified a number of improvement areas with regard to key performance indicators.

Answer:

A

Question 8

Question Type: MultipleChoice

Which of the following requests, if accepted by the internal audit activity, would impair its independence?

Options:

A- A request to develop workshops on corporate governance for management.

B- A request to act as liaison with external auditors.

C- A request to determine appropriate risk management responses for management.

D- A request to provide counseling services on ethical matters.

Answer:

D

Question 9

Question Type: MultipleChoice

Which of the following actions should the organization's governing body perform to provide the most effective governance over the organization's culture?

Options:

A- Coordinate control activities.

B- Provide direction.

C- Design key controls.

D- Deliver assurance.

Answer:

B

Question 10

Question Type: MultipleChoice

During a monthly internal audit staff meeting, the chief audit executive (CAE) decided to reinforce the importance of internal audit staff being objective in their work. Which of the following examples would be most appropriate for the CAE to include as part of the meeting presentation?

Options:

- A-** Statistical sampling techniques should always be used to pull unbiased sampling for testing.
- B-** Fieldwork completed by internal auditors should be appropriately reviewed.
- C-** Internal auditors should avoid using the lunch room simultaneously with audit clients.
- D-** During the audit review period, there should be no nonaudit dialogues with the audit client.

Answer:

A

Question 11

Question Type: MultipleChoice

The internal auditor of a small manufacturer noted that the accounting department has insufficient staff to achieve proper segregation of duties. What type of controls would the auditor likely recommend to management to specifically address this problem?

Options:

- A- Entity-level.
- B- Preventive.
- C- Directive.
- D- Compensating.

Answer:

B

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