



Free Questions for IIA-CIA-Part1 by go4braindumps

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Question 1

Question Type: MultipleChoice

During a review of employee benefits, a staff internal auditor observed an ambiguity in the incentive compensation policy. If reported, it could negatively impact the internal auditor's compensation. Which of the following would encourage the internal auditor to be objective in his work?

Options:

- A) Periodic reinforcement of the internal audit activity's code of ethics disclosure practices.
- B) External assessments of the internal audit activity every five years.
- C) Audit committee review of every engagement report at the conclusion of the audit.
- D) Internal audit charter approved by the board.

Answer:

D

Question 2

Question Type: MultipleChoice

Which of the following best describes the internal audit activity's contribution to the implementation of the risk management framework?

Options:

- A) Internal audit identifies key risk areas during assurance reviews and provides audit findings.
- B) Internal audit assists with the prioritization of identified risks.
- C) Internal audit participates in setting the risk appetite.
- D) Internal audit takes part in the design of risk mitigation measures.

Answer:

A

Question 3

Question Type: MultipleChoice

During an assurance engagement, an internal auditor uses benchmarking research to support preparation of a report to stakeholders that contains significant findings about control deficiencies. Which of the following skills did the auditor demonstrate?

Options:

- A) Internal audit management.
- B) Conflict negotiation.
- C) Critical thinking.
- D) Persuasion and collaboration.

Answer:

C

Question 4

Question Type: MultipleChoice

An internal auditor observed that sales staff are able to modify or cancel an order in the system prior to shipping* She wonders whether they can also modify orders after shipping. Which of the following types of controls should she examine?

Options:

- A) Batch controls.
- B) Application controls.
- C) General IT controls.
- D) Logical access controls

Answer:

B

Question 5

Question Type: MultipleChoice

While conducting an engagement in the procurement department, the internal auditor noticed that the department head's travel reports showed minor travel expenses, and there were no charges for hotels, meals, or transportation. However, the auditor knew that the department head frequently traveled worldwide to meet with suppliers and visit their production sites. Which of the following would be the most appropriate next step for the auditor?

Options:

- A) The auditor should make a note of the issue for follow-up when employee travel expenses are audited.
- B) The auditor should analyze trends and changes among the organization's suppliers over the past few years.
- C) The auditor should investigate whether there are any special arrangements regarding senior management travel.
- D) The auditor should analyze the list of destinations the department head visited to estimate typical costs.

Answer:

C

Question 6

Question Type: MultipleChoice

Which of the following statements best illustrates why internal auditors assess soft controls?

Options:

- A) Assessing soft controls are an effective method of assessing risk related to personnel.
- B) Assessing soft controls, as opposed to hard controls, makes it easier to evaluate operating effectiveness.
- C) Assessing soft controls can help internal auditors in undertaking root-cause analysis.

D) Assessing soft controls provides more objective information than assessing hard controls.

Answer:

A

Question 7

Question Type: MultipleChoice

Which of the following best illustrates the application of due professional care during an audit of the procurement department?

Options:

- A)** The internal auditor began checking purchase requisitions for proper authorizations. He stopped when he discovered an instance of noncompliance. and he concluded the controls were ineffective.
- B)** The internal auditor discovered an instance where management did not follow the standard bidding processes. The auditor assessed the validity of management's reasons for deviating from standard practice and the supporting documentation, and determined that the deviation was acceptable.
- C)** The internal auditor selected a sample of purchase orders with amounts greater than S5.000, the threshold at which the organization requires a bidding process. The auditor obtained documentation of the bidding process for each purchase order in the sample.

D) The internal auditor analyzed bidding documents provided by management. Management indicated that the documents were purchase orders issued to a sole-source vendor. Based on the analysis and management's declaration, the internal auditor determined that the procurement process was effective.

Answer:

C

Question 8

Question Type: MultipleChoice

Which of the following procedures will best help an internal auditor assess operating effectiveness of fraud prevention and detection controls?

Options:

- A)** Benchmarking best practices
- B)** Testing,
- C)** Mapping,

D) Interviewing

Answer:

B

Question 9

Question Type: MultipleChoice

Which of the following would be considered a violation of The HAFs mandatory guidance on independence?

Options:

- A) The chief audit executive (CAE) reports functionally to the board and administratively to the chief financial officer.
- B) The board seeks senior management's recommendation before approving the annual salary adjustment of the CAE.
- C) The CAE confirms to the board, at least once every five years, the organizational independence of the internal audit activity,
- D) The CAE updates the internal audit charter and presents it to the board for approval periodically, not on a specific timeline

Answer:

B

Question 10

Question Type: MultipleChoice

Management would like to self-assess the overall effectiveness of the controls in place for its 200-person manufacturing department. Which of the following client-facilitated approaches is likely to be the most efficient way to accomplish this objective?

Options:

- A) Workshops.
- B) Surveys.
- C) Interviews.
- D) Observation.

Answer:

B

Question 11

Question Type: MultipleChoice

A chief audit executive (CAE) has no direct access to the board. According to IIA guidance, which of the following is the most appropriate way for the CAE to react?

Options:

- A) Ensure all subsequent audit reports include a disclaimer as to the lack of access to the board,
- B) Focus on operational audit work and disregard lack of direct access to the members of the board.
- C) Initiate changes to the internal audit charter to report to senior management for the time being,
- D) Engage in written communications with the board and present relevant issues in writing

Answer:

D

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