



Free Questions for IIA-CIA-Part1 by dumpshq

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Question 1

Question Type: MultipleChoice

An organization is considering purchasing a new banking software system and has asked the internal audit activity to evaluate the system. An internal auditor assigned to perform the engagement worked at the software company two years ago and is familiar with the system's design strengths and weaknesses. Which of the following is true regarding impairment to the auditor's objectivity?

Options:

- A- This situation does not necessitate any action related to the auditor's objectivity.
- B- The auditor should decline to perform the audit because personal conflicts of interest are likely.
- C- The auditor must disclose to the chief audit executive that this situation may impair her objectivity.
- D- The auditor can provide only consulting services, not assurance.

Answer:

C

Question 2

Question Type: MultipleChoice

Which of the following is the most effective way any organization can ensure proper governance over its internal controls?

Options:

- A- By adopting the best practices of similar organizations in the industry.
- B- By adjusting their internal control framework as business practices evolve.
- C- By introducing the universally accepted COSO internal control framework.
- D- By encouraging the internal audit activity to provide training on internal controls.

Answer:

D

Question 3

Question Type: MultipleChoice

Management decided to post the organization's newly established code of conduct on its website. This decision is primarily intended to mitigate which of the following risks?

Options:

- A- Accountability risk.
- B- Communication risk.
- C- Knowledge risk.
- D- Cultural risk.

Answer:

D

Question 4

Question Type: MultipleChoice

With regard to the internal audit activity's quality assurance and improvement program, which of the following must be reported to the board?

Options:

- A- A statement of independence of the organization's internal auditors.
- B- Meeting minutes with the assessment team, if key risks were identified and discussed.
- C- Frequency of the quality assessments being performed.
- D- Summary of previous internal assessments undertaken.

Answer:

A

Question 5

Question Type: MultipleChoice

Senior management asks the chief audit executive to review the organization's compliance with recently introduced legislation on international transfer pricing. The review requires an internal auditor who thoroughly understands the legislation and pricing methods. The internal audit activity does not have an auditor with those skills. Which of the following is the most appropriate course of action?

Options:

- A- Outsource the engagement to an external audit firm that has appropriate skills.

- B-** Recruit a lawyer with knowledge of the legislation to the audit team and ask the new auditor to perform the engagement.
- C-** Decline to perform the engagement, as the internal audit activity does not have the appropriate skill set.
- D-** Carry out the engagement using existing internal audit staff to help them gain the appropriate experience.

Answer:

A

Question 6

Question Type: MultipleChoice

Which of the following is a detective control?

Options:

- A-** An organization requires certain employees who occupy sensitive positions to sign attestation to the code of conduct on an annual basis.
- B-** A compliance specialist carries out quarterly reviews of an organization's compliance with regulatory requirements.
- C-** A front desk officer in an organization requires that visitors are identified by the host before access is granted.

D- An internal audit activity deploys audit management policies and procedures for team members.

Answer:

A

Question 7

Question Type: MultipleChoice

Which of the following should be considered in developing a risk and control model for use in an engagement?

Options:

A- The risk and control model should be globally accepted by the profession.

B- The risk and control model should be strictly adhered to in performing the engagement.

C- The risk and control model should be tailored to the organization that will be the subject of the engagement.

D- The risk and control model should be developed individually by the auditor for use on individual audit projects within the planned engagement.

Answer:

B

Question 8

Question Type: MultipleChoice

There is a growing perception that employees generally evade their responsibilities. What impact will an internal auditor most likely see during an engagement?

Options:

- A- Supervisors are likely to reduce their level of supervision and increase span of control.
- B- Employees are likely to be supervised closely and given little freedom.
- C- Peer employees are likely to trust one another, but distrust management.
- D- Employees are likely to join forces to accomplish their duties as teams.

Answer:

D

Question 9

Question Type: MultipleChoice

When an organization purchases a derivative contract in the stock market to limit the potential loss in the value of a security, the organization is applying which of the following risk management techniques?

Options:

- A- Avoiding the risk altogether.
- B- Transferring the risk.
- C- Introducing a control feature.
- D- Accepting the risk.

Answer:

B

Question 10

Question Type: MultipleChoice

The results of an assessment of the adequacy of controls would be considered incomplete or misleading unless the internal auditor considers which of the following?

Options:

- A- Number of mitigating controls.
- B- Effectiveness of the control environment
- C- Use of computer-assisted auditing techniques.
- D- IT security controls

Answer:

B

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