



Free Questions for IIA-CIA-Part1 by certsinside

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Question 1

Question Type: MultipleChoice

Which of the following best describes the Standards requirement for collective proficiency of the internal audit activity?

Options:

- A) The internal audit activity must have auditors on staff who collectively possess all of the competencies required to fulfill the internal audit plan,
- B) All internal auditors on staff should possess the knowledge, skills, and competencies needed to perform any assurance engagement on the audit plan.
- C) The internal audit activity must possess or obtain the competencies needed to carry out their professional responsibilities, including providing relevant advice and recommendations.
- D) Internal auditors collectively are responsible for ensuring that the internal audit activity has the competencies required to fulfill the internal audit plan.

Answer:

C

Question 2

Question Type: MultipleChoice

A snow removal company is conducting a scenario planning exercise where participating employees consider the potential impacts of a significant reduction in annual snowfall for the coming winter. Which of the following best describes this type of risk?

Options:

- A) Residual.
- B) Net.
- C) Inherent.
- D) Accepted.

Answer:

C

Question 3

Question Type: MultipleChoice

Which of the following is the most effective way for internal auditors to determine whether ethical values are followed throughout the organization?

Options:

- A) Review the organization's ethical value structure and reporting procedures.
- B) Review what the organization considers to be ethical behavior, such as the employee code of conduct.
- C) Review employee survey responses and follow up on those that suggest weaknesses in the ethical climate.
- D) Review the organization's records to ensure all employees have signed statements that they will follow ethical practices.

Answer:

B

Question 4

Question Type: MultipleChoice

Which of the following statements is true with regard to services provided by the internal audit activity?

Options:

- A) For consulting engagements, internal auditors do not need to be alert to control issues.
- B) Assurance and consulting services have similar objectives.
- C) Internal auditors may not perform assurance and consulting roles at the same time.
- D) Both assurance and consulting engagements require a final engagement report

Answer:

D

Question 5

Question Type: MultipleChoice

An internal auditor is performing testing to gather evidence regarding an organization's inventory account balance and is mindful of the possibility that the sample used might support the conclusion that the recorded account balance is not materially misstated when, in fact, it is. The auditor's concern best describes which of the following risks?

Options:

- A) incorrect rejection risk
- B) Incorrect acceptance risk.
- C) Tolerable misstatement risk.
- D) Anticipated misstatement risk

Answer:

B

Question 6

Question Type: MultipleChoice

The internal audit activity completed its analysis of sample transactions to determine occurrences of double billings. According to IA guidance, which of the following best demonstrates that internal auditors exercised due professional care during the review?

Options:

- A) Internal auditors found no instances of double billing and concluded there were no significant risks in this area.
- B) Internal auditors documented the scope and methodology of the data testing.

- C) Internal auditors discussed with management how data is safeguarded.
- D) Internal auditors received formal performance feedback from the engagement supervisor.

Answer:

B

Question 7

Question Type: MultipleChoice

Which of the following is most likely to be considered a control weakness?

Options:

- A) Vendor invoice payment requests are accompanied by a purchase order and receiving report.
- B) Purchase orders are typed by the purchasing department using prenumbered forms.
- C) Buyers promptly update the official vendor listing as new supplier sources become known.
- D) Department managers initiate purchase requests that must be approved by the plant superintendent.

Answer:

C

Question 8

Question Type: MultipleChoice

While auditing an organization's credit approval process, an internal auditor learns that the organization has made a large loan to another auditor's relative. Which course of action should the auditor take?

Options:

- A) Proceed with the audit engagement, but do not include the relative's information.
- B) Have the chief audit executive and management determine whether the auditor should continue with the audit engagement.
- C) Disclose in the engagement final communication that the relative is a customer.
- D) Immediately withdraw from the audit engagement.

Answer:

B

Question 9

Question Type: MultipleChoice

An internal audit activity includes in its audit reports the assertion that its work is performed in conformance with the International Standards for the Professional Practice of Internal Auditing (Standards). A recent external quality assessment concluded that the internal audit activity had substantial deficiencies that impact its overall operations.

According to IIA guidance, which of the following is the most appropriate action for issuing future audit reports?

Options:

- A)** Refrain from indicating that the internal audit activity operates in conformance with the Standards until the chief audit executive confirms that the internal audit activity has addressed all areas of nonconformance and the audit committee has been notified.
- B)** Refrain from indicating that the internal audit activity operates in conformance with the Standards until another external assessment confirms that the significant areas of nonconformance have been addressed.
- C)** Indicate that the internal audit activity operates in partial conformance with the Standards as the internal audit activity has a quality assurance and improvement program in place to address deficiencies and has met the requirement for conducting an external assessment.
- D)** Update and reissue previous audit reports, removing the assertion that the internal audit activity operates in conformance with the Standards, and distribute them to all parties who received the original reports.

Answer:

A

Question 10

Question Type: MultipleChoice

Which of the following types of policies best helps promote objectivity in the internal audit activity's work?

Options:

- A) Policies that are distributed to all members of the internal audit activity and require a signed acknowledgment,
- B) Policies that match internal auditors' performance with feedback from management of the area under review.
- C) Policies that keep internal auditors in areas where they have vast audit expertise.
- D) Policies that provide examples of inappropriate business relationships.

Answer:

D

Question 11

Question Type: MultipleChoice

In which of the following situations may the internal audit activity report conformance with the Standards?

Options:

- A) An internal audit activity has been in existence at least five years and has not completed an external assessment,
- B) An internal auditor was assigned to an audit engagement but did not meet individual objectivity requirements.
- C) The internal audit activity prepared an internal audit plan that was not risk-based.
- D) The internal audit activity has been in existence fewer than five years, but periodic self-assessments were conducted.

Answer:

D

Question 12

Question Type: MultipleChoice

Which of the following statements best demonstrates application of due professional care during an assurance engagement?

Options:

- A) The engagement detected irregularities and noncompliance instances.
- B) The engagement supervisor had no significant comments in the supervisory review.
- C) The audit procedures were systematically planned, executed, and documented.
- D) The engagement objectives were designed to assist the engagement client.

Answer:

A

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