



Free Questions for IIA-CIA-Part1 by dumpshq

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Question 1

Question Type: MultipleChoice

If the skills and competencies are not present within the internal audit activity to complete an ad-hoc assurance engagement, which of the following is an acceptable resolution?

Options:

- A- Politely decline the engagement due to a lack of qualified staff available at the time.
- B- Complete the engagement as requested, with the best of the current staff's abilities.
- C- Consider using employees from other departments in the organization on the audit team
- D- Change the scope of the testing to ensure that only available staff proficiencies are used.

Answer:

C

Question 2

Question Type: MultipleChoice

When taken by a chief audit executive, which of the following actions would be most likely to prevent division exaggerating sales reports?

- 1) Announcing a series of internal audit engagements focusing on compliance with corporate sales-reporting
- 2) Asking the president and the board to issue a statement of corporate policy stressing the importance of account reporting and the negative consequences of intentional misreporting.
- 3) Setting up a hotline for employees to report fraudulent behavior anonymously.
- 4) Assisting the controller in developing and monitoring a series of business process indicators , which are history with, but independent of sales.

Options:

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

Answer:

B

Question 3

Question Type: MultipleChoice

Which of the following best describes the risk contained in an initial public offering for a new stock?

Options:

- A- Residual risk
- B- Net risk
- C- Inherent risk
- D- Underlying risk

Answer:

C

Question 4

Question Type: MultipleChoice

Which of the following actions should the internal audit activity take during an audit engagement when examining the effectiveness of risk management processes?

Options:

- A-** Evaluate how the organization manages fraud risk
- B-** Establish procedures for improving risk management processes.
- C-** Ensure risk responses are aligned with industry standards.
- D-** Verify that organizational objectives are aligned with each department's objectives.

Answer:

A

Question 5

Question Type: MultipleChoice

A large sales organization maintains a system of internal control according to the COSO model and has updated its code of conduct. This change relates to which component of the COSO framework?

Options:

- A- Control activities.
- B- Information and communication.
- C- Commitment.
- D- Control environment.

Answer:

D

Question 6

Question Type: MultipleChoice

Which of the following offers the best evidence that the internal audit activity has achieved organizational independence?

Options:

- A- An independent third party has assessed the organization's system of internal controls to be adequate and effective.

- B-** The chief audit executive reports both functionally and administratively to the CEO.
- C-** The internal audit charter is drafted properly and approved by the appropriate parties.
- D-** The mission statement and strategy of the internal audit activity demonstrates alignment to organizational objectives.

Answer:

B

Question 7

Question Type: MultipleChoice

Which of the following is an example of a risk avoidance strategy?

Options:

- A-** Hedging against exchange rate variations.
- B-** Limiting access to an organization's data center.
- C-** Selling a nonstrategic business unit.
- D-** Outsourcing a high-risk activity.

Answer:

C

Question 8

Question Type: MultipleChoice

Which of the following statements accurately describes the responsibility of the internal audit activity regarding IT governance?

1. The internal audit activity does not have any responsibility because IT governance is the responsibility of the board and senior management of the organization.
2. The internal audit activity must assess whether the IT governance of the organization supports the organization's strategies and objectives.
3. The internal audit activity may assess whether the IT governance of the organization supports the organization's strategies and objectives.
4. The internal audit activity may accept requests from management to perform advisory services regarding how the IT governance of the organization supports the organization's strategies and objectives.

Options:

A- 1 only.

B- 4 only.

C- 2 and 4.

D- 3 and 4.

Answer:

A

Question 9

Question Type: MultipleChoice

Which of the following documents is most appropriate in promoting the objectivity of the internal audit activity?

Options:

A- Usage of IT system policy.

B- Risk management framework.

C- Acceptance of gifts policy.

D- Personal responsibility policy.

Answer:

C

Question 10

Question Type: MultipleChoice

Management is developing and implementing a risk and control framework for use throughout the organization. Which of the following elements should be included in the organization's control framework?

1. Appropriate levels of authority and responsibility.
2. Supervision of staff and appropriate review of work.
3. The seniority of management in the organization.
4. The ability to trace each transaction to an accountable and responsible individual.

Options:

A- 1,2, and 3.

B- 1.2, and 4.

C- 1.3, and 4.

D- 2, 3, and 4.

Answer:

D

Question 11

Question Type: MultipleChoice

With regard To IT governance, which of the following is the most effective and appropriate role for the internal audit activity?

Options:

A- Independently evaluate the skills and experience of potential chief information officer candidates to assess the best fit based on the organization's risk appetite.

B- Evaluate the organization's governance standards and assess IT-related activities to identify gaps and develop policies, ensuring alignment with the organization's risk appetite.

C- Assist management in interpreting complex IT-related privacy and security risk exposures and evaluating potential mitigation strategies.

D- Assess whether governance activities are aligned with the organization's risk appetite and take into consideration emerging risks.

Answer:

D

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