Question 1

An internal auditor uses a data query tool in the purchasing process to review the vendor master file for authorizations Which of the following describes the control objective likely being tested?

Options:

A- Effectiveness

B- Response

C- Efficiency

D- Mitigation.

Answer:

A

Question 2

An internal auditor is asked to determine why the production line for a large manufacturing organization has been experiencing shutdowns due to unavailable pacts The auditor learns that production data used for generating automatic purchases via electronic interchange is collected on personal computers connected by a local area network (LAN) Purchases are made from authorized vendors based on both the production plans for the next month and an authorized materials requirements plan (MRP) that identifies the parts needed per unit of production The auditor suspects the shutdowns are occurring because purchasing requirements have not been updated for changes in production techniques. Which of the following audit procedures should be used to test the auditor's theory?

Options:

A- Compare purchase orders generated from test data input into the LAN with purchase orders generated from production data for the most recent period

B- Develop a report of excess inventory and compare the inventory with current production volume

C- Compare the pans needed based on current production estimates and the MRP for the revised production techniques with the purchase orders generated from the system for the same period

D- Select a sample of production estimates and MRPs for several periods and trace them into the system to determine that input is accurate

Answer:

C

Question 3

An internal auditor is conducting an initial risk assessment of an audit area and wants to assess management's compliance with privacy laws for safeguarding customer information stored on the organization's servers Which course of action is appropriate for this phase of the engagement?

Options:

A- Solicit the services of a specialist information systems auditor

B- Obtain the most current approved copies of the organization's privacy policy

C- Consult with legal counsel about new privacy laws to establish appropriate criteria

D- Consider the detection risk of noncompliance with the laws

Answer:

C

Question 4

Which of the following statements about including consulting engagements in the annual internal audit plan is true?

A- All requests for consulting engagements must be included in the annual internal audit plan

B- Assurance engagements must be included in the annual internal audit plan but there is no requirement to include consulting engagements

C- Consulting engagements do not need to be included m the annual internal audit plan unless requested by the board

D- The acceptance of proposed consulting engagements into the annual internal audit plan may depend on their ability to add value

Answer:

D

Question 5

Question Type: MultipleChoice

Which of the following are advantages of flowcharts over internal control questionnaires"

1 Flowcharts reduce the need to test whether employees are observing internal control processes

2 Flowcharts provide a visual depiction of the processes in the area under review 3. Flowcharts identify and prioritize internal control design weaknesses.

4 Flowcharts highlight the control points to help internal auditors evaluate control design

Options:

A- 1 and 3 only

B- 2 and 4 only.

C- 1.2. and 3 only

D- 2. 3 and 4 only

Answer:

D

Question 6

Question Type: **MultipleChoice**

According to HA guidance, which of the following statements regarding audit workpapers is true?

Options:

A- Audit reports should include the workpapers as a reference for the audit conclusions.

B- The internal auditor's workpapers are the primary reference for reported control deficiencies.

C- Ad-hoc communications with management of the area under review should be excluded from the workpapers.

D- Both draft and final versions of workpapers should be saved at the end of the engagement

Answer:

D