



IIA-CGAP Practice Questions

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Question 1

Question Type: MultipleChoice

Most governments have some form of a centralized budgeting agency. All of the following are areas addressed by budget offices EXCEPT:

Options:

- A- Developing a budget document that incorporates all agency requests into a government wide request or plan.
- B- Not developing a budget document that incorporates all agency requests into a government wide request or plan.
- C- Assessing the national economy and the impact it will have on finances.
- D- Assessing financial performance --- reviewing and analyzing the revenues, expenditures, and cash balances at various times throughout the year.

Answer:

B

Question 2

Question Type: MultipleChoice

The right of the public to protect its own interests by seeking information, and also limiting the manner in which personal records can be used, has affected government practices in all of the following areas listed below EXCEPT.

Options:

- A- Agency responsibilities --- each agency should provide guidance to the public that describes its policies and procedures and steps required to request information. Upon receiving a valid request, a government agency must provide the relevant record(s) in a prompt, no solicitous manner.
- B- Elected or appointed officials --- Sunshine laws have done away with private "behind closed doors" meetings where decisions, which directly impact citizens, were once made.
- C- Confidential or inside information --- Using a government position and knowledge of government initiatives to make financial gain. For example, purchasing a piece of property that will be adjacent to a proposed government project.
- D- Customer/client privacy --- Some information is exempt from the public, and conversely, individuals have the opportunity to amend any errant information with regard to themselves.

Answer:

C

Question 3

Question Type: MultipleChoice

The audit process helps ensure transparency, probity, prudence, and, of course, accountability in public financial management. Following are examples of transparency, where public knowledge and scrutiny may change management decisions EXCEPT:

Options:

- A- Public employee salaries
- B- Other perks
- C- Private employee salaries
- D- Travel expenses

Answer:

C

Question 4

Question Type: MultipleChoice

All of the following are the objectives of an audit EXCEPT:

Options:

- A- Compliance with legislative or regulatory requirements and related authorities.
- B- the auditor's opinion enhances the credibility of the financial statements, the user Cannot assume that the opinion is an assurance as to the future viability of the entity nor the efficiency or effectiveness with which management has conducted the affairs of the entity.
- C- The phrases used to express the auditor's opinion are "give a true and fair view" or "present fairly, in all material respects," which are equivalent terms.
- D- The objective of an audit of financial statements is to enable the auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework.

Answer:

A

Question 5

Question Type: MultipleChoice

The application of the appropriate audit standards is dependent on all of the following issues EXCEPT:

Options:

- A- Laws and policies of the audit organization.
- B- Regulations
- C- Audit requirements
- D- External control requirement

Answer:

D

Question 6

Question Type: MultipleChoice

Internal control is defined as the process effected by an entity's board of directors, management, and other personnel designed to provide reasonable assurance regarding the achievement of objectives in the all of the following categories EXCEPT:

Options:

- A- Compliance controls --- relating to the entity's compliance with applicable laws and Regulations.
- B- Operations controls --- relating to the effective and efficient use of the entity's resources.
- C- Information and communication.
- D- Financial reporting controls --- relating to the preparation of reliable published financial statements

Answer:

C

Question 7**Question Type:** MultipleChoice

_____ covers the delivery of required services such as staff training. The necessary support processes required to deliver services under this domain include the actual processing of data by application systems, often classified under application controls. Where as _____ covers all IT processes need to be assessed regularly to monitor their quality and compliance with control requirements.

Options:

- A- Acquisition and Implementation (AI), Planning and Organization (PO)
- B- Planning and Organization (PO), Acquisition and Implementation (AI)
- C- Delivery and Support (DS), Monitoring (MN)
- D- Monitoring (MN), Delivery and Support (DS)

Answer:

C

Question 8**Question Type:** MultipleChoice

The audit committee should be made up of individuals who are independent of the day-to-day management of the public sector entity and who have the necessary program and /or management expertise to perform their review function effectively. The responsibilities of the audit committee should be stated in a _____, _____ or _____ that is approved by the full board or governing body of the public sector entity, as appropriate.

Options:

- A- informal, written charter or equivalent document
- B- legal, written charter or equivalent document
- C- formal, verbal charter or equivalent document
- D- formal, written charter or equivalent document

Answer:

D

Question 9

Question Type: MultipleChoice

A material misstatement is one that the auditor determines would change or influence the opinion of a reasonable person relying on the financial statements for information. Material misstatements may result from the following please choose the correct option:

Options:

- A- Misapplication of accounting principles.
- B- Inaccurate or misleading information.
- C- Omission of necessary information.
- D- Confidential or inside information --- Using a government position and knowledge of government initiatives to make financial gain. For example, purchasing a piece of property that will be adjacent to a proposed government project.

Answer:

D

Question 10

Question Type: MultipleChoice

An assessment of management controls can influence all of the following elements of the audit program EXCEPT:

Options:

- A- Objectives:
- B- Structure
- C- Methodology.
- D- Scope

Answer:

B

Question 11

Question Type: MultipleChoice

Embedded controls over purchase cards can include all of the following EXCEPT:

Options:

- A- Types of transactions (prohibiting cash advances, personal items, etc.).
- B- Transaction limits per day/per month.
- C- Monthly cardholder dollar limit.
- D- Minimum dollars per transaction.

Answer:

D

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