



**Free Questions for IIA-CIA-Part2 by certsdeals**

**Shared by Lee on 29-01-2024**

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## Question 1

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**Question Type:** MultipleChoice

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Which of the following is one of the five attributes that internal auditors include when documenting a deficiency?

### Options:

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- A- The criteria used to make the evaluation
- B- The methodology used to analyze data
- C- The proposed follow-up engagement work to be performed
- D- The scope of work performed during the engagement

### Answer:

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A

## Question 2

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**Question Type:** MultipleChoice

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While conducting a review of the logistics department the internal audit team identified a crucial control weakness. The chief audit executive (CAE) decided to prepare an audit memorandum for management of the logistics department followed by an informal meeting. What is the most likely reason the CAE decided to prepare the audit memorandum?

**Options:**

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- A- To report up-to-date audit progress to management
- B- To ensure that the internal audit team and the CAE are aligned with regard to the identified weakness
- C- To allow management to address the identified weakness timely
- D- To obtain management's agreement with regard to the identified weakness

**Answer:**

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C

## Question 3

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**Question Type: MultipleChoice**

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Which of the following statements is true regarding a drawback of using internal control questionnaires (ICQs)?

### Options:

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- A- When internal auditors need to cover many control procedures using ICQs is generally less efficient than conducting observations and inspections
- B- It is generally difficult for internal auditors to compile appropriate ICQs for business activities that are governed by standardized operating procedures
- C- ICQs are inadequate to provide effective assurance on how organizational processes are executed in practice.
- D- It is generally difficult for internal auditors to process completed questionnaires, because ICQs frequently elicit detailed comments and long answers from management

### Answer:

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C

## Question 4

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### Question Type: MultipleChoice

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The audit committee has asked the chief audit executive (CAE) to conduct an ad hoc forensic investigation of the purchasing department within a month due to the significance and urgency of a recently discovered risk. The internal audit activity currently has no available staff with relevant experience or qualifications. Which of the following is the CAE's best option for fulfilling the internal audit activity's responsibilities in this case?

**Options:**

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- A- Outsource the investigation to independent professional consultants
- B- Select certain internal auditors and remove them from their current assignments so that they can begin a forensic investigation course
- C- Recruit additional internal auditors possessing relevant qualification and experience
- D- Decline the engagement at this time

**Answer:**

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D

## Question 5

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**Question Type: MultipleChoice**

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An internal auditor discovered that sales contracts with business clients were not stored in the electronic document management database instead they were scanned and saved in a nonsystematic manner to server folders Which of the following would be an appropriate consequence for the internal auditor to include in the documented observation?

**Options:**

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- A-** The document management policy requires business client data to be stored in a specific management database
- B-** Sales contracts were stored improperly because the office manager was not trained to use the electronic database and prefers to avoid it
- C-** if the organization becomes subject to litigation the agreed pricing terms and conditions of the contracts may be difficult to prove
- D-** All staff should be appropriately trained and required to follow the organization's established policies and procedures pertaining to document management

**Answer:**

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B

## Question 6

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**Question Type: MultipleChoice**

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Which of the following best describes external benchmarking using trend analysis for a subsidiary of an international company?

**Options:**

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- A- Comparing the current ratio of the subsidiary with the current ratio of another company for the same period
- B- Comparing common-size financial statements of the subsidiary with the averages of the industry for the last two periods
- C- Comparing the sales of the subsidiary with the sales of another subsidiary for the last two periods.
- D- Comparing the sales of the subsidiary with the budgeted figures for the last two periods

**Answer:**

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B

## Question 7

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**Question Type:** MultipleChoice

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Which of the following best exemplifies having effective risk management and internal control processes?

**Options:**

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- A- Relevant risk indicators and mitigation plans are in place
- B- All risks are identified and assessed
- C- Business profitability is likely to be achieved

**D-** Risk information is communicated to customers and suppliers

**Answer:**

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C

## Question 8

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**Question Type: MultipleChoice**

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Which of the following statements is true regarding the audit objective for an assurance engagement?

**Options:**

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- A-** Operational management must determine the audit objective in cooperation with the internal auditor
- B-** The audit objective may be adjusted after the start of an engagement and it does not need to align with the assessed risks
- C-** The audit objective must consider the possibility of fraud and noncompliance
- D-** The audit objective may or may not consider the possibility of fraud depending on the assessed likelihood and impact

**Answer:**

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C

## Question 9

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**Question Type:** MultipleChoice

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According to IIA guidance which of the following best describes reliable information?

### Options:

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- A-** Reliable information is factual adequate, and convincing so that a prudent informed person would reach the same conclusions as the internal auditor
- B-** Reliable information is the best attainable information through the use of appropriate engagement techniques
- C-** Reliable information supports engagement observations and recommendations and is consistent with the objectives for the engagement
- D-** Reliable information helps the organization and the internal audit activity meet its goals

### Answer:

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B

## Question 10

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**Question Type:** MultipleChoice

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The head of customer service asked the chief audit executive (CAE) whether internal auditors could assist her staff with conducting a risk self-assessment in the customer service department. The CAE promised to meet with customer service managers, analyze relevant business processes, and come up with a proposal. Who is most likely to be the final approver of the engagement objectives and scope?

### Options:

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- A- Senior management of the organization
- B- The chief audit executive
- C- The head of customer service
- D- The board of directors

### Answer:

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C

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