



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

**Shared by Whitney on 18-01-2024**

**For More Free Questions and Preparation Resources**

**Check the Links on Last Page**

## Question 1

---

### Question Type: MultipleChoice

---

As part of the preliminary survey, an internal auditor sent an internal control questionnaire to the accounts payable function. Based on the questionnaire responses, the auditor determines that there is no established procedure for adding and approving new vendors. What would the auditor do next?

#### Options:

---

- A) Determine that this situation is acceptable and focus on more significant issues
- B) Document the issue in the draft audit report
- C) Document the observation for further follow up when testing the operating effectiveness of controls
- D) Interview the personnel associated with this observation.

#### Answer:

---

C

## Question 2

---

**Question Type: MultipleChoice**

---

The internal auditors available to perform the engagement do not have sufficient skills related to the area under review. Which of the following is an appropriate action for the chief audit executive to take?

**Options:**

---

- A) Continue the engagement with the available staff, providing more hands-on supervision than usual
- B) Limit the objectives and scope of the engagement to align them with the skills available among the current staff.
- C) Cosource the performance of the engagement using personnel in the area that will be reviewed to supplement the knowledge of the staff and complete the engagement
- D) Supplement the internal auditors assigned to the engagement by bringing onto the engagement team a consultant who is independent of the area under review and has the missing expertise

**Answer:**

---

D

## Question 3

---

**Question Type: MultipleChoice**

---

An internal auditor observes a double payment transaction on a supplier invoice during an accounts payable engagement. Which of the following steps would be the most effective in helping the auditor determine whether fraud exists?

**Options:**

---

- A) Switch the existing assurance engagement into a fraud investigation engagement
- B) Extend the audit scope and perform additional testing of controls on other related areas
- C) Review the prior year's transaction volume and amounts paid compared to the prior year's budget
- D) Perform data analytics on the supplier's information, invoiced amounts, and payments performed

**Answer:**

---

D

## Question 4

---

**Question Type:** MultipleChoice

---

Which of the following would be a red flag that indicates the possibility of inventory fraud?

1. The controller has assumed responsibility for approving all payments to certain vendors.

2. The controller has continuously delayed installation of a new accounts payable system, despite a corporate directive to implement it.
3. Sales commissions are not consistent with the organization's increased levels of sales.
4. Payments to certain vendors are supported by copies of receiving memos, rather than originals.

**Options:**

---

- A) I and II only
- B) II and III only
- C) I, II, and IV only
- D) I, III, and IV only

**Answer:**

---

C

## Question 5

---

**Question Type:** MultipleChoice

---

When assessing the risk associated with an activity, an internal auditor should:

**Options:**

---

- A) Determine how the risk should best be managed.
- B) Provide assurance on the management of the risk.
- C) Modify the risk management process based on risk exposures.
- D) Design controls to mitigate the identified risks.

**Answer:**

---

B

## Question 6

---

**Question Type:** MultipleChoice

---

During an operational audit of a chain of pizza delivery stores, an auditor determined that cold pizzas were causing customer dissatisfaction. A review of oven calibration records for the last six months revealed that adjustments were made on over 40 percent of the ovens. Based on this, the auditor:

**Options:**

---

- A) Has enough evidence to conclude that improperly functioning ovens are the cause.
- B) Needs to conduct further inquiries and reviews to determine the impact of the oven variations on the pizza temperature.
- C) Has enough evidence to recommend the replacement of some of the ovens.
- D) Must search for another cause since approximately 60 percent of the ovens did not require adjustment.

**Answer:**

---

B

## Question 7

---

**Question Type: MultipleChoice**

---

Which of the following procedures would provide the best evidence of the effectiveness of a credit-granting function?

**Options:**

---

- A) Observe the process.
- B) Review the trend in receivables write-offs.

- C) Ask the credit manager about the effectiveness of the function.
- D) Check for evidence of credit approval on a sample of customer orders.

**Answer:**

---

B

## Question 8

---

**Question Type: MultipleChoice**

---

The most effective way for internal auditors to enhance the reliability of computerized financial and operating information is by:

**Options:**

---

- A) Determining if controls over record keeping and reporting are adequate and effective.
- B) Reviewing data provided by information systems to test compliance with external requirements.
- C) Determining if information systems provide management with timely information.
- D) Determining if information systems provide complete information.



**Answer:**

---

A

## Question 9

---

**Question Type: MultipleChoice**

---

Which of the following situations might allow an employee to steal checks sent to an organization and subsequently cash them?

**Options:**

---

- A) Checks are not restrictively endorsed when received.
- B) Only one signature is required on the organization's checks.
- C) One employee handles both accounts receivable and purchase orders.
- D) One employee handles both cash deposits and accounts payable.

**Answer:**

---

A

## Question 10

---

**Question Type:** MultipleChoice

---

An internal auditor is assigned to conduct an audit of security for a local area network (LAN) in the finance department of the organization. Investment decisions, including the use of hedging strategies and financial derivatives, use data and financial models which run on the LAN. The LAN is also used to download data from the mainframe to assist in decisions. Which of the following should be considered outside the scope of this security audit engagement?

### Options:

---

- A) Investigation of the physical security over access to the components of the LAN.
- B) The ability of the LAN application to identify data items at the field or record level and implement user access security at that level.
- C) Interviews with users to determine their assessment of the level of security in the system and the vulnerability of the system to compromise.
- D) The level of security of other LANs in the company which also utilize sensitive data.

### Answer:

---

D

**To Get Premium Files for IIA-CIA-Part2 Visit**

**<https://www.p2pexams.com/products/iaa-cia-part2>**

**For More Free Questions Visit**

**<https://www.p2pexams.com/iaa/pdf/iaa-cia-part2>**

