

IIA

Exam Questions IIA-CIA-Part1

Certified Internal Auditor - Part 1, The Internal Audit Activitys Role in Governance, Risk, and Control



NEW QUESTION 1

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

- A. Usage of IT system policy.
- B. Risk management framework.
- C. Acceptance of gifts policy.
- D. Personal responsibility policy.

Answer: C

NEW QUESTION 2

Which two of the following are preventive controls in a check disbursement process?

- * 1. Daily reconciliation of the bank account used for check disbursements and prompt follow-up of un-reconciled items.
- * 2. Segregation of the following duties: establishing new vendors, approving checks, and reconciling the bank account.
- * 3. An activity report detailing who accesses the check disbursement system and the nature of any action taken in the system.
- * 4. Evidence of strong access controls ensuring that authorized individuals have access only to the functions related to their responsibilities.

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

Answer: D

NEW QUESTION 3

According to IIA guidance, which of the following external groups is most likely to represent a liability risk, based on activities associated with the organization's corporate social responsibility program?

- A. Consumers.
- B. Activists.
- C. Suppliers.
- D. Investors.

Answer: B

NEW QUESTION 4

An organization invests its savings in a volatile stock with the potential for high gains rather than a mutual fund with a lower expected return and lower volatility. This best describes which of the following risk concepts?

- A. Risk identification.
- B. Risk appetite.
- C. Risk capacity.
- D. Risk tolerance.

Answer: D

NEW QUESTION 5

According to the COSO enterprise risk management (ERM) framework, which of the following is not part of the new paradigm in ERM?

- A. Assessing the risk factors.
- B. Aligning risk appetite and strategy.
- C. Enhancing risk response decisions.
- D. Reducing operational surprises and losses.

Answer: A

NEW QUESTION 6

Which of the following techniques would provide the most compelling evidence that a safety hazard exists within a manufacturing facility?

- A. Observation of the facility during operations.
- B. Questioning of facility management, including the facility safety officer.
- C. Analysis of facility operating reports, focusing on instances when breakdowns occurred.
- D. Review of records involving safety violations, filed by facility production employees.

Answer: A

NEW QUESTION 7

Which of the following control activities is the most effective to ensure users' levels of access are appropriate for their current roles?

- A. The human resources department generates a monthly list of terminated and transferred employees and requests IT to update the user access as required.
- B. Standardized user access profiles are developed and the appropriate access profiles are automatically assigned to new or transferred employees.
- C. System administrator rights are assigned to one user in each department who can update user access of terminated or transferred employees immediately.
- D. Department managers are required to perform periodic user access reviews of relevant systems and applications.

Answer: D

NEW QUESTION 8

According to the IIA Code of Ethics, which of the following statements best describes the principle of competency?

- A. Internal auditors shall perform their work with honesty, diligence, and responsibility.
- B. Internal auditors shall perform their work in accordance with the Standards.
- C. Internal auditors shall perform their work in accordance with the law and make disclosures expected by the law.
- D. Internal auditors shall be prudent in the use of information acquired while performing their work.

Answer: B

NEW QUESTION 9

Who is responsible for setting the risk appetite?

- A. External auditors.
- B. Chief risk officer.
- C. Operations management.
- D. Board of directors.

Answer: D

NEW QUESTION 10

An internal audit team is performing an audit of workplace accident claims.
Which of the following actions by the audit team best demonstrates due professional care?

- A. Having an occupational health officer on the engagement team.
- B. Determining that the claims have been classified properly.
- C. Placing reliance on medical reports from the injured worker's doctor.
- D. Reviewing claims to ensure all accidents actually occurred in the workplace.

Answer: A

NEW QUESTION 10

Which of the following factors should be considered when determining the appropriate combination of manual techniques and computer-assisted audit techniques (CAATs) to be used during an audit?

- * 1. Acceptance of CAATs findings by entity management.
- * 2. Computer knowledge and expertise of the auditor.
- * 3. Time constraints.
- * 4. Level of audit risk.

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

Answer: D

NEW QUESTION 14

Reviewing prior audit reports and supporting workpapers before an engagement starts enables an internal auditor to do which of the following?

- * 1. To understand better the activity and processes that will be audited.
- * 2. To identify the audit procedures that will be used during the engagement.
- * 3. To ensure that matters of greatest vulnerability will be addressed.
- * 4. To use the information obtained as evidence in the current engagement.

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

Answer: B

NEW QUESTION 19

Which of the following describes a key characteristic related to effective organizational communication?

- A. Comprehensive supervisory and verification procedures.
- B. A well-designed system of internal controls.
- C. A culture of integrity and transparency.
- D. Unique operating environments with varying complexity.

Answer: B

NEW QUESTION 21

Which of the following actions should the audit committee take to promote organizational independence for the internal audit activity?

- A. Delegate final approval of the risk-based internal audit plan to the chief audit executive (CAE).
- B. Approve the annual budget and resource plan for the internal audit activity.
- C. Assist the CAE with hiring objective and competent internal audit staff.
- D. Encourage the CAE to communicate and coordinate with the external auditor.

Answer: A

NEW QUESTION 26

Which of the following must be in existence as a precondition to developing an effective system of internal controls?

- A. A monitoring process.
- B. A risk assessment process.
- C. A strategic objective-setting process.
- D. An information and communication process.

Answer: B

NEW QUESTION 28

According to The IIA's Code of Ethics, which of the following actions violates the principle of confidentiality?

- A. Accepting a consulting request in the IT department without possessing the requisite experience.
- B. Providing personal tax preparation services for a fee for several employees during the lunch hour.
- C. Providing a friend with the marketing strategic plan, which she will use to prepare her university thesis.
- D. Agreeing to reword an observation to avoid the client complaining directly to the auditor's supervisor.

Answer: C

NEW QUESTION 29

Which of the following statements accurately describes an internal auditor's responsibility with regard to due professional care?

- A. An internal auditor should express an opinion only when consensus with top management has been achieved.
- B. An internal auditor's opinion should be based on experience and free of all bias.
- C. An internal auditor's opinion should be based on factual evidence.
- D. An internal auditor's opinion should be limited to the effectiveness of internal controls.

Answer: C

NEW QUESTION 31

Which of the following is an example of collusion?

- A. An employee includes a faked receipt in his expense claim, and the claim is signed by the employee's manager.
- B. A vendor inflates the price of an item and remits a portion of the excess to the purchasing manager.
- C. A vendor sends a duplicate invoice with a new invoice number, and the accounts payable system fails to detect the duplication.
- D. An employee works with the IT manager to develop a program for identifying duplicate invoice payments.

Answer: B

NEW QUESTION 35

A headquarters-based internal auditor has been sent to a major overseas subsidiary to conduct various engagements. Initially, the internal auditor spends time to become familiar with local customs and organization's practices while embarking on the first engagement. Which of the following competencies does the internal auditor exercise?

- A. Communication.
- B. Persuasion and collaboration.
- C. Business acumen.
- D. Governance, risk, and control.

Answer: A

NEW QUESTION 37

During an audit, the client questions the internal audit activity's authority to perform procedures over fraud allegations. According to IA guidance, which of the following would provide the most relevant support to respond to the client's concerns?

- A. Definition of Internal Auditing.
- B. IA Standards.
- C. Internal audit charter.
- D. The IIA's Code of Ethics.

Answer: C

NEW QUESTION 38

Which of the following is the most common way that occupational fraud is detected?

- A. Internal audits.
- B. Whistleblower hotline.

- C. Key controls.
- D. External audits.

Answer: B

NEW QUESTION 43

An internal auditor is performing analytical reviews as part of an audit of a supermarket's merchandising department. Because the economy has declined since midyear, the auditor can expect to encounter which of the following?

- A. Higher inventory turnover.
- B. Higher operating margin.
- C. Lower obsolete stock disposal.
- D. Lower sales volume.

Answer: D

NEW QUESTION 46

Which of the following is the primary engagement responsibility of an entry-level internal auditor?

- A. Leadership.
- B. Documentation.
- C. Analysis.
- D. Reporting.

Answer: C

NEW QUESTION 48

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

- 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

NEW QUESTION 50

Which of the following activities is most likely to require a fraud specialist to supplement the knowledge and skills of the internal audit activity?

- A. Planning an engagement of the area in which fraud is suspected.
- B. Employing audit tests to detect fraud.
- C. Interrogating a suspected fraudster.
- D. Completing a process review to improve controls to prevent fraud.

Answer: B

NEW QUESTION 52

Which of the following are core responsibilities to be included in the internal audit charter?

- * 1. Review reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- * 2. Determine the adequacy and effectiveness of the organization's systems of internal accounting and operating controls.
- * 3. Participate in the planning and performance of audits of potential acquisitions with the organization's outside accountants and other members of the corporate staff.
- * 4. Report to those members of management who should be informed of results of audit examinations, the audit opinions formed, and the recommendations made.

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

Answer: A

NEW QUESTION 56

An internal auditor completed an audit of a bank's loan department and found all significant risks to be managed adequately through effective internal controls. Which of the following would be an appropriate conclusion to report to management?

- A. The residual risk is lower than or equal to the risk appetite.
- B. The residual risk is higher than or equal to the risk appetite.
- C. The inherent risk is lower than or equal to the risk tolerance.
- D. The inherent risk is higher than or equal to the risk tolerance.

Answer: A

NEW QUESTION 57

A new director was hired to lead the internal audit activity at a small start-up company. Which of the following assignments would impair the director's

independence?

- A. Preparing the financial statements for the company's defined contribution plan.
- B. Performing a pre-implementation review of the company's payroll application.
- C. Providing the COBIT framework as a possible IT management tool.
- D. Reviewing the company's policy for foreign currency translation adjustments for compliance with accounting standards.

Answer: A

NEW QUESTION 60

An IT contractor applied for an internal audit position at a bank. The contractor worked for the bank's IT security manager two years ago. If the audit manager interviewed the contractor and wants to extend a job offer, which of the following actions should the chief audit executive pursue?

- A. Allow the audit manager to hire the contractor and state that the individual is free to perform IT audits, including security.
- B. Not allow the audit manager to hire the contractor, as it would be a conflict of interest.
- C. Allow the audit manager to hire the contractor, but state that the individual is not allowed to work on IT security audits for one year.
- D. Not allow the audit manager to hire the contractor and ask the individual to apply again in one year.

Answer: A

NEW QUESTION 61

According to IIA guidance, which of the following describes the primary reason to implement environmental and social safeguards within an organization?

- A. To enable Triple Bottom Line reporting capability.
- B. To facilitate the conduct of risk assessment.
- C. To achieve and maintain sustainable development.
- D. To fulfill regulatory and compliance requirements.

Answer: C

NEW QUESTION 64

In which of the following functions would fraud be most likely to occur?

- A. Maintaining custody of inventory records.
- B. Collecting payments on accounts.
- C. Approving changes to employee records.
- D. Preparing customer statements.

Answer: B

NEW QUESTION 65

An internal audit activity is using the auditing-by-element approach to audit the organization's controls around corporate social responsibility. Which of the following would be an element for the internal audit activity to consider?

- A. Working conditions.
- B. Employees' families.
- C. Marketplace competition.
- D. Shareholders and investors.

Answer: B

NEW QUESTION 66

Internal auditors must exercise due professional care by considering which of the following?

- * 1. Cost of assurance in relation to potential benefits.
- * 2. Adequacy and effectiveness of governance, risk management, and control processes.
- * 3. Management's competency level in the area being evaluated.
- * 4. Probability of significant errors, fraud, or noncompliance.

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

Answer: C

NEW QUESTION 71

Which of the following best describes the details that must be included in the quality assurance and improvement program (QAIP) report to senior management and the board?

- A. The scope and frequency of internal and external assessments as well as the qualifications and independence of the assessor.
- B. The scope and cost of the QAI
- C. frequency of internal and external assessments, and conclusions of the assessor.
- D. The scope, findings, risks, recommendations, and agreed-upon improvement actions.
- E. The number and types of people involved in the assessment, costs, and duration of the QAIP

Answer: C

NEW QUESTION 76

Which of the following professional development approaches would offer internal auditors the most opportunities to broaden their engagement experiences?

- A. Assign more experienced internal auditors to mentor the less experienced auditors.
- B. Send internal auditors to external trainings in advanced internal audit topics.
- C. Appraise internal auditors' performance and competencies at least annually and issue constructive feedback.
- D. Rotate internal auditors among different engagement assignments.

Answer: D

NEW QUESTION 78

An organization is beginning to implement an enterprise risk management program. One of the first steps is to develop a common risk language. Which of the following statements about a common risk language is true?

- A. Management will be able to reduce inherent risk because they will have a better understanding of risk.
- B. Internal auditors will be able to reduce their sample sizes because controls will be more consistent.
- C. Stakeholders will have more assurance that the risks are assessed consistently.
- D. Decision makers will understand that the likelihood of missing or ineffective controls will be reduced.

Answer: C

NEW QUESTION 82

According to IIA guidance, which of the following is least compliant with the requirements regarding an internal auditor's need for objectivity?

- A. An internal auditor assessed the effectiveness of controls over payroll software, which he had helped implement with a previous employer.
- B. An internal auditor participated in an audit of controls around absenteeism, despite providing some consultation on controls in this area earlier in the year.
- C. An internal auditor performed an assurance engagement for the effectiveness of accounts payable access controls, one of which he previously helped to design.
- D. An internal auditor, previously employed in the quality assurance operations area, performed a consulting engagement for the operations manager.

Answer: C

NEW QUESTION 83

Which of the following enhances the independence of the internal audit activity?

- A. The chief audit executive (CAE) approves the annual internal audit plan.
- B. The CAE administratively reports to the board.
- C. The audit committee approves the CAE's annual salary increase.
- D. The chief executive officer approves the internal audit charter.

Answer: C

NEW QUESTION 84

An internal auditor is evaluating techniques management uses to mitigate risks within a particular product division. Which of the following is an example of risk reduction?

- A. Management sells the product division to a competitor.
- B. Management outsources the product division to a third party.
- C. Management allows the product division to remain unchanged.
- D. Management modifies the product division to minimize errors.

Answer: D

NEW QUESTION 86

An organization decides to take no action on one of its financial risks because the cost of implementing the control outweighs the value of the asset being protected. Which of the following best describes this risk strategy?

- A. Risk avoidance.
- B. Risk-benefit analysis.
- C. Risk sharing.
- D. Risk acceptance.

Answer: D

NEW QUESTION 88

According to IIA guidance, which of the following practices by the chief audit executive (CAE) best enhances the organizational independence of the internal audit activity?

- A. CAE reviews and approves the annual audit plan.
- B. CAE meets privately with The CEO at least annually.
- C. CAE meets privately with The board at least annually.
- D. CAE reports to the board regarding audit staff performance evaluation and compensation.

Answer: D

NEW QUESTION 93

Which of the following scenarios best illustrates a rationalization as the root cause of potential fraud?

- A. Managers who have been with the organization for several decades become aware that newly hired, younger managers are being moved more quickly into senior positions.
- B. The controller at a nationwide manufacturing company recently opted to no longer require two-week mandatory vacations for accounting staff.
- C. Security cameras that monitor cash handling at the register are not functioning.
- D. The organization is slowly phasing out three mature products that produce the highest commissions for the sales staff.

Answer: B

NEW QUESTION 95

A large trucking organization wants to reduce traffic accidents by improving its system of internal controls. Which of the following controls is correctly classified?

- * 1. Review of speeding violations to identify repetitive locations and drivers is an example of a preventive control.
- * 2. Defensive driver training is an example of a directive control.
- * 3. The installation of tracking devices in delivery vehicles is an example of a corrective control.
- * 4. Providing a vehicle driver handbook is an example of a detective control.

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

Answer: A

NEW QUESTION 99

An internal audit charter should do which of the following?

- A. Outline the schedule of future audits.
- B. Define the scope of internal audit activities.
- C. Establish the size of the internal audit activity.
- D. Communicate the internal audit activity's goals.

Answer: B

NEW QUESTION 102

If appropriate safeguards exist, which of the following is considered a legitimate internal audit role within risk management at an organization?

- A. Imposing risk management processes.
- B. Providing consolidated reporting on risks.
- C. Taking accountability for risk management.
- D. Making decisions on risk responses.

Answer: B

NEW QUESTION 106

Which of the following are components of the ISO 31000 risk management process?

- * 1. Setting the context.
- * 2. Risk treatment.
- * 3. Risk avoidance.
- * 4. Communication.

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

Answer: A

NEW QUESTION 109

Management would like to self-assess the overall effectiveness of the controls in place for its 200-person manufacturing department. Which of the following client-facilitated approaches is likely to be the most efficient way to accomplish this objective?

- A. Workshops.
- B. Surveys.
- C. Interviews.
- D. Observation.

Answer: B

NEW QUESTION 111

According to IIA guidance, which of the following is an area in which the internal auditor should be proficient?

- A. Management principles.
- B. Computerized information systems.
- C. Internal audit standards, procedures, and techniques.
- D. Fundamentals of accounting, economics, and finance.

Answer: C

NEW QUESTION 114

In the area of business acumen, which of the following competencies would be the sole responsibility of an internal audit staff member?

- A. Maintaining industry-specific knowledge appropriate to the organization.
- B. Assessing how IT contributes to organization objectives, risks, and relevance to audit.
- C. Maintaining technical aspects of accounting standards and reporting processes.
- D. Understanding regulatory and legal framework and assessing its relevance.

Answer: D

NEW QUESTION 119

While auditing an organization's credit approval process, an internal auditor learns that the organization has made a large loan to another auditor's relative. Which course of action should the auditor take?

- A. Proceed with the audit engagement, but do not include the relative's information.
- B. Have the chief audit executive and management determine whether the auditor should continue with the audit engagement.
- C. Disclose in the engagement final communication that the relative is a customer.
- D. Immediately withdraw from the audit engagement.

Answer: B

NEW QUESTION 120

Which of the following are generally recognized as essential elements of a corporate social responsibility program?

- A. Human rights and the environment.
- B. Organizational governance and financial reporting.
- C. Fair operating practices and government regulation.
- D. Consumer issues and return on investment.

Answer: A

NEW QUESTION 123

Which of the following is a detective control strategy against fraud?

- A. Requiring employees to attend ethics training.
- B. Performing background checks on employees.
- C. Implementing a control self-assessment.
- D. Performing a surprise audit.

Answer: D

NEW QUESTION 127

The internal audit activity is planning a procurement audit and needs to obtain a thorough understanding of the subcontracting process, which can involve multiple individuals in multiple countries.

Which of the following internal audit tools would be most effective to document the process and the key controls?

- A. Internal control checklist.
- B. Procurement employee survey.
- C. Cross-functional flow chart.
- D. Segregation of duties matrix.

Answer: C

NEW QUESTION 129

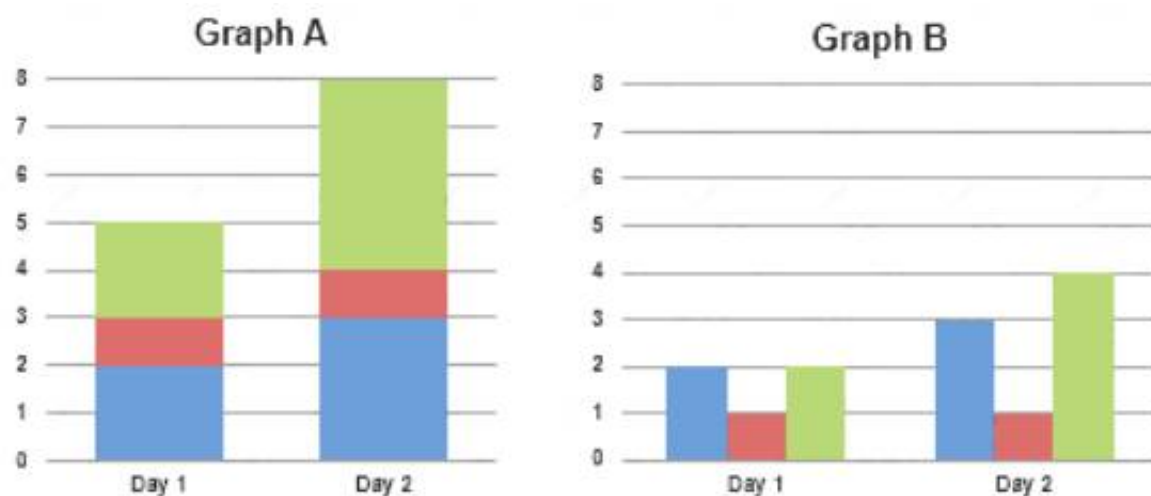
An internal audit activity includes in its audit reports the assertion that its work is performed in conformance with the International Standards for the Professional Practice of Internal Auditing (Standards). A recent external quality assessment concluded that the internal audit activity had substantial deficiencies that impact its overall operations. According to IIA guidance, which of the following is the most appropriate action for issuing future audit reports?

- A. Refrain from indicating that the internal audit activity operates in conformance with the Standards until the chief audit executive confirms that the internal audit activity has addressed all areas of nonconformance and the audit committee has been notified.
- B. Refrain from indicating that the internal audit activity operates in conformance with the Standards until another external assessment confirms that the significant areas of nonconformance have been addressed.
- C. Indicate that the internal audit activity operates in partial conformance with the Standards, as the internal audit activity has a quality assurance and improvement program in place to address deficiencies and has met the requirement for conducting an external assessment.
- D. Update and reissue previous audit reports, removing the assertion that the internal audit activity operates in conformance with the Standards, and distribute them to all parties who received the original reports.

Answer: B

NEW QUESTION 132

Click the Exhibit.



Internal auditors are asked to keep track of how many hours per day they spend planning the audit, conducting the engagement, and writing the audit report. The data for two days has been collected as follows:

Day 1
 Day 2
 Planning the audit 2 hours
 3 hours
 Conducting the engagement 1 hour
 1 hour
 Writing the audit report 2 hours
 4 hours

Which of the following graphs depicts the data accurately?

- A. Graph A only
- B. Graph B only
- C. Both A and B.
- D. Neither A nor B.

Answer: C

NEW QUESTION 136

Which of the following best ensures the independence of the internal audit activity?

- * 1. The CEO and audit committee review and endorse any changes to the approved audit plan on an annual basis.
- * 2. The audit committee reviews the performance of the chief audit executive (CAE) periodically.
- * 3. The internal audit charter requires the CAE to report functionally to the audit committee.

- A. 3 only
- B. 1 and 2 only
- C. 2 and 3 only
- D. 1, 2, and 3

Answer: C

NEW QUESTION 138

According to IIA guidance, which of the following are macro-level audit activities performed for an assurance engagement of the purchasing department?

- * 1. Obtain and review all purchasing-related audit reports issued within the past year.
- * 2. Meet with the quality assurance group to discuss its previous reports of any purchasing-related findings.
- * 3. Review a memo written by the purchasing manager that outlines ongoing problems with the purchasing software.
- * 4. Request a copy of the report from a purchasing audit conducted last year by an external service provider.

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

Answer: A

NEW QUESTION 139

Which of the following would be the most appropriate first step for the board to take when developing an effective system of governance?

- A. Determine the organization's overall risk appetite.
- B. Establish a governance committee.
- C. Delegate authority to members of senior management.
- D. Identify key stakeholders and their expectations.

Answer: D

NEW QUESTION 142

Which of the following is a requirement for an assurance engagement that may not be for a consulting engagement?

- A. The internal audit activity has to ensure team members' objectivity is not impaired.
- B. Auditors cannot participate in an assurance engagement of a function for which they previously performed a consulting engagement.
- C. The scope and objective of the engagement is agreed upon based on the engagement client's needs.
- D. The internal audit activity must ensure management actions have been implemented effectively or risk accepted.

Answer: B

NEW QUESTION 146

According to The IIA's Code of Ethics, which of the following is true?

- A. Confidentiality requires that auditors disclose all material facts known to them.
- B. Integrity requires that auditors perform internal audit services in accordance with the Standards.
- C. Objectivity requires that auditors perform their work with honesty, diligence, and responsibility.
- D. Confidentiality requires that auditors be prudent in the use and protection of client information.

Answer: D

NEW QUESTION 150

Which of the following is most likely to function as a directive control?

- A. Security dogs.
- B. Alert employees.
- C. Insurance claims.
- D. Cycle counts.

Answer: B

NEW QUESTION 151

A furniture manufacturer has installed a new fire sprinkler system at its central warehouse and canceled the existing fire insurance policy on that property. What change of risk response strategy does this course of action most likely reflect?

- A. From sharing to reduction.
- B. From acceptance to reduction.
- C. From sharing to avoidance.
- D. From acceptance to avoidance.

Answer: A

NEW QUESTION 154

What is the primary benefit to the internal audit activity for undertaking an internal quality assessment?

- A. To help the internal audit activity complete its annual assurance plan.
- B. To identify inefficiencies within the internal audit team.
- C. To help improve the overall quality of the internal audit activity's work.
- D. To identify key risks and areas of concern within the organization.

Answer: C

NEW QUESTION 157

A chief audit executive (CAE) reports functionally to the CEO and administratively to the chief financial officer, both of whom serve on the company's board of directors. According to IIA guidance, which of the following would offer the greatest protection for the independence of the internal audit activity?

- A. Appoint the CAE as a member of the board.
- B. Move the CAE's functional reporting to an executive who is not on the board.
- C. Obtain full board approval of the internal audit activity's annual audit plan.
- D. Move the CAE's functional reporting to the audit committee.

Answer: D

NEW QUESTION 158

Which of the following options is the most cost-effective and efficient way for internal auditors to keep current with the latest developments in the internal audit profession?

- A. Attending annual professional conferences and seminars.
- B. Participating in on-the-job training in various departments of the organization.
- C. Pursuing as many professional certifications as possible.
- D. Maintaining membership in The IIA and similar professional organizations and subscribing to relevant email updates or news feeds.

Answer: D

NEW QUESTION 163

Which of the following statements is true about The IIA Global Internal Audit Competency Framework?

- A. The core competencies outlined in the framework are not expected of a person undertaking an entry-level position as an internal auditor.
- B. The framework is designed to be used primarily by chief audit executives that are developing indicators to measure the performance of the internal audit activity for which they are responsible.
- C. The framework lists the core competencies internal auditors should possess before attempting to attain The IIA's Certified Internal Auditor certification.
- D. The framework describes competencies needed for individual internal auditors, but not those necessary at the chief audit executive level.

Answer: B

NEW QUESTION 164

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.

- A. 1,2, and 3.
- B. 1,2, and 4.
- C. 1,3, and 4.
- D. 2, 3, and 4.

Answer: D

NEW QUESTION 169

According to the COSO enterprise risk management framework, which of the following best describes the activity that helps ensure risk responses are carried out effectively?

- A. Objective setting.
- B. Control activities.
- C. Information and communication.
- D. Event identification.

Answer: B

NEW QUESTION 173

Which of the following factors have the greatest influence on the independence of the internal audit activity?

- A. Quality assessments and cultural biases of the internal audit activity.
- B. Rotational assignments and familiarity of the internal audit activity.
- C. Employee incentives and self review of the internal audit activity.
- D. Organizational positioning and scope control of the internal audit activity.

Answer: D

NEW QUESTION 176

What should the internal auditor's role be in assessing the organization's ethical climate?

- A. Perform ongoing surveys of the employees, customers, and partners of the organization to assess the organization's ethical climate.
- B. Evaluate the effectiveness of the organization's strategies and
- C. processes for achieving the desired level of legal and ethical compliance.
- D. Maintain a whistleblower hotline to identify inappropriate or illegal activity within the organization.
- E. Perform background checks of potential new employees before they are hired by the organization.

Answer: B

NEW QUESTION 179

An organization has implemented a software system that requires a supervisor to approve transactions that would cause treasury dealers to exceed their authorized limit. This is an example of which of the following types of controls?

- A. Preventive controls.
- B. Detective controls.
- C. Soft controls.
- D. Directive controls.

Answer: A

NEW QUESTION 180

According to The IIA's Code of Ethics, which of the following statements is true?

- A. When an internal auditor releases required information to a regulator, resulting in a significant loss through fines and penalties for the organization, he fails to add value.
- B. When an internal auditor limits the scope of the audit engagement after learning that management is hiding relevant information, he demonstrates integrity.
- C. When an internal auditor disagrees with the treatment received by workers in the organization's foreign subsidiary and alters the audit program to highlight the issue, he fails to demonstrate objectivity.
- D. When an internal auditor continues with an audit engagement, despite the audit client's claims that the work performed is unnecessary and redundant he fails to demonstrate competency.

Answer: C

NEW QUESTION 181

.....

Thank You for Trying Our Product

We offer two products:

1st - We have Practice Tests Software with Actual Exam Questions

2nd - Questions and Answers in PDF Format

IIA-CIA-Part1 Practice Exam Features:

- * IIA-CIA-Part1 Questions and Answers Updated Frequently
- * IIA-CIA-Part1 Practice Questions Verified by Expert Senior Certified Staff
- * IIA-CIA-Part1 Most Realistic Questions that Guarantee you a Pass on Your FirstTry
- * IIA-CIA-Part1 Practice Test Questions in Multiple Choice Formats and Updatesfor 1 Year

100% Actual & Verified — Instant Download, Please Click
[Order The IIA-CIA-Part1 Practice Test Here](#)