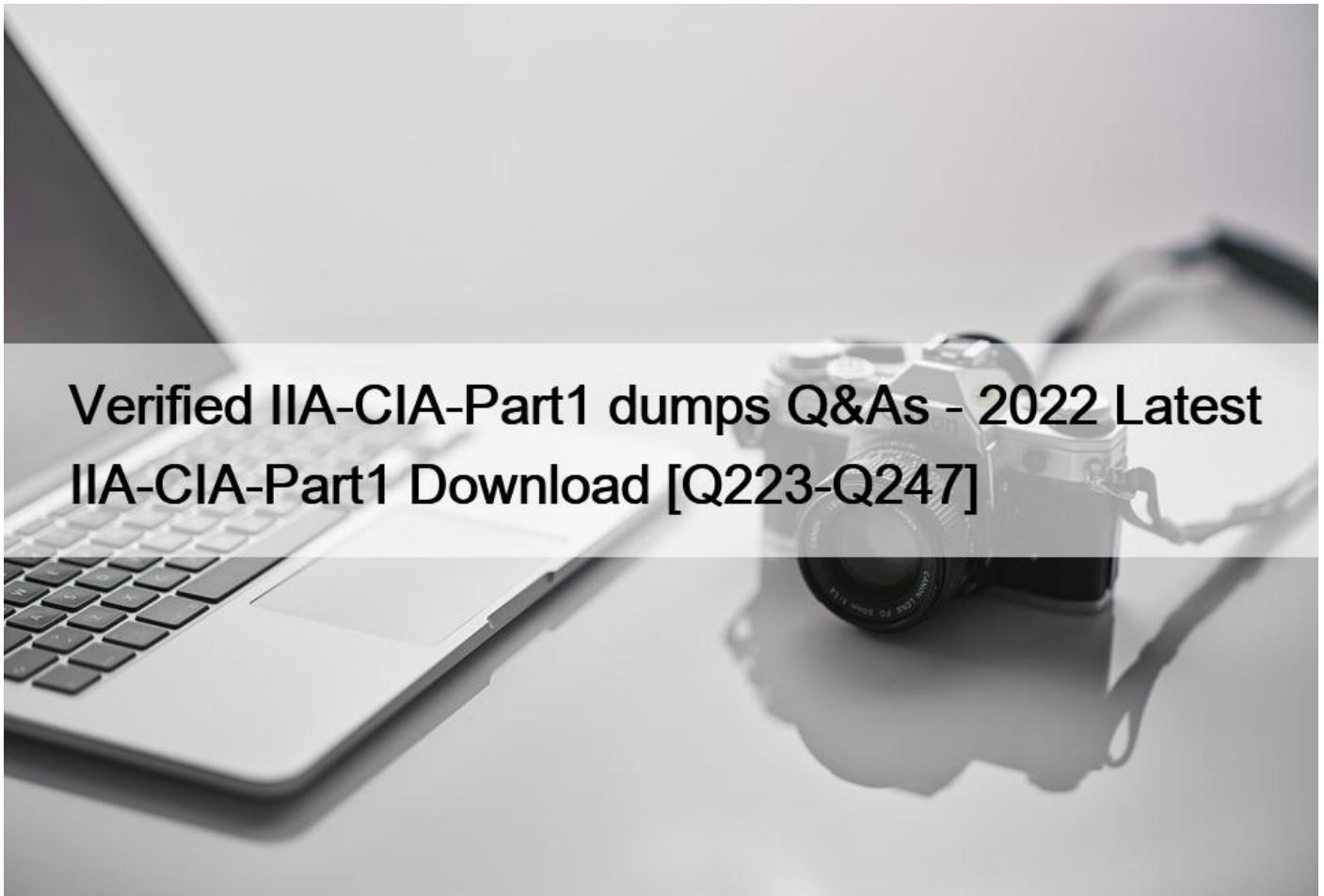


Verified IIA-CIA-Part1 dumps Q&As - 2022 Latest IIA-CIA-Part1 Download [Q223-Q247]



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Dumps Questions [2022] Pass for IIA-CIA-Part1 Exam

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Step 1: Visit to IIA-CIA-Part1 Exam Registration

Step 2: Signup/Login to IIA account

Step 3: Search for IIA-CIA-Part1 Exam

Step 4: Select Date and Center of examination and confirm with payment value of \$435

NO.223 Evidence discovered during the course of an engagement suggests that multiple incidents of fraud have occurred. There do not appear to be sufficient controls in place to prevent reoccurrence. Which of the following is the internal auditor's most appropriate next step?

- * Immediately notify management of the area under review and the other internal auditors involved in the engagement.
- * Discuss the situation with the engagement supervisor to determine whether fraud investigation experts are required to investigate the matter properly.

- * Fully document in the workpapers the evidence that has been discovered and recommend appropriate controls to address the fraud.
- * Provide the evidence that was discovered to local law enforcement for possible prosecution of the suspected fraud.

NO.224 Which of the following is accomplished by the internal audit charter?

- * It establishes the audit committee's position within the organization.
- * It authorizes access to records, personnel and physical properties relevant to the performance of engagements.
- * It defines the scope of internal and external audit activities.
- * It states the nature of the chief audit executive's administrative reporting relationship with the board.

NO.225 Which of the following enhances the independence of the internal audit activity?

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

NO.226 An internal audit activity's work schedule should always provide sufficient information to the audit committee to enable it to determine whether the proposed engagements:

- * Support the organization's objectives.
- * Include sufficient fraud awareness.
- * Will likely result in the detection of any major risk exposures.
- * Are likely to detect control deficiencies.

Section: Volume B

NO.227 After several years in the engineering department, an engineer was transferred to the internal audit department. One month later, the new auditor was assigned to an assurance engagement for the engineering department. When the auditor's former engineering supervisor suggested a change in the sample selection method, the auditor consulted with the audit supervisor. They determined that the suggested method would not be as representative and that the original selection method should be used.

In this situation, the auditor:

- * Maintained an independent mental attitude and is therefore objective.
- * Has subordinated professional judgment, and objectivity is therefore impaired.
- * Does not have objectivity since the auditor recently transferred from the engineering department.
- * Does not have independent organizational status since the auditor recently transferred from the engineering department.

NO.228 Which of the following is an advantage of email surveys compared to face-to-face interviews?

- * They are less expensive.
- * They have higher rates of response.
- * Survey designers are able to use a broader variety of questions.
- * Respondents can easily get clarification on questions from survey designers or interviewers.

Section: Volume D

NO.229 The work papers for an audit of hazardous-materials handling and disposal at an engineering research facility provide evidence that the following procedures were performed.

Drums of hazardous waste not yet shipped off-site were inventoried. The physical count agreed with the company's inventory records.

A sample of hazardous-waste shipments received at the disposal site was compared to bills of lading and company records. No errors were detected.

The audit staff observed engineering personnel during the handling of hazardous materials. No company policy violations were noted.

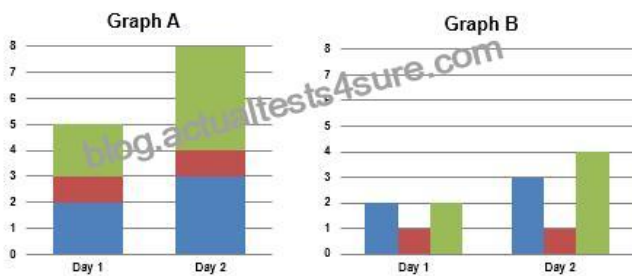
The reconciliation of waste drums to the inventory records provides evidence that:

- * Hazardous-waste materials were being disposed of as prescribed by company policy.
- * The amount of hazardous materials being used was accurately recorded.
- * Records of drums shipped to the waste disposal site were being maintained.
- * All hazardous-waste drums in inventory were accounted for.

NO.230 In order for an internal auditor to assess the opportunity for fraud to occur in an organization, which of the following does the auditor first need to understand?

- * Fraud prevention.
- * Fraud detection.
- * Corporate culture.
- * Forensic analysis techniques.

NO.231 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?

- * Graph A only
- * Graph B only
- * Both A and B.
- * Neither A nor B.

NO.232 In order to be organizationally independent, the chief audit executive should report administratively to the [List A] and functionally to the [List B].

[List A]

[List B]

- * Audit committee

Board of directors

- * Chief executive officer

Board of directors

- * Chief executive officer

Chief financial officer

- * Audit committee

Chief financial officer

NO.233 Which of the following actions should an organization take to detect an emerging risk of potential fraud?

- * Adopt reward and recognition programs that promote good behaviors
- * Undertake background checks for new employees as part of the hiring process
- * Establish an anonymous platform for reporting suspected unethical behaviors
- * Institute periodic educational training on expected ethical behaviors

NO.234 Which of the following measurements could an auditor use in an audit of the efficiency of a motor vehicle inspection facility?

- * The total number of cars approved.
- * The ratio of cars rejected to total cars inspected.
- * The number of cars inspected per inspection agent.
- * The average amount of fees collected per cashier.

Section: Volume A

NO.235 Which of the following is not a role of the internal audit activity in facilitating risk identification and evaluation?

- * Evaluating risk management processes.
- * Recommending accountability for risk management.
- * Providing assurance that risks are evaluated correctly.
- * Supporting managers to identify ways to mitigate risks.

NO.236 The top three sales representatives for a company consistently include non-allowable charges on their expense reports. Line management is reluctant to deny reimbursement of the charges for fear of losing the sales representatives.

This situation has the greatest negative impact on which of the following internal control components?

- * Monitoring.
- * Control environment.
- * Information and communication.
- * Control activities.

NO.237 In which of the following circumstances would an internal auditor not need to search for other signs of fraud?

- * The organization has an unusually high increase in costs.
- * There are several substantial weaknesses with the internal control structure.
- * Management institutes a policy of paying vendors promptly in order to avoid incurring penalty charges.
- * One of the employees seems to have had a dramatic increase in their standard of living.

NO.238 A small not-for-profit organization with limited resources is unable to adequately maintain appropriate segregation of duties. Considering the organization's resource constraints, which type of controls would best mitigate segregation of duty risks?

- * Application controls.
- * Detective controls.
- * Preventive controls.
- * Compensating controls.

NO.239 According to the Standards, which of the following must an internal auditor take into consideration when performing an assurance engagement of treasury operations?

I. The audit committee has requested assurance of the treasury department's compliance with a new policy on the use of financial instruments.

II. Treasury management has not instituted any risk management policies.

III. Due to the recent sale of a division, the amount of cash and marketable securities managed by the treasury department has increased by 350 percent.

IV. The external auditors have indicated some difficulties in obtaining account confirmations.

- * I and II only
- * I and IV only
- * I, II, and III only
- * II, III, and IV only

Section: Volume B

NO.240 During a review of a division's operations, an internal auditor notes that sales and customer base are unchanged, while inventory and gross margin have increased significantly. Which of the following audit procedures would be most relevant in substantiating management's assertion that the gross margin increase is due to increased efficiency in manufacturing operations?

- * Obtain a physical count of inventory.
- * For a sample of products, compare costs-per-unit this year to those of last year, test cost build-ups, and analyze standard cost variances.
- * Take a physical inventory of equipment to determine if there were significant changes.
- * Select a sample of finished goods inventory and trace raw materials cost back to purchase prices in order to determine the

accuracy of the recorded raw materials price.

Section: Volume C

Explanation/Reference:

NO.241 Human resources and payroll are separate departments. Which of the following combinations would provide the best segregation of duties?

- * Human resources personnel add employees, payroll personnel process hours, and human resources personnel deliver paychecks to employees.
- * Human resources personnel add employees, review and submit payroll hours to the payroll department for processing, and deliver paychecks to employees.
- * Human resources personnel add employees, and payroll personnel process hours and enter employee bank account numbers. Paychecks are automatically deposited in the employee's bank account.
- * Payroll personnel add employees and enter employee bank account numbers but process hours only as approved by the human resources department. Paychecks are

automatically deposited in the employee's bank account.

NO.242 After being terminated due to downsizing, an internal auditor finds a different job with an organization in the same industry. Which of the following actions would violate the IIA Code of Ethics?

- * To determine audit priorities in the new job, the auditor uses the audit risk approach that the auditor's previous employer used, without receiving permission to do so.
- * At the new organization, the auditor is asked to develop forms to implement probability-proportional-to-size sampling. Although unsure of how to perform this type of sampling, the auditor proceeds without asking for assistance.
- * In preparing for an audit at the previous organization, the auditor had conducted a great deal of research on the Internet at home to identify best practices for the management of a treasury function. The auditor has retained much of the research and uses it to conduct an audit of the new employer's treasury function.
- * In the first week at the new organization, the auditor discovers a high fraud risk surrounding the organization's database and suggests that the information technology department implement a new password system to prevent fraudulent actions before they occur.

Topic 6, Volume F

NO.243 Which of the following factors is not likely to affect the level of inherent risk associated with an application system?

- * The system is strategic.
- * Controls over the system appear reliable.
- * The system is not a critical operating system.
- * The system uses complex technology.

NO.244 To achieve conformance with the Standards, the chief audit executive must include which of the following activities in the quality assurance and improvement program (QAIP)?

- * Require board oversight of the QAIP.
- * Assess Standards conformance for each individual engagement.
- * Conduct a self assessment at least once every five years.
- * Report the results of the QAIP to senior management

NO.245 The head of human resources notified the internal audit activity that a key account manager was fired because he did not register a large number of contracts with clients. As a result the organization was unaware of its duties and would suffer some financial loss. Which of the following should be expected from a competent internal auditor who is analyzing this situation?

- * The ability to apply forensic methods to obtain legally admissible evidence
- * The ability to conduct admission-seeking interviews with potential suspects

- * The ability to evaluate whether such attributes as intent and personal gain were present
- * The ability to retrieve concealed or deleted information from the former employee's laptop

NO.246 What type of risk management strategy is being employed when an organization installs two firewalls to provide protection from unauthorized access to the network?

- * Diversifying the risk that network access will not be available to legitimate, authorized users.
- * Accepting the risk that there may be attempts at unauthorized access to the network.
- * Avoiding the risk of having a direct network connection to untrusted networks.
- * Sharing the risk that either firewall could be compromised by hackers.

NO.247 Which of the following would have the least impact (either positive or negative) on an assessment of a department's control environment?

- * The department managed long-term investments, including investment in derivatives and other financial instruments, to maximize return.
- * The department manager sets a tone of honesty and integrity in all business dealings and this tone is emulated by department personnel.
- * Many department functions were duplicated or verified by other department employees as part of the department's normal procedures.
- * Audit tests designed to verify compliance with control procedures detected a general failure to follow standard procedures for transaction authorization.

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