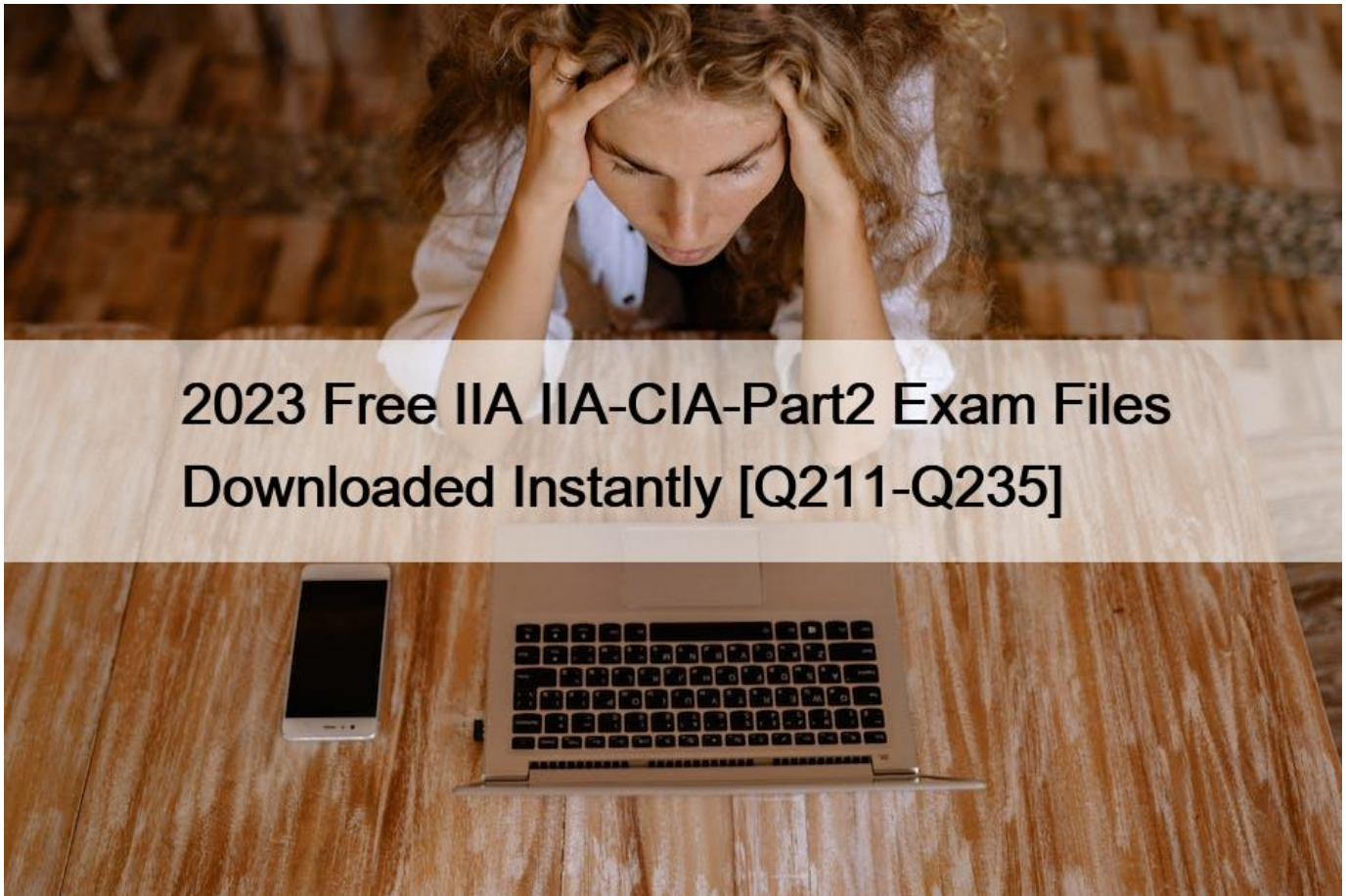


2023 Free IIA IIA-CIA-Part2 Exam Files Downloaded Instantly [Q211-Q235]



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IIA-CIA-Part2 certification exam, also known as the Practice of Internal Auditing, is a globally recognized certification offered by the Institute of Internal Auditors (IIA). Practice of Internal Auditing certification is designed for internal auditors who are looking to enhance their knowledge and expertise in the field of internal auditing. IIA-CIA-Part2 exam covers a wide range of topics, including risk management, governance, fraud, and ethics, among others.

Q211. Which of the following files, when compared with billing records, would provide the best source of information for determining if all goods shipped are billed to customers?

- * Pre-numbered customer invoices.
- * Accounts receivable transactions.
- * Pre-numbered shipping documents.
- * Customer purchase orders.

Section: Volume A

Explanation

Q212. Which of the following is the primary reason the chief audit executive should consider the organization's strategic plans when developing the annual audit plan?

- * Strategic plans reflect the organization's business objectives and overall attitude toward risk.
- * Strategic plans are helpful to identify major areas of activity, which may direct the allocation of internal audit activity resources.
- * Strategic plans are likely to show areas of weak financial controls.
- * The strategic plan is a relatively stable document on which to base audit planning.

Q213. An internal audit activity is planning its first audit of IT shared services. Which of the following controls would typically be evaluated first?

- * Entity-level controls
- * Application controls
- * General controls.
- * Transaction controls

Q214. In a client satisfaction survey for an internal audit engagement, client management should be asked to assess which of the following factors?

- I. Audit team's knowledge of the audited area.
- II. Usefulness of the audit results.
- III. Quality of management of the internal audit activity.
- IV.

Clarity of the scope and objectives of the audit engagement.

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

Q215. An internal auditor has been assigned to perform a quality audit on a manufacturing plant. Which course of action should the auditor perform first?

- * Compare the planned outputs with the actual outputs.
- * Ascertain the costs of materials purchased.
- * Evaluate the plant's ability to meet production quotas.
- * Review the levels of scrap and rework.

Section: Volume C

Q216. Which of the following factors would not be considered in determining appropriate follow-up procedures?

- * The significance of the audit finding.
- * The effort and cost needed to correct the reported condition.
- * The availability of funds in the audited department's budget to correct the reported condition.
- * The potential consequences if the corrective action fails.

Q217. Senior management requested that the internal audit activity perform a consulting project to assist in making a decision on a new software system. Which of the following would be used to determine the engagement objectives?

- * An assessment of risks to the business objectives

- * An understanding of the engagement client's expectations
- * The probability of significant errors fraud or noncompliance
- * Criteria previously established by the board

Q218. During an audit of executive travel, an auditor noted that the president's travel expense reimbursements were approved by an executive secretary who reported to the president. The organization's reimbursement policy requires all travel expense reimbursements to be approved by the traveler's supervisor, but it does not address the president's reimbursements. Which of the following represents the auditor's best recommendation in this situation?

- * The organization's reimbursement policy should be amended to grant the president's executive secretary the authority to approve the president's travel expense reimbursements.
- * The approval policy for executive travel should be considered at the next meeting of the audit committee of the board of directors.
- * The president's travel expense reimbursements should be reviewed and approved by the chief financial officer.
- * The president's noncompliance should be considered immaterial.

Q219. Which of the following audit steps would be most effective to review proper recording of and accountability over physical assets?

- I. Physically inspect all assets on the organization's property.
- II. Select a sample department and physically inspect assets in the department.
- III. Select a sample from the organization's records of physical assets and physically locate each asset.
- IV.

Identify assets at a sample of locations and trace to the organization's records.

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

Q220. Which of the following types of contracts would provide the least incentive for a contractor to achieve economy and efficiency?

- * Lump-sum contract.
- * Cost-plus contract.
- * Unit-price contract.
- * Indefinite delivery contract.

Q221. Which of the following behaviors could represent a significant ethical risk if exhibited by an organization's board?

1. Intervening during an audit involving ethical wrongdoing.
 2. Discussing periodic reports of ethical breaches.
 3. Authorizing an investigation of an unsafe product.
 4. Negotiating a settlement of an employee claim for personal damages.
- * 1 and 2
 - * 1 and 4
 - * 2 and 3

* 3 and 4

Section: Volume E

Q222. After concluding a preliminary assessment, the engagement supervisor prepared a draft work program According to HA guidance which of the following would be tested by this program?

- * The process objectives.
- * The process risks
- * The process controls
- * The process scope

Q223. Which characteristic of risk assessment makes it a useful tool for audit planning?

- * It provides a list of auditable activities in the organization.
- * It ranks the severity of potentially adverse effects on the organization.
- * It provides a process for identifying and analyzing potentially adverse effects.
- * It evaluates the probability that an event or action may adversely affect the organization.

Q224. To effectively communicate the acceptance of risk in an organization a chief audit executive must first consider which of the following?

- * The organization's view on risk tolerance
- * The organization's principal risk events.
- * The organization's risk response strategies
- * The organization's major control activities

Q225. An auditor is scheduled to audit payroll controls for a company which has recently outsourced its processing to an information service bureau. What action should the auditor take, considering the outsourcing decision?

- * Review the controls over payroll in both the company and the service bureau.
- * Review only the company's controls over data sent to and received from the service bureau.
- * Review only the controls over payments to the service bureau based on the contract.
- * Cancel the engagement because the processing is being performed outside of the organization.

Q226. Which of the following is a justifiable reason for omitting advance client notice when planning an audit engagement?

- * Advance notice may result in management making corrections to reduce the number of potential deficiencies.
- * Previous management action plans addressing prior internal audit recommendations remain incomplete.
- * The engagement includes audit assurance procedures such as sensitive or restricted asset verifications.
- * The audit engagement has already been communicated and approved through the annual audit plan.

Section: Volume E

Q227. 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?

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

Q228. According to the Standards, which of the following is applicable to the internal audit activity's quality assurance and improvement program?

- * Periodic monitoring of the internal audit activity should be done.

- * All aspects of the internal audit activity should be evaluated.
- * An external assessment should be obtained every three years.
- * The review of assurance services should be the primary focus.

Section: Volume D

Q229. Which of the following has the greatest effect on the efficiency of an audit?

- * The complexity of deficiency findings.
- * The adequacy of preliminary survey information.
- * The organization and content of workpapers.
- * The method and amount of supporting detail used for the audit report.

Q230. The chief audit executive (CAE) should determine whether the internal audit activity has confirmed the status of all of management's corrective actions. Doing so would help the CAE assess which of the following?

- * Disclosure risk.
- * Residual risk
- * Compliance risk
- * Inherent risk

Q231. What type of audit engagement would be the most appropriate to determine how an organization could be more profitable in the long term?

- * Operational audit
- * Compliance and financial audit
- * Performance audit
- * Quality audit

Q232. An audit department has received anonymous information that an employee has allegedly been able to steal and cash checks sent to the organization by customers. What is the most efficient way for an auditor to determine how this type of fraud could occur and who might be the perpetrator?

- * Confirm accounts receivable.
- * Confirm accounts payable.
- * Review the endorsements and banks of deposit on customers' canceled checks.
- * Flowchart and analyze key controls in the cash receipts process.

Section: Volume A

Explanation

Q233. Which of the following evaluation criteria would be the most useful to help the chief audit executive determine whether an external service provider possesses the knowledge, skills, and other competencies needed to perform a review?

- * The financial interest the service provider may have in the organization.
- * The relationship the service provider may have had with the organization or the activities being reviewed.
- * Compensation or other incentives that may be applicable to the service provider.
- * The service provider's experience in the type of work being considered.

Q234. Which of the following actions are appropriate for the chief audit executive to perform when identifying audit resource requirements?

1. Consider employees from other operational areas as audit resources, to provide additional audit coverage in the organization.
2. Approach an external service provider to conduct internal audits on certain areas of the organization, due to a lack of skills in the organization.

3. Suggest to the audit committee that an audit of technology be deferred until staff can be trained, due to limited IT audit skills among the audit staff.

4. Communicate to senior management a summary report on the status and adequacy of audit resources.

* 1 and 3 only

* 2 and 4 only

* 1, 2, and 4

* 2, 3, and 4

Q235. In reviewing the appropriateness of the minimum quantity level of inventory established by a department, an auditor would be least likely to consider:

* Stockout costs, including lost customers.

* Seasonal variations in forecasting inventory demand.

* Optimal order sizes determined by an economic order quantity model.

* The potential for obsolescence of inventory items.

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