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IIA IIA-CRMA

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Topic Break Down

Topic	No. of Questions
Topic 1, Exam Pool A	99
Topic 2, Exam Pool B	184
Total	283

QUESTION NO: 1

An internal auditor wants to sample data to test an audit theory in a cost-effective way.

Which of the following sampling strategies should she use?

- A. Statistical sampling only
- B. Nonstatistical sampling only
- C. A combination of both statistical and nonstatistical sampling.
- D. Neither approach to testing the audit theory would be cost effective.

ANSWER: B

QUESTION NO: 2

Which of the following items should the chief audit executive disclose to senior management regarding the results of the internal audit activity's quality assessments?

- A. The internal audit activity's plan for resource allocation.
- B. The amount of the organization's potential loss prevented by the risk-based auditing of the internal audit activity.
- C. The number of audits from the annual internal audit plan that were completed last year.
- D. The qualifications and independence of the assessment Team.

ANSWER: B

QUESTION NO: 3

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

QUESTION NO: 4

Which of the following is a common type of payroll fraud?

A. Unauthorized overtime.

B. Fictitious employees.

C. Unearned bonuses or commissions.

D. Skimming.

ANSWER: B

QUESTION NO: 5

Which of the following scenarios best illustrates the principle of due professional care?

A. An internal auditor evaluates the significant risks arising from a consulting engagement. B. An internal auditor declares that he would have a conflict of interest in providing planned audit support.

B. An internal auditor has been given sufficient authority to access documents needed to make an appraisal of an issue.

C. An internal auditor uses technology-based audit techniques to ensure that all significant risks are identified.

ANSWER: A

QUESTION NO: 6

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

QUESTION NO: 7

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

QUESTION NO: 8

An internal auditor needs to recommend a policy element to be included in an organization's code of ethics. Which of the following recommendations would be most effective?

- A. Ethics should vary with local customs in the organization's foreign operations.
- B. Whistleblowing should be discouraged because it can cause distrust among employees.
- C. Ethical behavior should be incorporated into performance evaluations.
- D. Senior management should be granted specific exemptions to the code of ethics.

ANSWER: C

QUESTION NO: 9

An internal auditor in a small broadcasting organization was assigned to review the revenue collection process. The auditor discovered that some checks from three customers were never recorded in the organization's financial records. Which of the following documents would be the least useful for the auditor to verify the finding?

- A. Bank statements.
- B. Customer confirmation letters.
- C. Copies of sales invoices.
- D. Copies of deposit slips.

ANSWER: D

QUESTION NO: 10

According to the Standards, which of the following is not a consideration when exercising due professional care for an assurance engagement?

- A. The relative complexity, materiality, or significance of matters to which assurance procedures are applied.
- B. The extent of assurance services necessary to ensure that all risks are identified.
- C. The cost of providing the assurance services in relation to potential benefits.
- D. The probability of significant errors, irregularities or instances of noncompliance.

ANSWER: B

QUESTION NO: 11

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

QUESTION NO: 12

According to IIA guidance, which of the following should be included in the internal audit charter?

- A. The minimum resources and competencies needed for the internal audit activity.
- B. Identification of the organizational units where engagements are to be performed.
- C. Organizational relationships and reporting lines.
- D. Assigned responsibilities for designing and implementing controls.

ANSWER: C

QUESTION NO: 13

Which of the following techniques would best assist an internal auditor in evaluating the efficiency of a wholesale grocery distributor's process to fill and package orders for shipping?

- A. A Bedford analysis of orders filled to average delivery times.
- B. Decision trees rating actual performance against requirements.
- C. Queuing theory to assess potential bottlenecks in the process.
- D. A program evaluation and review technique chart.

ANSWER: C

QUESTION NO: 14

Which of the following best explains why integrity is a necessary personal quality for internal auditors at all levels?

- A. Internal auditor integrity enables stakeholders to constantly question the work of the internal audit activity.
- B. Internal auditor integrity enables the internal auditor to avoid being challenged by any party in the organization.
- C. Internal auditor integrity enables the internal audit activity to be able to demonstrate independence.
- D. Internal auditor integrity enables users of internal auditors' work to make important business decisions.

ANSWER: D

QUESTION NO: 15

According to IIA guidance, which of the following must the internal auditor consider to meet the requirements for due professional care?

- A. The training courses necessary to enhance the internal auditor's knowledge, skills, and other competencies.
- B. The appropriateness of assurance procedures necessary to ensure all significant risks will be identified.
- C. The use of innovative technology and data analysis techniques.
- D. The extent of work needed to achieve the engagement's objectives.

ANSWER: D