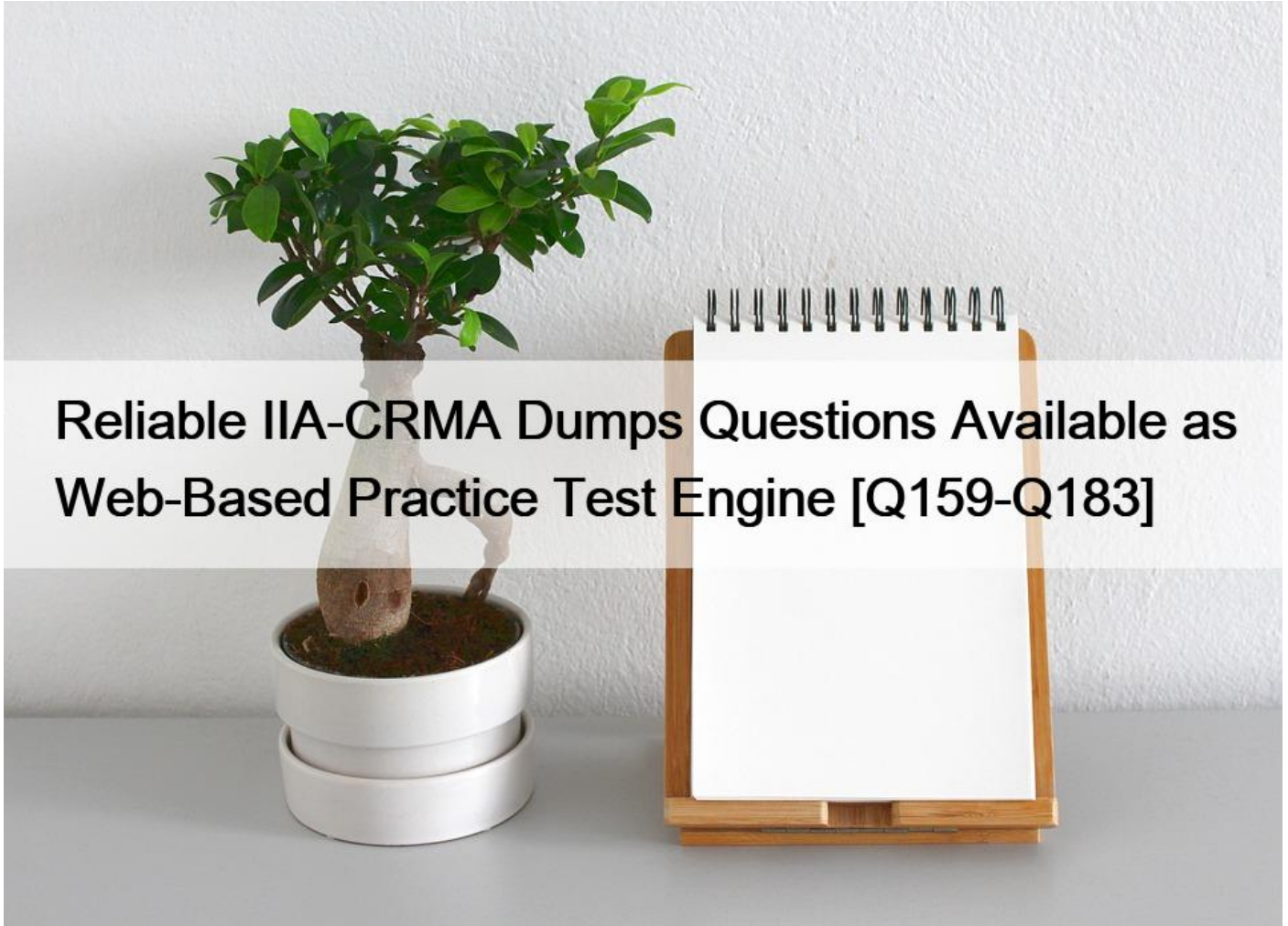


Reliable IIA-CRMA Dumps Questions Available as Web-Based Practice Test Engine [Q159-Q183]



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IIA-CRMA certification exam is a computer-based exam that consists of 100 multiple-choice questions. IIA-CRMA exam is administered at Pearson VUE testing centers worldwide. IIA-CRMA exam duration is three hours, and candidates must achieve a passing score of 600 or higher out of a possible 800 points.

The governance domain covers the principles of governance and how they relate to risk management assurance. The risk management domain covers the principles of risk management and how they are applied in an assurance context. The assurance domain covers the principles of assurance and how they are applied to risk management. The consulting domain covers the principles of consulting and how they are applied to risk management assurance. Candidates who pass the exam earn the CRMA certification, which is valid for three years.

QUESTION 159

Which of the following statements is true regarding assurance services provided to clients outside of the organization?

- * Assurance services for outside clients are not covered under the internal audit charter.
- * Assurance services for outside clients must be approved on a case-by-case basis by the board of directors.
- * The nature of assurance services for outside clients should be defined in the internal audit charter.
- * The nature of assurance services for outside clients is the same as for internal clients.

QUESTION 160

An organization's chief audit executive (CAE) determines that the internal audit staff does not have the requisite skills to conduct an audit of the financial derivatives area. Which of the following would be the best course of action for the CAE to follow?

- * Outsource the audit engagement to a qualified external auditing firm without burdening the audit committee with the decision.
- * Determine the requisite knowledge needed, and obtain the proper training for auditors, even if the training will significantly push back the project's timeframe as outlined by the audit committee.
- * Notify the audit committee of the problem, and assign the most competent auditors on staff to perform the audit engagement.
- * Employ the skills of a financial derivatives expert to consult on the project, and supplement the consulting with a local seminar on financial derivatives.

QUESTION 161

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?

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

QUESTION 162

Sometimes, internal audit staff may partner with operating managers to rank risks. Which of the following outcomes may be the most beneficial aspects of this strategy?

1. Reappraising risks levels.
 2. Providing accurate information to management.
 3. Marketing the internal audit activity.
 4. Planning safeguards for assets in high-risk areas.
- * 1 and 2.
 - * 1 and 3.
 - * 2 and 3.
 - * 3 and 4.

QUESTION 163

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?

- * 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.
- * 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.
- * 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.
- * 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.

QUESTION 164

A government agency maintains a system of internal control, according to the COSO model, and has made a change to its employee performance reviews and rewards program. This change relates to which of the following components of COSO's internal control framework?

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

QUESTION 165

Which of the following would provide the best evidence of errors in the quantities of items received from suppliers?

- * Suppliers' reports of over shipments.
- * Warehouse receiving logs.
- * Purchase requisitions and purchase orders.
- * Observation and inspection of inventory.

QUESTION 166

According to IIA guidance, which of the following is not a responsibility of the chief audit executive pertaining to documenting information to support internal audit engagement results and conclusions?

- * Rating each engagement record to assess its relevance and accessibility for the organization's board.
- * Controlling access to engagement records, including access by senior management.
- * Developing retention requirements for engagement records that are consistent with organizational guidelines.
- * Forming policies governing the custody and retention of consulting engagement records before their release to other parties.

QUESTION 167

Which of the following actions does not violate the IIA Code of Ethics or Standards?

- * An internal auditor performing an audit on an operation that they managed less than a year ago.
- * An internal auditor performing an audit on procedures that they were responsible for creating.
- * An internal auditor disclosing details of an audit report to colleagues from a different organization.
- * An internal auditor disclosing confidential information in response to a lawsuit.

QUESTION 168

Which of the following would not be a red flag for fraud?

- * Several recent, large expenditures to a new vendor have not been documented.
- * A manager has bragged about multiple extravagant vacations taken within the last year, which are excessive relative to the manager's salary.
- * A weak control environment has been accepted by management to encourage creativity.
- * New employees occasionally fail to meet established project deadlines due to staffing shortages.

QUESTION 169

Which of the following types of fraud includes embezzlement?

- * Fraudulent statements.
- * Bribery.
- * Misappropriation of assets.
- * Corruption.

QUESTION 170

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

- * An independent third party has assessed the organization's system of internal controls to be adequate and effective.
- * The chief audit executive reports both functionally and administratively to the CEO.
- * The internal audit charter is drafted properly and approved by the appropriate parties.
- * The mission statement and strategy of the internal audit activity demonstrates alignment to organizational objectives.

QUESTION 171

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?

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

QUESTION 172

The director of purchasing, a certified internal auditor (CIA), signs a contract to procure a large order from a supplier whose products provide the best price, quality, and performance. A few days after signing the contract, the supplier presents the CIA with \$1,000 as a gift. Which statement regarding acceptance of the money is correct?

- * Accepting the money would be prohibited only if it were non-customary.
- * Accepting the money would violate the IIA Code of Ethics.
- * Because the CIA is not acting as an internal auditor, accepting the money would be governed only by the organization's code of conduct.
- * Because the contract was signed before the money was offered, accepting the money would not violate the IIA Code of Ethics.

QUESTION 173

An internal audit manager of a furniture manufacturing organization is planning an audit of the procurement process for kiln-dried wood. The procurement department maintains six procurement officers to manage 24 different suppliers used by the organization.

Which of the following controls would best mitigate the risk of employees receiving kickbacks from suppliers?

- * The periodic rotation of procurement officers' assignments to supplier accounts.
- * A pre-award financial capacity analysis of suppliers.

- * An automated computer report, organized by supplier, of any invoices for the same amount.
- * Periodic inventories of kiln-dried wood at the organization's warehouse.

QUESTION 174

According to the Standards, for how long should internal auditors who have previously performed or had management responsibility for an operation wait to become involved in future internal audit activity with that same operation?

- * Three months.
- * Six months.
- * One year.
- * Two years.

QUESTION 175

Which of the following would not be considered part of preliminary survey of an engagement area?

- * Interviews with individuals affected by the entity.
- * Functional walk through test.
- * Analytical reviews.
- * Sampling scope.

QUESTION 176

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

- * Requesting a private meeting with senior management, without the presence of the chief audit executive.
- * Intervening during an audit involving ethical wrongdoing.
- * Discussing periodic reports of ethical breaches.
- * Authorizing an investigation of an unsafe product.

QUESTION 177

A chief audit executive (CAE) learns that the brother-in-law of a senior auditor who audits the procurement process was hired as the head of the procurement department six months prior. Which of the following is the most appropriate action for the CAE to take?

- * The CAE should not interfere because there is no evidence that a conflict of interest has occurred.
- * The CAE should remind the senior auditor of his obligation to be objective and impartial.
- * The CAE should change the senior auditor's assignment and take corrective action for the auditor's failure to disclose the conflict of interest.
- * The CAE should require the senior auditor to disclose the relationship in writing before continuing his responsibility for monitoring procurement.

QUESTION 178

Which of the following is an example of a management control technique?

- * A budget.
- * A risk assessment.
- * The board of directors.
- * The control environment.

QUESTION 179

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

need for objectivity?

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

QUESTION 180

Which of the following is a preventive control?

- * Creating an audit trail.
- * Placing controls on physical access to inventory.
- * Reconciling purchase orders with approvals.
- * Reviewing expense accounts for irregularities.

QUESTION 181

Which of the following activities best reflects the scope and status of the internal audit activity as defined in the internal audit policy statement?

- * The internal auditor reviews the physical access to merchandise during an inventory count.
- * The audit manager conducts an internal quality assessment of the internal audit activity's adherence to the Standards.
- * The audit manager refrains from assigning an auditor who was a former payroll clerk to conduct a payroll audit.
- * The board approves the annual performance evaluation of the chief audit executive.

QUESTION 182

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?

- * Preventive controls.
- * Detective controls.
- * Soft controls.
- * Directive controls.

QUESTION 183

According to COSO, which of the following describes a principle related to the control environment?

- * The organization identifies and assesses changes that could significantly impact the system of internal control.
- * The organization establishes appropriate authorities and responsibilities in the pursuit of objectives.
- * The organization selects and develops control activities that contribute to the mitigation of risks.
- * The organization performs evaluations to ascertain whether internal control components are present and functioning.

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