

- 1) What is one of the key responsibilities of the chief audit executive (CAE) according to The IIA's Global Internal Audit Standards?
- A. Directly conducting all internal audit engagements.
  - B. Managing the internal audit function.
  - C. Approving financial statements.
  - D. Conducting external audits.



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- 2) What is the role of ongoing monitoring in the internal audit function?
- A. To replace the need for internal audits.
  - B. To supervise, review, and measure the internal audit function.
  - C. To ensure compliance with financial regulations.
  - D. To eliminate the need for external feedback.



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- 3) When preparing the annual budget for the internal audit function, the CAE at a healthcare organization must balance assurance and advisory engagements. Which factor should be given the highest priority?
- A. Stakeholder needs and expectations.
  - B. The personal preferences of internal auditors.
  - C. Historical audit performance data.
  - D. The availability of external audit assistance.



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- 4) An internal auditor is evaluating the organization's control processes. Which of the following best describes a "control" according to The IIA Glossary?
- A. A process to identify and assess risks.
  - B. An action taken to manage risk and achieve objectives.
  - C. A policy designed to provide assurance on governance.
  - D. A procedure to monitor the effectiveness of risk management.



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5) Control by management is the result of

- A. Planning, organizing, and directing of organizational activities.
- B. Ascertaining needs, identifying alternative courses of action, setting standards for measuring performance, and comparing outcomes with predetermined standards.
- C. Authorizing and monitoring performance and comparing actual performance with planned performance.
- D. Determining efficiency and economy of operations, including whether objectives have been met.



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6) Which of the following is the best description of what is performed by internal auditors? They

- A. Evaluate the effectiveness of compliance with laws and regulations.
- B. Assess the reliability of financial forecasting and budgeting processes.
- C. Review the effectiveness of governance, risk management, and control processes.
- D. Analyze the effect of employee satisfaction on productivity alone.



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- 7) When assessing the risk associated with an activity, an internal auditor should
- A. Determine how the risk should best be managed.
  - B. Provide assurance on the management of the risk.
  - C. Update the risk management process based on risk exposures.
  - D. Design controls to mitigate the identified risks.



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- 8) An internal auditor at a mid-sized manufacturing company is tasked with evaluating the internal audit function's adherence to The IIA's Global Internal Audit Standards. Which of the following methods would best support this evaluation?
- A. Reviewing past audit reports for compliance with standards.
  - B. Conducting interviews with the board and senior management.
  - C. Implementing a checklist or automated tool to assess compliance.
  - D. Comparing the audit budget with other departments' budgets.



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- 9) An internal auditor at a mid-sized manufacturing organization has been tasked with evaluating the effectiveness of the organization's governance processes. The CAE has recommended adopting an established framework for this evaluation. In the absence of an adopted framework, which action should the CAE take to ensure a comprehensive assessment?
- A. Develop a custom framework tailored to the organization's specific needs.
  - B. Recommend the adoption of a globally recognized framework, such as the one provided by COSO.
  - C. Use a combination of different frameworks to cover all possible areas.
  - D. Rely on the organization's existing policies and procedures without an established framework.



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- 10) An internal audit function within a large financial institution is tasked with evaluating the effectiveness of the governance processes. During this evaluation, the chief audit executive (CAE) notices that the organization has not adopted any established governance framework. What should the CAE do to address this situation?
- A. Immediately adopt a framework without consulting the board.
  - B. Ignore the lack of a framework because it is not a mandatory requirement.
  - C. Proceed with the audit and report the lack of a framework as a minor issue.
  - D. Recommend a suitable governance framework to the board for adoption.



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- 11) During a review of the organization's risk management processes, an auditor finds that several key risks are not being adequately addressed. What is the most appropriate recommendation?
- A. Increase the organization's risk tolerance levels.
  - B. Develop and implement additional control measures.
  - C. Dismiss the findings as being outside the scope of the audit.
  - D. Advise management to accept the risks without action.



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- 12) During an audit at a tech company, the internal audit function discovers a gap in data privacy controls. What should the CAE prioritize to address this issue?
- A. Increase the audit budget to cover additional resources.
  - B. Conduct a training session on data privacy for the entire staff.
  - C. Recommend the implementation of enhanced control measures.
  - D. Schedule a follow-up audit to reassess the gap in 6 months.



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- 13) A CAE at a multinational corporation is tasked with revising the internal audit charter. During this process, which of the following should be clearly defined?
- A. The roles and responsibilities of the board, senior management, and the internal audit function.
  - B. The financial budget for the internal audit function.
  - C. The personal goals of internal auditors.
  - D. The preferred audit methodologies.



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- 14) A new chief audit executive (CAE) is appointed in an organization. How should the CAE proceed with the internal audit methodologies?
- A. Immediately implement the CAE's own methodologies without review.
  - B. Keep the existing methodologies unchanged for the first year.
  - C. Immediately change the methodologies to reflect the latest industry trends.
  - D. Conduct an evaluation of existing methodologies and revise as necessary.



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