

# DUMPS ARENA

## Certification in Risk Management Assurance (CRMA) Exam

IIA IIA-CRMA

Version Demo

Total Demo Questions: 15

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## Topic Break Down

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

**QUESTION NO: 1**

A manufacturing line supervisor joins the internal audit activity for a two-year rotational job assignment and is assigned to an accounts receivable audit. With regard to this assignment, which of the following should be the primary concern of the audit manager?

- A. Due professional care.
- B. Individual independence.
- C. Individual objectivity.
- D. Organizational independence.

**ANSWER: A****QUESTION NO: 2**

Why is it important for the chief audit executive to periodically review the audit charter and present the results to senior management and the board?

- A. Because management requires the review to measure effectiveness of the internal audit activity.
- B. So that the individual objectivity of the internal audit staff can be more clearly established.
- C. So that there is assurance of the internal audit staff's proficiency to complete audit activities.
- D. Because changes in the organization may impair the internal audit activity's ability to meet its objectives.

**ANSWER: D****QUESTION NO: 3**

This chief audit executive (CAE) engaged an internal auditor to consult on an organization's complex information technology system. Shortly after beginning the engagement, the auditor unexpectedly resigned. Unfortunately, this auditor was the only available auditor with the necessary expertise. The CAE will not be able to hire someone with similar expertise in time to meet a regulatory deadline.

Which of the following would be the best course of action for the CAE to take?

- A. Continue with the engagement in order to meet the regulatory deadline, but highlight areas in the final report that might need to be revised in the future.

- B.** Ask that a senior member of the organization's IT department with the required systems expertise join the audit team to assist in completing the engagement.
- C.** Delay the engagement and inform the board of the situation, asking them to provide acceptable alternatives for completing the engagement.
- D.** Remove the planned engagement from the audit plan and explain to senior management the problems with moving forward without an auditor with the necessary expertise.

**ANSWER: C**

#### **QUESTION NO: 4**

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: 5**

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: 6**

During an account receivables audit, an internal auditor found a significant number of input errors resulting in a \$500, 000 balance understatement.

Which of the following is the most important question the internal auditor should ask to develop an appropriate recommendation for this finding?

- A. Who?
- B. How?
- C. Why?
- D. When?

**ANSWER: C**

#### **QUESTION NO: 7**

What is the purpose of a secondary control?

- A. It replaces primary controls that are either ineffective or cannot fully mitigate a risk.
- B. It partially reduces the residual risk level when a key control does not operate effectively.
- C. It combines with other controls to help reduce significant risk exposures to an acceptable level.
- D. It helps to ensure the completeness and accuracy of automated controls in a system environment.

**ANSWER: C**

#### **QUESTION NO: 8**

Which of the following types of fraud includes embezzlement?

- A. Fraudulent statements.
- B. Bribery.
- C. Misappropriation of assets.
- D. Corruption.

**ANSWER: C**

#### **QUESTION NO: 9**

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

- A. The internal audit activity's responsibility for imposing risk management processes.
- B. The internal audit activity's responsibility for the organization's governance framework.
- C. The nature of consulting services provided by the internal audit activity.
- D. The budgeting process for the internal audit activity.

**ANSWER: C**

#### **QUESTION NO: 10**

What is the primary benefit to the internal audit activity for undertaking an internal quality assessment?

- A. To help the internal audit activity complete its annual assurance plan.
- B. To identify inefficiencies within the internal audit team.
- C. To help improve the overall quality of the internal audit activity's work.
- D. To identify key risks and areas of concern within the organization.

**ANSWER: C**

#### **QUESTION NO: 11**

While reviewing the workpapers of a new auditor, the auditor in charge discovered that additional audit procedures might be necessary. According to IIA guidance, which of the following would be most relevant for the auditor in charge to consider when making this decision?

- A. Resource management.
- B. Coordination.
- C. Due professional care.
- D. Engagement supervision.

**ANSWER: C**

#### **QUESTION NO: 12**

Which of the following would most likely be considered a red flag for fraud?

- A. An organization lacks a whistleblower hotline for reporting suspicious activity.
- B. A senior manager has been delegating the authority to sign-off on small dollar amount purchases to a subordinate.
- C. An employee in charge of payroll disbursements has rotated these duties with several colleagues.
- D. An employee with significant personal debt is in charge of handling large wire transfers for the organization.

**ANSWER: D**

### QUESTION NO: 13

An IT contractor applied for an internal audit position at a bank. The contractor worked for the bank's IT security manager two years ago. If the audit manager interviewed the contractor and wants to extend a job offer, which of the following actions should the chief audit executive pursue?

- A. Allow the audit manager to hire the contractor and state that the individual is free to perform IT audits, including security.
- B. Not allow the audit manager to hire the contractor, as it would be a conflict of interest.
- C. Allow the audit manager to hire the contractor, but state that the individual is not allowed to work on IT security audits for one year.
- D. Not allow the audit manager to hire the contractor and ask the individual to apply again in one year.

**ANSWER: A**

### QUESTION NO: 14

An internal auditor is performing analytical reviews as part of an audit of a supermarket's merchandising department. Because the economy has declined since midyear, the auditor can expect to encounter which of the following?

- A. Higher inventory turnover.
- B. Higher operating margin.
- C. Lower obsolete stock disposal.
- D. Lower sales volume.

**ANSWER: D**

**QUESTION NO: 15**

The results of an internal audit activity's (IAA) quality assurance and improvement program are favorable and an external assessment was completed within the last five years. Which of the following statements may the IAA use to describe its work?

- A.** "Completed with the advance certification of the External Assessors Association for Auditing Review."
- B.** "Conforms with the International Standards for the Professional Practice of Internal Auditing."
- C.** "Certified 100% accuracy, per the International Standards of External Assessment." D. "Compliant with all domestic and international legal statutes, and certified quality assured for ten years."

**ANSWER: B**