

**IIA - IIA-CFSA**  
**Certified Financial**  
**Services Auditor**  
**Version: 3.0**

**Topic 1, Volume A**

**QUESTION: 1**

Which of the following situation would not impair audit objectivity?

- A. An auditor is assigned to audit a business function that the auditor was responsible for nine months ago
- B. An individual temporarily assigned to the internal audit activity because of the individual's expert knowledge in a particular business function assigned to audit an activity that the individual was responsible for just prior to transferring to the internal audit activity
- C. An auditor is assigned to perform a post-implementation review on a system for which the auditor participated in the design process
- D. An auditor is assigned to perform a post-implementation review on a system for which the auditor performed a procedure review and made control recommendations prior to the system's implementation

**Answer(s): D**

**QUESTION: 2**

Internal auditing:

- A. Is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations
- B. Is an independent, performance measurement and consulting activity designed to add value and improve an organization's operations
- C. Helps an organization accomplish objectives by bringing a systematic, disciplined approach to evaluate but rarely improve the effectiveness of risk management, control and governance
- D. Helps an organization accomplish objectives by bringing a targeted, disciplined approach to evaluate but rarely improve the effectiveness of risk management, control and governance

**Answer(s): A**

**QUESTION: 3**

IIA's code of ethics applies to \_\_\_\_\_ that provide internal auditing services:

- A. Individuals
- B. Entities
- C. Individuals and entities
- D. Individuals, entities and indirect authorities

**Answer(s): C**

**QUESTION: 4**

Internal auditors are expected to uphold the following principles:

- A. Integrity, objectivity, competency
- B. Integrity, objectivity, confidentiality, and competency
- C. Integrity, objectivity, awareness and competency
- D. Integrity, objectivity, entirety

**Answer(s): B**

**QUESTION: 5**

“Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.” This statement best explains one of the following principles:

- A. Competency
- B. Confidentiality
- C. Objectivity
- D. Integrity

**Answer(s): C**

**QUESTION: 6**

Internal auditors, engaging in activities that are illegal and discreditable to the profession of internal auditing or the organization, violate which of the following principles:

- A. Objectivity
- B. Awareness
- C. Integrity
- D. Competence

**Answer(s): C**

**QUESTION: 7**

Which of the following statements is NOT related to competency principle of internal auditing? Internal auditors:

- A. Shall continually improve their proficiency and effectiveness and quality of their services
- B. Shall perform internal auditing services in accordance with the standards for the professional practice of internal auditing
- C. Shall engage only in those services for which they have the necessary knowledge, skills and experience
- D. Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review

**Answer(s): D**

**QUESTION: 8**

While performing consulting services internal auditors should specifically maintain:

- A. Proficiency level
- B. Objectivity
- C. Competence
- D. Confidentiality

**Answer(s): B**

**QUESTION: 9**

All these statements elaborate purpose of standards EXCEPT:

- A. Foster improved organizational processes and operations
- B. Establish the basis for the evaluation of internal audit performance
- C. Subvert the framework for performing and promoting broad range of value-added internal audit activities.
- D. Delineate basic principles that represent the practice of internal auditing as it should be

**Answer(s): C**

**QUESTION: 10**

Nature of internal audit activities and quality criteria against which the performance of these services can be evaluated is best portrayed by:

- A. Performance Standards
- B. Attribute Standards
- C. Implementation Standards
- D. Evaluation Standards

**Answer(s): A**

**QUESTION: 11**

There are multiple sets of attribute and performance standards:

- A. False
- B. True
- C. True- In specific conditions
- D. False- In specific conditions

**Answer(s): A**

**QUESTION: 12**

All of the following phrases are used to express the auditor's opinion EXCEPT:

- A. Give a true and fair view
- B. Present fairly, in all material respects
- C. Timely and consistent opinion
- D. Comprehensible and realistic view

**Answer(s): C**

**QUESTION: 13**

The auditor should plan an audit with an attitude of:

- A. Professional competence
- B. Professional skepticism
- C. Subject awareness
- D. Opinion sharing

**Answer(s): B**

**QUESTION: 14**

Which of the following is a limitation in an audit that affects auditors' ability to detect material misstatements?

- A. Scope of an audit
- B. The use of testing
- C. Over-generalization
- D. Unidentifiable risks

**Answer(s): B**

**QUESTION: 15**

Reasonable assurance relates to the:

- A. Audit planning process
- B. Scope of the internal audit
- C. End of the audit process
- D. Whole audit process

**Answer(s): D**

**QUESTION: 16**

The responsibility for preparing and presenting the audited financial statements is that of:

- A. Internal auditor
- B. Engagement client/ Management of the entity
- C. Process owner