

### **QUESTION 1 of 18**

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When the internal audit function performs an assurance engagement, how many parties are involved?

- A. One.
- B. Two.
- C. Three.
- D. The entire organization.

### **QUESTION 2 of 18**

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The primary difference between assurance engagements and advisory engagements is the

- A. Level of confidence the engagement provides.
- B. Effectiveness of the consulting recommendations.
- C. Level of management responsibility for performance.
- D. Cost to perform the engagement.

### **QUESTION 3 of 18**

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Assurance services involve an internal auditor's

- A. Appraisal of the efficiency of a function.
- B. Assessment of conformance with laws.
- C. Expression of opinions or conclusions.
- D. All of the answers are correct.

### **QUESTION 4 of 18**

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An evaluation of the effectiveness of an organization's fraud prevention process is an example of which one of the following types of engagements?

- A. Compliance.
- B. Operational.
- C. Information technology.
- D. Governance.

## QUESTION 5 of 18

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Which of the following activities would be considered an assurance service by the internal auditors?

- A. The board is in the due diligence phase of a new company acquisition. The CFO has asked for the internal auditor's opinion of the new company's debt structure.
- B. The director of inventory control has hired 20 temporary employees for the seasonal business. The director has requested internal audit to provide training on the importance of inventory control procedures.
- C. The employee turnover in the tax department has been exceptionally high this year. The tax director has requested internal audit's assistance in preparing property tax returns.
- D. Internal auditing has agreed to work with the warehouse manager in examining organizational performance for the purpose of promoting change.

## QUESTION 6 of 18

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What is the best description of information technology (IT) assurance?

- A. Review of controls that focus on an organization's ability to comply with established labor laws and policies.
- B. Review and testing of IT to assure the integrity of information.
- C. Determining that year-to-year growth in sales is measurable using accounting methods.
- D. Reviewing credit policies to determine whether only qualified customers are being granted favorable credit terms.

## QUESTION 7 of 18

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Which one of the following statements is true regarding the parties involved in an assurance engagement?

- A. Two parties are involved, the process owner and the internal auditor.
- B. One party is involved, the internal auditor.
- C. Three parties are involved, the process owner, the internal auditor, and the user.
- D. Four parties are involved, the board, the process owner, the internal auditor, and the user.

## QUESTION 8 of 18

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The primary objective of assurance services provided by internal audit is to

- A. Directly manage organizational operations and increase profitability.
- B. Provide independent assessments to strengthen governance, risk management, and control processes.
- C. Ensure organizational confidentiality and privacy are never breached.
- D. Offer legal advice and protect the organization from litigation.

## QUESTION 9 of 18

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What is a key difference between internal audit assurance engagements and those performed by external auditors?

- A. Internal audit focuses solely on financial statements.
- B. External audit has a more comprehensive scope.
- C. Internal audit emphasizes the effectiveness of internal controls.
- D. External auditors primarily verify compliance with internal policies.

## QUESTION 10 of 18

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Which of the following is a primary objective of IT assurance in an internal audit engagement?

- A. Managing daily IT operations.
- B. Enhancing the user-friendliness of IT systems.
- C. Ensuring the integrity of information.
- D. Setting strategic IT goals.

## QUESTION 11 of 18

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What element is least likely to be included in an IT assurance audit conducted by internal auditors?

- A. Assessment of technology infrastructure.
- B. Evaluation of IT governance.
- C. User satisfaction surveys.
- D. Testing of cloud computing controls.

### **QUESTION 12 of 18**

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The primary purpose of assurance services provided by internal auditors is to

- A. Provide management advisory services.
- B. Ensure the organization adheres to internal policies.
- C. Strengthen the organization's ability to create and maintain value.
- D. Manage day-to-day operations efficiently.

### **QUESTION 13 of 18**

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In what way do internal auditors' assurance engagements differ from external audits?

- A. They apply only to financial statements.
- B. Their scope can cover a wide range of organizational processes.
- C. They are typically more expensive.
- D. They adhere to the directions given by external auditors.

### **QUESTION 14 of 18**

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The main goal of assurance services provided by the internal audit function is to

- A. Enhance profitability.
- B. Improve governance, risk management, and control processes.
- C. Increase market share.
- D. Reduce employee turnover.

### **QUESTION 15 of 18**

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Which of the following best describes operational assurance?

- A. Testing IT systems for compliance.
- B. Evaluating financial statement accuracy.
- C. Appraising the efficiency and effectiveness of operations.
- D. Assessing ethical conduct.

### **QUESTION 16 of 18**

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Internal auditor-conducted assurance services performed in an organization are intended to most likely

- A. Provide guidance on strategic initiatives.
- B. Help external auditors understand internal controls.
- C. Evaluate the effectiveness of internal risk management processes.
- D. Manage and direct day-to-day operations.

### **QUESTION 17 of 18**

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What distinguishes assurance services from advisory services within an internal audit function?

- A. Assurance services provide recommendations.
- B. Advisory services involve evaluating processes against established criteria.
- C. Assurance services are objective evaluations to enhance governance, risk management, and control processes.
- D. Advisory services improve stakeholder confidence in organizational operations.

### **QUESTION 18 of 18**

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The nature and scope of an assurance engagement are determined by the

- A. Board.
- B. Internal auditor.
- C. Senior management.
- D. Engagement client.