

POWERS CIA Review

PrepReview Software Errata

Part	II
Section	A
Subsection	10
Title	* Conducting the Internal Audit Engagement * Conduct Engagements * Recommendations
Question Reference	CIA Nov 96 I.66
Correct Answer	C
Correct Explanation	Criteria are the standards, measures, and expectations used in making an evaluation or verification (SIAS 2). Hence, statements III and IV are criteria.

Part	II
Section	A
Subsection	10
Title	* Conducting the Internal Audit Engagement * Conduct Engagements * Recommendations
Question Reference	CIA Nov 96 I.67
Correct Answer	A
Correct Explanation	The condition attribute of a finding states the factual evidence that the internal auditor found (SIAS 2). Thus, statement I should be in the condition section.

Part	II
Section	A
Subsection	10
Title	* Conducting the Internal Audit Engagement * Conduct Engagements * Recommendations
Question Reference	CIA Nov 96 I.68
Correct Answer	B
Correct Explanation	The cause attribute of a finding states the reason for the difference between the expected and actual conditions (SIAS 2). Accordingly, statement II should be in the cause section of the finding.

Part	II
Section	A
Subsection	10
Title	* Conducting the Internal Audit Engagement * Conduct Engagements * Recommendations
Question Reference	CIA Nov 96 I.69
Correct Answer	D
Correct Explanation	The effect attribute of a finding states the risk or exposure the auditee or others encounter because the condition is not the same as the criteria. The effect audit findings may have on the financial statements bears on the degree of risk or exposure (SIAS 2). Consequently, statement VI should be in the effect section of the finding.

Part	II
Section	A
Subsection	10
Title	* Conducting the Internal Audit Engagement * Conduct Engagements * Recommendations
Question Reference	CIA Nov 96 I.70
Correct Answer	C
Correct Explanation	General or specific recommendations are based on the auditor's findings and conclusions. They are calls for action to correct existing conditions or improve operations (SIAS 2). Thus, statement V should be in the recommendations section.

Part	II
Section	B
Subsection	02
Title	* Conducting the Internal Audit Engagement * Conduct Specific Engagements * Consulting Engagements
Question Reference	IIA Sample 04 II.55
Correct Answer	C
Correct Explanation	According to Practice Advisory 1130.A1-1.4, reviewing systems, even before implementation, is an activity appropriately performed by the internal audit function and does not impair objectivity.