

Latest Version: 12.0

Question: 1

An internal audit team is performing an audit of workplace accident claims. Which of the following actions by the audit team best demonstrates due professional care?

- A. Having an occupational health officer on the engagement team.
- B. Determining that the claims have been classified properly.
- C. Placing reliance on medical reports from the injured worker's doctor.
- D. Reviewing claims to ensure all accidents actually occurred in the workplace.

Answer: A

Question: 2

A credit card company detects potential errors in credit card numbers by checking whether all entered numbers contain the correct amount of digits. This is an example of which of the following IT controls?

- A. Logic test.
- B. Check digits.
- C. Data integrity tests.
- D. Balancing control activities.

Answer: A

Question: 3

Which two of the following are preventive controls in a check disbursement process?

1. Daily reconciliation of the bank account used for check disbursements and prompt follow-up of unreconciled items.
2. Segregation of the following duties: establishing new vendors, approving checks, and reconciling the bank account.
3. An activity report detailing who accesses the check disbursement system and the nature of any action taken in the system.
4. Evidence of strong access controls ensuring that authorized individuals have access only to the functions related to their responsibilities.

- A. 1 and 3.
- B. 1 and 4.
- C. 2 and 3.

D. 2 and 4.

Answer: D

Question: 4

A large trucking organization wants to reduce traffic accidents by improving its system of internal controls.

Which of the following controls is correctly classified?

1. Review of speeding violations to identify repetitive locations and drivers is an example of a preventive control.
2. Defensive driver training is an example of a directive control.
3. The installation of tracking devices in delivery vehicles is an example of a corrective control.
4. Providing a vehicle driver handbook is an example of a detective control.

- A. 1 and 2.
- B. 1 and 4.
- C. 2 and 3.
- D. 3 and 4.

Answer: A

Question: 5

Which segregation of duties would best reduce the risk of payroll fraud?

- A. Human resources personnel add employees, and payroll personnel process hours and enter employee bank account numbers. Paychecks are automatically deposited in the employee's bank account.
- B. Human resources personnel add employees, payroll personnel process hours, and human resources personnel deliver paychecks to employees.
- C. Human resources personnel add employees, review and submit payroll hours to the payroll department for processing, and deliver paychecks to employees.
- D. Human resources personnel add employees and enter employee bank information. Payroll personnel process hours, and paychecks are automatically deposited in the employee's bank account.

Answer: A