

Five example questions from the Certificate in International Auditing (CertIA) assessment

1 Raycee is your audit client. A customer has filed a litigation claim against Raycee, claiming for damages caused by a faulty product. Your audit evidence concludes the size of the claim is material to the financial statements and that it is possible, and not probable that the claim against Raycee will be successful. The financial statements do not include any reference to the litigation.

What type of auditor's opinion should be issued?

- A Unmodified
- B Qualified on the grounds of inability to obtain sufficient appropriate audit evidence
- C Qualified on the grounds of material misstatement
- D An adverse opinion

The correct answer is C.

Financial statements not compliant with IAS 37 as a material contingent liability has not been disclosed in the notes to the accounts therefore contain a material misstatement.

2 In the context of an audit procedure to confirm receivables balances using external confirmations, what is a 'negative confirmation request'?

- A A request which does not contain the monetary amount to be confirmed, and which asks the respondent to provide the amount outstanding per their records
- B A request sent to only those receivables which are shown as a negative balance in the ledgers
- C A request sent for a second time to those who failed to respond to an initial confirmation request
- D A request for the respondent only to reply if they disagree with the monetary amount provided in the request

The correct answer is D.

ISA 505 paragraph 6(c).

3 ISA 200 requires that the auditor obtains what level of assurance about whether the financial statements are free of material misstatement?

- A Medium
- B Absolute
- C Reasonable
- D Moderate

The correct answer is C.

ISA 200 paragraph 11.

4 If inventory is material to the financial statements, the auditor shall attend the physical inventory counting.

Which of the following is NOT an objective of attending the inventory counting?

- A To perform test counts
- B To recommend improvements in the count procedures
- C To inspect the inventory
- D To observe the performance of management's count procedures

The correct answer is B.

ISA 501 paragraph 4(a).

5 Zedtech is your audit client. During the year, Zedtech purchased a new fleet of vehicles to be used by senior management. A planned substantive procedure is to inspect the vehicle registration documents for a sample of vehicles.

Which assertion is this procedure relevant to?

- A Rights and obligations
- B Valuation
- C Completeness
- D Allocation

The correct answer is A.