

Part I - CIA Entry Level Exam

125 Questions: 2.5 Hours (150 minutes)

Domain I		Mandatory Guidance (35-45%)	Level of Difficulty
	A	Definition of Internal Auditing	P
	B	Code of Ethics	P
	C	International Standards	P
Domain II		Internal Control / Risk (25-35%)	
	A	Types of controls (e.g., preventive, detective, input, output, etc.)	P
	B	Management control techniques	A
	C	Internal control framework characteristics & use (e.g. COSO, Cadbury)	A
	D	Alternative control frameworks	A
	E	Risk vocabulary and concepts	A
	F	Fraud risk awareness	A
		1. Types of fraud	A
		2. Fraud red flags	A
Domain III		Conducting Internal Audit Engagements - Audit Tools & Techniques (28-38%)	Level of Difficulty
	A	Data Gathering:	
		1. Review prior audit reports and other relevant documentation as part of a preliminary survey of the engagement area	P
		2. Develop checklists/internal control questionnaires as part of a preliminary survey of the engagement area	P
		3. Conduct interviews as part of a preliminary survey of the engagement area	P
		4. Use observation to gather data	P
		5. Conduct engagement to assure identification of key risks & controls	P
		6. Use nonstatistical (judgmental) sampling method	P
	B	Data Analysis & Interpretation:	
		1. Use computerized audit tools and techniques (e.g., data mining and extraction, continuous monitoring)	P
		2. Conduct spreadsheet analysis	P
		3. Use analytical review techniques (e.g., ratio estimation, variance analysis, budget vs. actual, trend analysis, other reasonableness tests)	P
		4. Draw conclusions	P
	C	Data Reporting	
		1. Report test results to auditor in charge	P
	D	Documentation / Work Papers	
		1 Develop workpapers	P
	E	Process Mapping	P
	F	Evaluate relevance, sufficiency, & competence of evidence	P
		1. Identify potential sources of evidence	P

Part II - CIA Exam Practice
100 Questions: 2 hours (120 minutes)

Domain I		Managing the Internal Audit Function (40-50%)	Level of Difficulty
	A	Strategic Role of Internal Audit	
		1. Initiate, manage, be a change catalyst, and cope with change	P
		2. Build and maintain networking with other organization executives and the audit committee	P
		3. Organize and lead a team in mapping, analysis, and business process improvement	P
		4. Assess and foster the ethical climate of the board and management	P
		5. Educate senior management and the board on best practices in governance, risk management, control, and compliance	P
		6. Communicate internal audit key performance indicators to senior management and the board on a regular basis	P
		7. Coordinate IA efforts with external auditor, regulatory oversight bodies and other internal assurance functions.	P
	B	Operational Role of IA	
		1. Formulate policies and procedures for the planning, organizing, directing, and monitoring of internal audit operations	P
		2. Review the role of the internal audit function within the risk management framework	P
		3. Direct administrative activities (e.g., budgeting, human resources) of the internal audit department	P
		4. Interview candidates for internal audit positions	P
		5. Report on the effectiveness of corporate risk management processes to senior management and the board	P
		6. Report on the effectiveness of the internal control and risk management frameworks	P
		Maintain effective Quality Assurance Improvement Program	P
	C	Establish Risk-Based IA Plan	
		1. Use market, product, and industry knowledge to identify new internal audit engagement opportunities	P
		2. Use a risk framework to identify sources of potential engagements (e.g., audit universe, audit cycle requirements, management requests, regulatory mandates)	P
		3. Establish a framework for assessing risk	P
		4. Rank and validate risk priorities to prioritize engagements in the audit plan	P
		5. Identify internal audit resource requirements for annual IA plan	P
		6. Communicate areas of significant risk and obtain approval from the board for the annual engagement plan	P

Domain II		Managing Individual Engagements (40-50%)	Level of Difficulty
	A	Plan Engagements	P
		1. Establish engagement objectives/criteria and finalize the scope of the engagement	P
		2. Plan engagement to assure identification of key risks & controls	P
		3. Complete a detailed risk assessment of each audit area (prioritize or evaluate risk/control factors)	P
		4. Determine engagement procedures and prepare engagement work program	P
		5. Determine the level of staff and resources needed for the engagement	P
		6. Construct audit staff schedule for effective use of time	P
	B	Supervise Engagement	P
		1. Direct / supervise individual engagements	P
		2. Nurture instrumental relations, build bonds, and work with others toward shared goals	P
		3. Coordinate work assignments among audit team members when serving as the auditor-in-charge of a project	P
		4. Review workpapers	P
		5. Conduct exit conference	P
		6. Complete performance appraisals of engagement staff	P
	C	Communicate Engagement Results	
		1. Initiate preliminary communication with engagement clients	P
		2. Communicate interim progress	P
		3. Develop recommendations when appropriate	P
		4. Prepare report or other communication	P
		5. Approve engagement report	P
		6. Determine distribution of the report	P
		7. Obtain management response to the report	P
		8. Report outcomes to appropriate parties	P
	D	Monitor Engagement Outcomes	
		1. Identify appropriate method to monitor engagement outcomes	P
		2. Monitor engagement outcomes and conduct appropriate follow-up by the internal audit activity	P
		3. Conduct follow-up and report on management's response to internal audit recommendations	P
		4. Report significant audit issues to senior management and the board periodically	P
Domain III		Fraud Risks and Controls (5-15%)	Level of Difficulty
	A	Consider the potential for fraud risks and identify common types of fraud associated with the engagement area during the engagement planning process	P

	B	Determine if fraud risks require special consideration when conducting an engagement	P
	C	Determine if any suspected fraud merits investigation	P
	D	Complete a process review to improve controls to prevent fraud and recommend changes	P
	E	Employ audit tests to detect fraud	P
	F	Support a culture of fraud awareness and encourage the reporting of improprieties	P
	G	Interrogation/investigative techniques	A
	H	Forensic auditing	A

Part III - Internal Audit Knowledge Elements 100 Questions: 2 hours (120 minutes)

Domain I		Governance / Business Ethics (5-15%)	Level of Difficulty
	A	Corporate/organizational governance principles	A
	B	Environmental and social safeguards	A
	C	Corporate social responsibility	A
Domain II		Risk Management (10-20%)	Level of Difficulty
	A	Risk management techniques	A
	B	Organizational use of risk frameworks	A
Domain III		Organizational Structure/ Business Processes & Risks (15-25%)	Level of Difficulty
	A	Risk/control implications of different organizational structures	A
	B	Structure (e.g., centralized/decentralized)	A
	C	Typical schemes in various business cycles (e.g., procurement, sales, knowledge, supply-chain management)	A
	D	Business process analysis (e.g., workflow analysis and bottleneck management, theory of constraints)	A
	E	Inventory management techniques and concepts	A
	F	Electronic funds transfer (EFT)/Electronic data interchange (EDI)	A
	G	Business development life cycles	A
	H	The International Organization for Standardization (ISO) framework	A
	I	Outsourcing business processes	A
Domain IV		Communication (5-10%)	Level of Difficulty
	A	Communication (e.g., the process, organizational dynamics, impact of computerization)	A
	B	Stakeholder relationships	A
Domain V		Management / Leadership Principles (10-20%)	Level of Difficulty

	A	Strategic Management	
		1. Forecasting	A
		2. Quality management (e.g., TQM, Six sigma)	A
		3. Decision analysis	A
	B	Organizational Behavior	
		1. Organizational Theory	A
		2. Organizational behavior (e.g., motivation, impact of job design, rewards, schedules)	A
		3. Group dynamics (e.g., traits, development stages, organizational politics, effectiveness)	A
		4. Knowledge of human resource processes (e.g., individual performance management, supervision, personnel sourcing/staffing, staff development)	A
		4. Risk/control implications of different leadership styles	A
	C	Management Skills	
		1. Lead, inspire, and guide people, building organizational commitment and entrepreneurial orientation	A
		2. Create group synergy in pursuing collective goals	A
	D	Conflict Management	
		1. Conflict resolution (e.g., competitive, cooperative, and compromise)	A
		2. Negotiation skills	A
		3. Conflict management	A
		4. Added-value negotiating	A
	E	Project Management / Change Management	
		1. Change management	A
		2. Project management techniques	A
Domain VI		IT / Business Continuity (15-25%)	Level of Difficulty
	A	Security	
		1. System security (e.g., firewalls, access control)	A
		2. Information protection (e.g., viruses, privacy)	A
		3. Application authentication	A
		4. Encryption	A
	B	Application Development	
		1. End-user computing	A
		2. Change control	A
		3. Systems development methodology	A
		4. Application development	A
		5. Information systems development	A
	C	System Infrastructure	
		1. Workstations	A

		2. Databases	A
		3. IT control frameworks (e.g., eSAC, COBIT)	A
		4. Functional areas of IT operations (e.g., data center operations)	A
		4. Enterprisewide resource planning (ERP) software (e.g., SAP R/3)	A
		5. Data and network communications/connections (e.g., LAN, VAN, and WAN)	A
		6. Server	A
		7. Software licensing	A
		8. Mainframe	A
		9. Operating systems	A
	D	Business Continuity	
		1. IT contingency planning	A
Domain VII		Financial Management (13-23%)	Level of Difficulty
	A	Financial Accounting & Finance	
		1. Basic concepts and underlying principles of financial accounting (e.g., statements, terminology, relationships)	A
		2. Intermediate concepts of financial accounting (e.g., bonds, leases, pensions, intangible assets, R&D)	A
		3. Advanced concepts of financial accounting (e.g., consolidation, partnerships, foreign currency transactions)	A
		4. Financial statement analysis (e.g., ratios)	A
		5. Types of debt and equity	A
		6. Financial instruments (e.g., derivatives)	A
		7. Cash management (e.g., treasury functions)	A
		8. Valuation models	A
		9. Business valuation	A
		10. Inventory valuation	A
		11. Capital budgeting (e.g., cost of capital evaluation)	A
		12. Taxation schemes (e.g., tax shelters, VAT)	A
	B	Managerial Accounting	
		1. Managerial accounting: general concepts	A
		2. Costing systems (e.g., activity-based, standard)	A
		3. Cost concepts (e.g., absorption, variable, fixed)	A
		4. Relevant cost	A
		5. Cost-volume-profit analysis	A
		6. Transfer pricing	A
		7. Responsibility accounting	A
		8. Operating budget	A
Domain VIII		Global Business Environment (0-10%)	Level of Difficulty

	A	Economic / financial environments	A
	B	Cultural / political environments	A
	C	Legal and economics — general concepts (e.g., contracts)	A
	D	Impact of government legislation and regulation on business (e.g., trade legislation)	A