

# Certified Internal Auditor® (CIA®) Exam Syllabus

## **Part 1 – Essentials of Internal Auditing**

125 questions | 2.5 Hours (150 minutes)

The CIA exam Part 1 is well aligned with The IIA's International Professional Practices Framework (IPPF) and includes six domains covering the foundation of internal auditing; independence and objectivity; proficiency and due professional care; quality assurance and improvement programs; governance, risk management, and control; and fraud risk. Part one tests candidates' knowledge, skills, and abilities related to the International Standards for the Professional Practice of Internal Auditing, particularly the Attribute Standards (series 1000, 1100, 1200, and 1300) as well as Performance Standard 2100.

## **Part 2 – Practice of Internal Auditing**

100 questions | 2.0 Hours (120 minutes)

The CIA exam Part 2 includes four domains focused on managing the internal audit activity, planning the engagement, performing the engagement, and communicating engagement results and monitoring progress. Part 2 tests candidates' knowledge, skills, and abilities particularly related to Performance Standards (series 2000, 2200, 2300, 2400, 2500, and 2600) and current internal audit practices.

## **Part 3 – Business Knowledge for Internal Auditing**

100 questions | 2.0 Hours (120 minutes)

The CIA exam Part 3 includes four domains focused on business acumen, information security, information technology, and financial management. Part Three is designed to test candidates' knowledge, skills, and abilities particularly as they relate to these core business concepts.

CIA Exam Syllabus, Part 1 – Essentials of Internal Auditing

**I. Foundations of Internal Auditing (15%)**

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|--|------------|
| A. Interpret The IIA's Mission of Internal Audit, Definition of Internal Auditing, and Core Principles for the Professional Practice of Internal Auditing, and the purpose, authority, and responsibility of the internal audit activity | Proficient |
| B. Explain the requirements of an internal audit charter (required components, board approval, communication of the charter, etc.)   | Basic      |
| C. Interpret the difference between assurance and consulting services provided by the internal audit activity  | Proficient |
| D. Demonstrate conformance with the IIA Code of Ethics   | Proficient |

**II. Independence and Objectivity (15%)**

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|--|------------|
| A. Interpret organizational independence of the internal audit activity (importance of independence, functional reporting, etc.)   | Basic      |
| B. Identify whether the internal audit activity has any impairments to its independence  | Basic      |
| C. Assess and maintain an individual internal auditor's objectivity, including determining whether an individual internal auditor has any impairments to his/her objectivity | Proficient |
| D. Analyze policies that promote objectivity   | Proficient |

**III. Proficiency and Due Professional Care (18%)**

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|---|------------|
| A. Recognize the knowledge, skills, and competencies required (whether developed or procured) to fulfill the responsibilities of the internal audit activity  | Basic      |
| B. Demonstrate the knowledge and competencies that an internal auditor needs to possess to perform his/her individual responsibilities, including technical skills and soft skills (communication skills, critical thinking, persuasion/negotiation and collaboration skills, etc.) | Proficient |
| C. Demonstrate due professional care  | Proficient |
| D. Demonstrate an individual internal auditor's competency through continuing professional development  | Proficient |

**IV. Quality Assurance and Improvement Program (7%)**

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|---|-------|
| A. Describe the required elements of the quality assurance and improvement program (internal assessments, external assessments, etc.)                                 | Basic |
| B. Describe the requirement of reporting the results of the quality assurance and improvement program to the board or other governing body                            | Basic |
| C. Identify appropriate disclosure of conformance vs. nonconformance with The IIA's <i>International Standards for the Professional Practice of Internal Auditing</i> | Basic |

**V. Governance, Risk Management, and Control (35%)**

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|---|------------|
| A. Describe the concept of organizational governance  | Basic      |
| B. Recognize the impact of organizational culture on the overall control environment and individual engagement risks and controls | Basic      |
| C. Recognize and interpret the organization's ethics and compliance-related issues, alleged violations, and dispositions          | Basic      |
| D. Describe corporate social responsibility   | Basic      |
| E. Interpret fundamental concepts of risk and the risk management process   | Proficient |
| F. Describe globally accepted risk management frameworks appropriate to the organization (COSO - ERM, ISO 31000, etc.)            | Basic      |

G. Examine the effectiveness of risk management within processes and functions	Proficient
H. Recognize the appropriateness of the internal audit activity's role in the organization's risk management process	Basic
I. Interpret internal control concepts and types of controls	Proficient
J. Apply globally accepted internal control frameworks appropriate to the organization (COSO, etc.)	Proficient
K. Examine the effectiveness and efficiency of internal controls	Proficient
<b>VI. Fraud Risks (10%)</b>	
A. Interpret fraud risks and types of frauds and determine whether fraud risks require special consideration when conducting an engagement	Proficient
B. Evaluate the potential for occurrence of fraud (red flags, etc.) and how the organization detects and manages fraud risks	Proficient
C. Recommend controls to prevent and detect fraud and education to improve the organization's fraud awareness	Proficient
D. Recognize techniques and internal audit roles related to forensic auditing (interview, investigation, testing, etc.)	Basic

## CIA Exam Syllabus, Part 2 – Practice of Internal Auditing

### **I. Managing the Internal Audit Activity (20%)**

#### **1. Internal Audit Operations**

- A. Describe policies and procedures for the planning, organizing, directing, and monitoring of internal audit operations Basic
- B. Interpret administrative activities (budgeting, resourcing, recruiting, staffing, etc.) of the internal audit activity Basic

#### **2. Establishing a Risk-based Internal Audit Plan**

- A. Identify sources of potential engagements (audit universe, audit cycle requirements, management requests, regulatory mandates, relevant market and industry trends, emerging issues, etc.) Basic
- B. Identify a risk management framework to assess risks and prioritize audit engagements based on the results of a risk assessment Basic
- C. Interpret the types of assurance engagements (risk and control assessments, audits of third parties and contract compliance, security and privacy, performance and quality audits, key performance indicators, operational audits, financial and regulatory compliance audits) Proficient
- D. Interpret the types of consulting engagements (training, system design, system development, due diligence, privacy, benchmarking, internal control assessment, process mapping, etc.) designed to provide advice and insight Proficient
- E. Describe coordination of internal audit efforts with the external auditor, regulatory oversight bodies, and other internal assurance functions, and potential reliance on other assurance providers Basic

#### **3. Communicating and Reporting to Senior Management and the Board**

- A. Recognize that the chief audit executive communicates the annual audit plan to senior management and the board and seeks the board's approval Basic
- B. Identify significant risk exposures and control and governance issues for the chief audit executive to report to the board Basic
- C. Recognize that the chief audit executive reports on the overall effectiveness of the organization's internal control and risk management processes to senior management and the board Basic
- D. Recognize internal audit key performance indicators that the chief audit executive communicates to senior management and the board periodically Basic

### **II. Planning the Engagement (20%)**

#### **1. Engagement Planning**

- A. Determine engagement objectives, evaluation criteria, and the scope of the engagement Proficient
- B. Plan the engagement to assure identification of key risks and controls Proficient
- C. Complete a detailed risk assessment of each audit area, including evaluating and prioritizing risk and control factors Proficient
- D. Determine engagement procedures and prepare the engagement work program Proficient
- E. Determine the level of staff and resources needed for the engagement Proficient

### III. Performing the Engagement (40%)

#### 1. Information Gathering

- A. Gather and examine relevant information (review previous audit reports and data, conduct walk-throughs and interviews, perform observations, etc.) as part of a preliminary survey of the engagement area Proficient
- B. Develop checklists and risk-and-control questionnaires as part of a preliminary survey of the engagement area Proficient
- C. Apply appropriate sampling (nonstatistical, judgmental, discovery, etc.) and statistical analysis techniques Proficient

#### 2. Analysis and Evaluation

- A. Use computerized audit tools and techniques (data mining and extraction, continuous monitoring, automated workpapers, embedded audit modules, etc.) Proficient
- B. Evaluate the relevance, sufficiency, and reliability of potential sources of evidence Proficient
- C. Apply appropriate analytical approaches and process mapping techniques (process identification, workflow analysis, process map generation and analysis, spaghetti maps, RACI diagrams, etc.) Proficient
- D. Determine and apply analytical review techniques (ratio estimation, variance analysis, budget vs. actual, trend analysis, other reasonableness tests, benchmarking, etc.) Basic
- E. Prepare workpapers and documentation of relevant information to support conclusions and engagement results Proficient
- F. Summarize and develop engagement conclusions, including assessment of risks and controls Proficient

#### 3. Engagement Supervision

- A. Identify key activities in supervising engagements (coordinate work assignments, review workpapers, evaluate auditors' performance, etc.) Basic

### IV. Communicating Engagement Results and Monitoring Progress (20%)

#### 1. Communicating Engagement Results and the Acceptance of Risk

- A. Arrange preliminary communication with engagement clients Proficient
- B. Demonstrate communication quality (accurate, objective, clear, concise, constructive, complete, and timely) and elements (objectives, scope, conclusions, recommendations, and action plan) Proficient
- C. Prepare interim reporting on the engagement progress Proficient
- D. Formulate recommendations to enhance and protect organizational value Proficient
- E. Describe the audit engagement communication and reporting process, including holding the exit conference, developing the audit report (draft, review, approve, and distribute), and obtaining management's response Basic
- F. Describe the chief audit executive's responsibility for assessing residual risk Basic
- G. Describe the process for communicating risk acceptance (when management has accepted a level of risk that may be unacceptable to the organization) Basic

#### 2. Monitoring Progress

- A. Assess engagement outcomes, including the management action plan Proficient
- B. Manage monitoring and follow-up of the disposition of audit engagement results communicated to management and the board Proficient

## I. Business Acumen (35%)

### 1. Organizational Objectives, Behavior, and Performance

- A. Describe the strategic planning process and key activities (objective setting, globalization and competitive considerations, alignment to the organization's mission and values, etc.) Basic
- B. Examine common performance measures (financial, operational, qualitative vs. quantitative, productivity, quality, efficiency, effectiveness, etc.) Proficient
- C. Explain organizational behavior (individuals in organizations, groups, and how organizations behave, etc.) and different performance management techniques (traits, organizational politics, motivation, job design, rewards, work schedules, etc.) Basic
- D. Describe management's effectiveness to lead, mentor, guide people, build organizational commitment, and demonstrate entrepreneurial ability Basic

### 2. Organizational Structure and Business Processes

- A. Appraise the risk and control implications of different organizational configuration structures (centralized vs. decentralized, flat structure vs. traditional, etc.) Basic
- B. Examine the risk and control implications of common business processes (human resources, procurement, product development, sales, marketing, logistics, management of outsourced processes, etc.) Proficient
- C. Identify project management techniques (project plan and scope, time/team/resources/cost management, change management, etc.) Basic
- D. Recognize the various forms and elements of contracts (formality, consideration, unilateral, bilateral, etc.) Basic

### 3. Data Analytics

- A. Describe data analytics, data types, data governance, and the value of using data analytics in internal auditing Basic
- B. Explain the data analytics process (define questions, obtain relevant data, clean/normalize data, analyze data, communicate results) Basic
- C. Recognize the application of data analytics methods in internal auditing (anomaly detection, diagnostic analysis, predictive analysis, network analysis, text analysis, etc.) Basic

## II. Information Security (25%)

### 1. Information Security

- A. Differentiate types of common physical security controls (cards, keys, biometrics, etc.) Basic
- B. Differentiate the various forms of user authentication and authorization controls (password, two-level authentication, biometrics, digital signatures, etc.) and identify potential risks Basic
- C. Explain the purpose and use of various information security controls (encryption, firewalls, antivirus, etc.) Basic
- D. Recognize data privacy laws and their potential impact on data security policies and practices Basic
- E. Recognize emerging technology practices and their impact on security (bring your own device [BYOD], smart devices, internet of things [IoT], etc.) Basic
- F. Recognize existing and emerging cybersecurity risks (hacking, piracy, tampering, ransomware attacks, phishing attacks, etc.) Basic
- G. Describe cybersecurity and information security-related policies Basic

## III. Information Technology (20%)

### 1. Application and System Software

A. Recognize core activities in the systems development lifecycle and delivery (requirements definition, design, developing, testing, debugging, deployment, maintenance, etc.) and the importance of change controls throughout the process	Basic
B. Explain basic database terms (data, database, record, object, field, schema, etc.) and internet terms (HTML, HTTP, URL, domain name, browser, click-through, electronic data interchange [EDI], cookies, etc.)	Basic
C. Identify key characteristics of software systems (customer relationship management [CRM] systems; enterprise resource planning [ERP] systems; and governance, risk, and compliance [GRC] systems; etc.)	Basic
<b>2. IT Infrastructure and IT Control Frameworks</b>	
A. Explain basic IT infrastructure and network concepts (server, mainframe, client-server configuration, gateways, routers, LAN, WAN, VPN, etc.) and identify potential risks	Basic
B. Define the operational roles of a network administrator, database administrator, and help desk	Basic
C. Recognize the purpose and applications of IT control frameworks (COBIT, ISO 27000, ITIL, etc.) and basic IT controls	Basic
<b>3. Disaster Recovery</b>	
A. Explain disaster recovery planning site concepts (hot, warm, cold, etc.)	Basic
B. Explain the purpose of systems and data backup	Basic
C. Explain the purpose of systems and data recovery procedures	Basic
<b>IV. Financial Management (20%)</b>	
<b>1. Financial Accounting and Finance</b>	
A. Identify concepts and underlying principles of financial accounting (types of financial statements and terminologies such as bonds, leases, pensions, intangible assets, research and development, etc.)	Basic
B. Recognize advanced and emerging financial accounting concepts (consolidation, investments, fair value, partnerships, foreign currency transactions, etc.)	Basic
C. Interpret financial analysis (horizontal and vertical analysis and ratios related to activity, profitability, liquidity, leverage, etc.)	Proficient
D. Describe revenue cycle, current asset management activities and accounting, and supply chain management (including inventory valuation and accounts payable)	Basic
E. Describe capital budgeting, capital structure, basic taxation, and transfer pricing	Basic
<b>2. Managerial Accounting</b>	
A. Explain general concepts of managerial accounting (cost-volume-profit analysis, budgeting, expense allocation, cost-benefit analysis, etc.)	Basic
B. Differentiate costing systems (absorption, variable, fixed, activity-based, standard, etc.)	Basic
C. Distinguish various costs (relevant and irrelevant costs, incremental costs, etc.) and their use in decision making	Basic