

CIA Challenge Exam - HKICPA Syllabus

The Certified Internal Auditor Challenge Exam tests a candidate’s knowledge of current internal auditing practices and understanding of internal audit issues, risks, and remedies at the proficiency level, unless otherwise indicated.

ALL TOPICS TESTED AT PROFICIENCY LEVEL unless otherwise indicated

From CIA Part One	Required Level	Topic %
I. Mandatory Guidance	Proficiency	20%
A. Definition of Internal Auditing		
1. Define purpose, authority, and responsibility of the internal audit activity		
B. Code of Ethics		
1. Abide by and promote compliance with The IIA Code of Ethics		
C. International Standards		
1. Comply with The IIA's Attribute Standards		
2. Maintain independence and objectivity		
3. Determine if the required knowledge, skills, and competencies are available		
4. Develop and/or procure necessary knowledge, skills and competencies collectively required by the internal audit activity		
5. Exercise due professional care		
6. Promote continuing professional development		
7. Promote quality assurance and improvement of the internal audit activity		
II. Internal Control / Risk	Awareness	8%
A. Types of Controls (e.g., preventive, detective, input, output, etc.)		
B. Management Control Techniques		
C. Internal Control Framework Characteristics and Use (e.g., COSO, Cadbury)		
1. Develop and implement an organization-wide risk and control framework		
D. Alternative Control Frameworks		
III. Conducting Internal Audit Engagements – Audit Tools and Techniques	Proficiency	2%
A. Process Mapping, Including Flowcharting		

From CIA Part Two	Required Level	Topic %
I. Managing the Internal Audit Function		25%
A. Strategic Role of Internal Audit	Proficiency	
1. Initiate, manage, be a change catalyst, and cope with change		
2. Build and maintain networking with other organization executives and the audit committee		
3. Organize and lead a team in mapping, analysis, and business process improvement		
4. Assess and foster the ethical climate of the board and management		
5. Educate senior management and the board on best practices in governance, risk management, control, and compliance		
6. Communicate internal audit key performance indicators to senior management and the board on a regular basis		
7. Coordinate IA efforts with external auditor, regulatory oversight bodies and other internal assurance functions		
8. Assess the adequacy of the performance measurement system, achievement of corporate objective	Awareness	
B. Operational Role of IA	Proficiency	
1. Formulate policies and procedures for the planning, organizing, directing, and monitoring of internal audit operations		
2. Review the role of the internal audit function within the risk management framework		
3. Direct administrative activities (e.g., budgeting, human resources) of the internal audit department		
4. Interview candidates for internal audit positions		
5. Report on the effectiveness of corporate risk management processes to senior management and the board		
6. Report on the effectiveness of the internal control and risk management frameworks		
7. Maintain effective Quality Assurance Improvement Program		
C. Establish Risk-Based IA Plan	Proficiency	
1. Use market, product, and industry knowledge to identify new internal audit engagement opportunities		
2. Use a risk framework to identify sources of potential engagements (e.g., audit universe, audit cycle requirements, management requests, regulatory mandates)		
3. Establish a framework for assessing risk		
4. Rank and validate risk priorities to prioritize engagements in the audit plan		
5. Identify internal audit resource requirements for annual IA plan		
6. Communicate areas of significant risk and obtain approval from the board for the annual engagement plan		
7. Types of engagements, assurance, compliance and consulting engagements		

From CIA Part Two (continued)	Required Level	Topic %
II. Managing Individual Engagements	Proficiency	25%
A. Plan Engagements		
1. Establish engagement objectives/criteria and finalize the scope of the engagement		
2. Plan engagement to assure identification of key risks and controls		
3. Complete a detailed risk assessment of each audit area (prioritize or evaluate risk/control factors)		
4. Determine engagement procedures and prepare engagement work program		
5. Determine the level of staff and resources needed for the engagement		
6. Construct audit staff schedule for effective use of time		
B. Supervise Engagement		
1. Direct / supervise individual engagements		
2. Nurture instrumental relations, build bonds, and work with others toward shared goals		
3. Coordinate work assignments among audit team members when serving as the auditor-in-charge of a project		
4. Review work papers		
5. Conduct exit conference		
6. Complete performance appraisals of engagement staff		
C. Communicate Engagement Results		
1. Initiate preliminary communication with engagement clients		
2. Communicate interim progress		
3. Develop recommendations when appropriate		
4. Prepare report or other communication		
5. Approve engagement report		
6. Determine distribution of the report		
7. Obtain management response to the report		
8. Report outcomes to appropriate parties		
D. Monitor Engagement Outcomes		
1. Identify appropriate method to monitor engagement outcomes		
2. Monitor engagement outcomes and conduct appropriate follow-up by the internal audit activity		
3. Conduct follow-up and report on management's response to internal audit recommendations		
4. Report significant audit issues to senior management and the board periodically		

From CIA Part Two (continued)		Required Level	Topic %	
III. Fraud Risks and Controls			5%	
	A. Consider the potential for fraud risks and identify common types of fraud associated with the engagement area during the engagement planning process	Proficiency		
	B. Determine if fraud risks require special consideration when conducting an engagement			
	C. Determine if any suspected fraud merits investigation			
	D. Complete a process review to improve controls to prevent fraud and recommend changes			
	E. Employ audit tests to detect fraud			
	F. Support a culture of fraud awareness, and encourage the reporting of improprieties	Awareness		
	G. Interrogation/investigative techniques			
	H. Forensic auditing			
From CIA Part Three				Required Level
II. Risk Management		Proficiency		4%
	A. Risk Management Techniques			
	B. Organizational Use of Risk Frameworks (e.g. COSO and ISO 31000)			
III. Management / Leadership Principles		Awareness	4%	
	A. Conflict Management			
	1. Conflict resolution (e.g., competitive, cooperative, and compromise)			
	2. Negotiation skills			
	3. Conflict management			
	4. Added-value negotiating			
	B. Project Management / Change Management			
	1. Change management			
	2. Project management techniques			
IV. IT / Business Continuity			7%	
	A. Security	Awareness		
	1. Physical/system security (e.g., firewalls, access control)			
	2. Information protection (e.g., viruses, privacy)			
	3. Application authentication			
	4. Encryption			
	B. Application Development			
	1. End-user computing	Awareness		
	2. Change control	proficiency		
	3. Systems development methodology			
	4. Application development			
	5. Information systems development	Awareness		
	C. System Infrastructure			
	1. IT control frameworks (e.g., eSAC, COBIT)			
	D. Business Continuity			
	1. IT contingency planning			
			100%	