CIA 2018
ACCA Challenge Exam

The Institute of **Internal Auditors** | *Global*

Contents

1. Introduction

Congratulations on beginning your journey toward earning the Certified Internal Auditor® (CIA®) certification from The Institute of Internal Auditors (IIA) — one of the most tangible ways you can demonstrate your professional internal audit knowledge and skills.

This handbook provides certification information for the CIA® Challenge Exam program. Take time to read this guide carefully. It will walk you through the certification process from start to finish and provide helpful tips for each step along the way.

2. The Institute of Internal Auditors

The Institute of Internal Auditors (IIA) is the acknowledged leader worldwide of the internal audit profession, its global voice, recognized authority, chief advocate, and principal educator, with more than 190,000 members in 170 countries around the world.

Typically, members provide assurance and advisory services within the broad spectrum of governance, risk, and control, with responsibilities that may include internal and external auditing, risk management, internal control, information technology audit, and education and security.

The Certified Internal Auditor® (CIA®) is the premier global certification for all those working in internal audit, regardless of background, sector, or region. It provides recognition and status among peers and principal stakeholders, and identifies individuals as committed and competent internal audit professionals.

3. The CIA Challenge Exam

3.1 The IIA is committed to raising the profile of, and demand for, the internal audit profession. To accomplish this, The IIA works closely with organizations such as the ACCA to help the advancement of The IIA and ACCA's members as well as the accountancy and internal audit professions. By offering the Challenge Exam, The IIA continues to demonstrate the uniqueness of internal auditing as a profession and strengthens its strategic partnership with ACCA.

The Challenge Exam will allow qualified ACCA members who currently work in internal audit or plan to work in internal audit in the future, the opportunity to earn the CIA through an expedited route by demonstrating competency in those areas not already covered in the ACCA exams. The ACCA and The IIA believe the challenge exam provides a tremendous opportunity that offers ACCA Members:
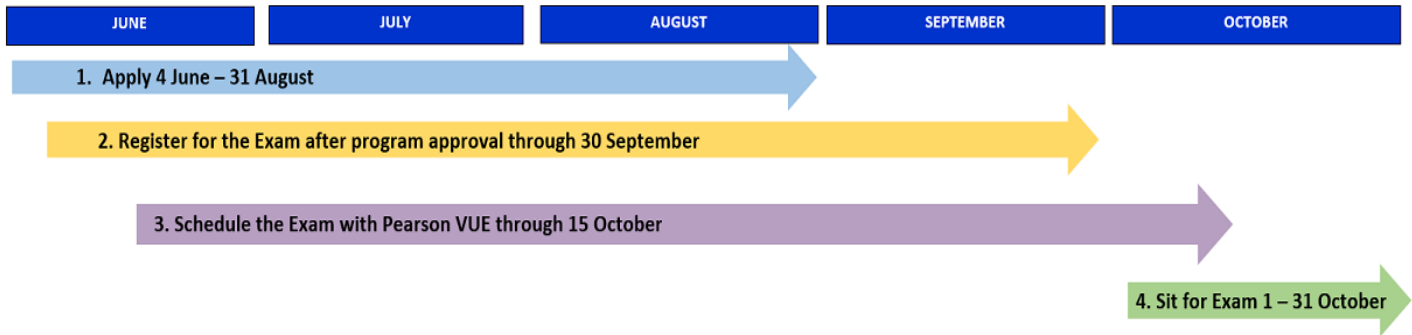   a. Ability to demonstrate their insights and capabilities relating to internal auditing as a distinctive area of expertise.
   b. Access to the globally recognized certification for the professional practice of internal auditing through a single exam customized to reflect knowledge, skills, and abilities already held and demonstrated.
   c. Professional credibility, recognition, job enhancement, and career progression.
   d. Ability to obtain CPD/CPE for ACCA's CPD policy through studying for the challenge exam.

4. Challenge Exam Timeline and Process

The Challenge Exam Process consists of six (6) steps as outlined below:
Before you Apply: Create a Candidate Profile in CCMS
   • If you already have a profile in CCMS, do not create a new one. Access your profile in CCMS, navigate to the "Complete a Form" tab, and complete the ACCA Challenge Application form.
   • If you do not remember your IIA member/customer username or password, contact IIA Customer Relations at CustomerRelations@theiia.org or call +1-407-937-1111.
   • If you do not already have a profile in CCMS, access CCMS and click on "First Time Users" on the right side of the screen.
   • Complete the profile information, navigate to the "Complete a Form" tab, and complete the ACCA Challenge Application form.

JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER

1. Apply 4 June – 31 August

2. Register for the Exam after program approval through 30 September

3. Schedule the Exam with Pearson VUE through 15 October

4. Sit for Exam 1 – 31 October

1. Apply to the ACCA Challenge Exam Program: 4 June – 31 August
- Access your profile in CCMS
- In the left navigation bar, click on "Complete a Form"
- If you are currently a member of The IIA, locate and complete the ACCA Challenge - Application form. If you are not a member of The IIA, select the ACCA Challenge - Application – (Non-Member) form.
- Submit payment
- Upload Character Reference Form and government-issued photo ID to the Document Upload Portal

2. Register for the Challenge Exam: After Program Approval through 30 September
- Upon receipt of program approval, access your profile in CCMS
- Navigate to the ACCA Challenge Exam Registration form
- Complete the Registration form
- You will receive confirmation of your Registration and instructions to schedule your exam with our test partner, Pearson VUE.

3. Schedule Your Exam: After Registration Confirmation through 15 October
- Wait 48 hours from receipt of notification to schedule your exam
- Visit the Pearson VUE web site to locate the test center nearest you and schedule your exam
- Any scheduling changes are managed directly with Pearson VUE

4. Sit for the Exam: 1 – 31 October
- Arrive 30 minutes early at your selected test center
- Bring your government-issued photo ID and confirmed appointment email from Pearson VUE

5. Exam Results
- You will receive a pass / fail notification at the test center. This is not your official score.
- Exam results are not official until posted to your CCMS profile.
- Wait 48 to 72 hours after completion of the exam to receive your official grade. You may also access your profile in CCMS to obtain a pass or fail grade.

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5. Eligibility Requirements

5.1   Eligible candidates MUST be currently certified ACCA members. Former certified members or those that are current ACCA students are NOT eligible. Individuals that meet any of the following conditions will **not** be permitted to sit for the ACCA Challenge Exam:
   a. Past Due Balance
   b. Delinquent CPD reporting
   c. Have a legal flag on their record

5.2 ACCA members are exempt from the education and experience requirement for the Challenge Exam, as members meet the requirement through their ACCA membership.

5.3 ACCA Challenge Exam candidates who are already approved into the CIA program (including those that have already completed one or more parts of the CIA exam or participated in the 2015 Challenge Exam without success) will be permitted to apply for the ACCA challenge exam under the following conditions:
   • The candidate must notify The IIA by submitting an incident in their CCMS record indicating that they want to participate in the ACCA challenge exam. Please put the words "Admin Request" in the subject line to expedite processing;
   • No refunds of any kind (in part or whole) will be issued for any prior payments (this is due to expenses that have already been incurred in the prior program attempt);
   • The candidate will retain credit for all previously passed examination parts, should they not pass the ACCA Challenge Exam;
   • Candidate will pay FULL PRICE for the ACCA challenge exam program;
   • All other eligibility requirements apply.

   It will take approximately 48 hours to process the request and allow access to the ACCA Challenge Exam application, if a candidate is already enrolled in the CIA Program.

   If the candidate fails the ACCA Challenge Exam, the candidate will have four (4) years (from the date of the Challenge Exam application approval) to complete all CIA exam parts to obtain the CIA designation.

5.4 Once you have submitted your application with your ACCA membership number, you will need to submit **ONLY** the completed Character Reference Form and government issued **Photo ID** to The IIA's global certifications department. Your ACCA status will need to be approved by the ACCA before you can be considered an eligible candidate to sit for the exam.

5.5 Please click HERE to access the character reference form. Government issued photo ID information is located HERE (all other information and or requirements do not apply to ACCA Challenge Exam candidates).

5.6 To submit your documentation to The IIA for review, access the certification Document Upload Portal available HERE.

If it is determined during the validation process that you do not meet the eligibility requirements, your application will be denied. NO REFUNDS, in part or whole, will be provided for candidates that are determined not to be eligible.

5.7 Your information will be shared with ACCA to validate that you meet the criteria to be eligible to sit for the exam. If the ACCA does not approve your application, you will not be allowed to sit for the exam and no refund will be provided.

5.8 Please note The IIA is not responsible for applications being approved or denied, and as such will not be able to answer questions as to why an application was approved or denied. If your application is denied, you must contact ACCA directly.

6. Preparing for the Challenge Exam

The ACCA Challenge Exam contains 125 multiple choice questions. Candidates will have 2 hours and 30 minutes to complete the exam.

6.1 As part of the exam bundle, The IIA will provide The IIA's ACCA Challenge Exam Study Guide in a downloadable e-book format that includes only the content that is covered by the Challenge Exam. You will receive an email with instructions on how to set up your Challenge Exam study guide online account. Once the account is set up, you can download the e-book and begin your studies. Candidates will also receive information to access the International Professional Practices Framework (IPPF) and *Standards*.

Review materials will only be available for download in English until 15 September 2018.

6.2 The Challenge Exam is available in English only and is offered through Computer Based Testing (CBT) during the month of October 2018. Each candidate will be allowed only one (1) attempt to pass the exam. ACCA candidates will be able to take the Challenge Exam in select Pearson VUE test centers.

7. Challenge Exam Program Investment

The Challenge Exam bundle will cost $1,295 USD for non IIA members and $1,095 USD for current members of The IIA. The bundle includes the following components:

a. CIA exam application fee (normally $115 USD member/$230 USD non-member)
b. CIA exam registration fee (normally $740 USD member/$1,085 USD non-member)
c. The IIA's ACCA CIA Challenge Exam Study Guide in downloadable e-book format (normally $500 USD member/$600 USD non-member)
d. Membership in The IIA (if a candidate does not currently hold IIA membership).

7.1 The Challenge Exam is only being offered as a bundle. Candidates may choose to take the exam through the standard three-part exam process if they wish to only pay for exam application and registration fees.

8. Payment Options

Challenge Exam candidates have the option of paying by credit card, wire transfer or with a check. All payments must be made in US dollars. If paying by wire transfer, please add a USD $15.00 wire fee and include your candidate ID number. Send an e-mail to wirepayments@theiia.org with the date of the wire, wire transfer amount, and invoice number. Candidates paying by check or wire transfer will not receive access to study materials until all funds are received at The IIA. For additional payment information, visit The IIA's Payment Options web page.

9. Membership with The IIA

If you are not already a member of The IIA either through your local institute or as a member-at-large, the exam bundle will include membership of at least 12 months. Some local institutes may offer a longer term of membership depending on the local membership year. If you are already a member, there is a discount on the bundle of $200 USD. Membership in The IIA will begin 30-45 days after approval of the Challenge Exam application.

10. Continued Professional Education Requirements

The Continued Professional Education (CPE) reporting requirements are the same for all Certified Internal Auditors (CIAs). CPE requirements may be found in The IIA's CPE Policy, located on The IIA's web page. Feel free to review the CPE Policy at your leisure.

10.1 Challenge Exam candidates who successfully complete the program by passing the exam are required to report CPE no later than 31 December 2020.

11. Challenge Exam Syllabus

All exam topics are tested at proficiency level unless otherwise indicated.

I. Mandatory Guidance (40-50%)
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
a. Determine if the purpose, authority, and responsibility of the internal audit activity are documented in audit charter, approved by the Board and communicated to the engagement clients
b. Demonstrate an understanding of the purpose, authority, and responsibility of the internal audit activity
2. Maintain independence and objectivity
a. Foster independence
1. Understand organizational independence
2. Recognize the importance of organizational independence
3. Determine if the internal audit activity is properly aligned to achieve organizational independence
b. Foster objectivity
1. Establish policies to promote objectivity
2. Assess individual objectivity
3. Maintain individual objectivity
4. Recognize and mitigate impairments to independence and objectivity
3. Determine if the required knowledge, skills, and competencies are available
a. Understand the knowledge, skills, and competencies that an internal auditor needs to possess
b. Identify the knowledge, skills, and competencies required to fulfill the responsibilities of the internal audit activity
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
a. Develop and implement a plan for continuing professional development for internal audit staff
b. Enhance individual competency through continuing professional development

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7. Promote quality assurance and improvement of the internal audit activity
a. Monitor the effectiveness of the quality assurance and improvement program
b. Report the results of the quality assurance and improvement program to the board or other governing body
c. Conduct quality assurance procedures and recommend improvements to the performance of the internal audit activity

II. Managing the Internal Audit Function (35-45%)

A. Strategic Role of Internal Audit
1. Initiate, manage, be a change catalyst, and cope with change
2. Build and maintain networking with other organization executives and the audit committee
a. Nurture instrumental relations, build bonds, and work with others toward shared goals
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
a. Investigate and recommend resolution for ethics/compliance complaints, and determine disposition of ethics violations
b. Maintain and administer business conduct policy (e.g., conflict of interest), and report on compliance
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 Level (A)
B. Operational Role of IA
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
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
a. Alternative Control Frameworks (Awareness level)
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
a. Conduct assurance engagements
a.1 Risk and control self-assessments
a.2 Audits of third parties and contract auditing
a.3 Quality audit engagements
a.4 Due diligence audit engagements
a.5 Security audit engagements
a.6 Privacy audit engagements
a.7 Performance audit engagements (key performance indicators)
a.8 Operational audit engagements (efficiency and effectiveness)
b. Compliance audit engagements
c. Consulting engagements
c.1 Internal control training
c.2 Business process mapping
c.3 Benchmarking
c.4 System development reviews
c.5 Design of performance measurement systems

III. Managing Individual Engagements (5-15%)

A. Communicate Engagement Results
1. Approve engagement report
2. Determine distribution of the report
3. Obtain management response to the report
4. Report outcomes to appropriate parties

B. 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

Questions should be directed to The IIA Customer Relations team at CustomerRelations@theiia.org or call +1-407-937-1111.

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