ANNEXURE 13

CERTIFIED INTERNAL AUDITOR

Certified Internal Auditor (CIA) is a certification programme offered by the Institute of Internal Auditors (IIA). The CIA designation is the world's most generally recognised internal audit credential. Independent, impartial, and confidential assessments of an organisation's risk management, control, and governance systems are the responsibility of CIAs. They ensure that these processes are effective and efficient, and they contribute to the overall performance of the organisation.

The CIA programme helps candidates to gain professional knowledge in internal audit. Unlike MBA, Executive MBA, Distance MBA, BE/BTech, or any other national-level exams, there is no specific entrance exam for this course since CIA is a certification programme. The certification module is divided into three parts-I, II, and III. Part I of the CIA programme focuses on the essentials of Internal Auditing. Part II includes the practice of Internal Auditing. Part III includes business knowledge for Internal Auditing. Certificates will be provided to candidates only if they complete all the examinations successfully.

All About CIA Course

The Institute of Internal Auditors (IIA) certifies professionals as Certified Internal Auditors (CIA). The CIA designation is the world's most generally recognised internal audit credential. The CIA designation is a great asset for professionals interested in working in internal auditing. It demonstrates that the individual possesses the requisite knowledge and abilities to be an effective internal auditor. The CIA accreditation may also result in more work prospects and higher pay.

Why Pursue CIA Course?

If you want to work in internal auditing, the CIA credential is an excellent opportunity to show off your abilities and knowledge. It is an important credential that can help you grow in your career and achieve your professional objectives. Upon completing the course, candidates find opportunities in public and private companies, non-profit organisations etc. Candidates are offered profiles of internal auditor, internal auditing manager, chief internal auditor, quality assurance manager etc. The average salary offered to CIA candidates ranges between INR 4 lakh to INR 9 lakh per annum.

Here are some of the benefits of becoming a CIA:

- Increased job opportunities

- Higher salaries

- Professional recognition

- Enhanced career development

- Improved knowledge and skills

CIA Course Eligibility

Candidates need to fulfil the following eligibility criteria to be eligible for the programme.

Educational level	Work Experience
Master's degree or equivalent	12 months of internal audit experience or equivalent
Bachelor's degree or equivalent	24 months of internal audit experience or equivalent

Associate degree, three A-level certificates with a grade of C or higher, or equivalent	60 months of internal audit experience or equivalent

CIA Course Required Skillset

The purpose of CIA exam is to identify candidates who meet the competencies in current internal audit practice. Therefore, candidates must have the following skill sets.

Skills Required for CIA Course	
Critical thinking	Analytical ability
Verbal communication	Research oriented

The fee structure is different for different levels. At the time of registration for the course, candidates need to pay INR 5928.56. The fee structure for all the levels is given in the table below.

Programmes	Fee Structure (in INR)
Application fee	INR 5928.56
CIA P1	INR 14407.77
CIA P2	INR 11926.05
CIA P3	INR 11926.05

CIA Course Syllabus

CIA syllabus is different for each part of the exam. The syllabus serves as a guide to help candidates identify the content based on which they will be tested in the exam. The CIA syllabus for each part is given below.

Part	CIA Syllabus
Part I	• Foundations of Internal Auditing • Independence and Objectivity • Proficiency and Due Professional Care • Quality Assurance and Improvement Program • Fraud Risks
Part II	• Managing the Internal Audit Activity • Planning the Engagement • Performing the Engagement

	• **Communicating Engagement Results and Monitoring Progress**
Part III	• **Business Acumen** • **Information Security** • **Information Technology** • **Financial Management**

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 onetests 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 testcandidates' knowledge, skills, and abilities particularly as they relate to these core businessconcepts.

I. **Mandatory Guidance (35-45%)**
   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**
      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. **Internal Control / Risk (25-35%) – Awareness Level (A)**
   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**

E. **Risk Vocabulary and Concepts**

F. **Fraud Risk Awareness**

       1. **Types of fraud**

       2. **Fraud red flags**

III. Conducting Internal Audit Engagements – Audit Tools and Techniques (25-35%)

    A. Data Gathering (Collect and analyze data on proposed engagements):

        1. Review previous audit reports and other relevant documentation as part of a preliminary survey of the engagement area

        2. Develop checklists/internal control questionnaires as part of a preliminary survey of the engagement area

        3. Conduct interviews as part of a preliminary survey of the engagement area

        4. Use observation to gather data

        5. Conduct engagement to assure identification of key risks and controls

        6. Sampling (non-statistical [judgmental] sampling method, statistical sampling, discovery sampling, and statistical analyses techniques)

    B. Data Analysis and Interpretation:

        1. Use computerized audit tools and techniques (e.g., data mining and extraction, continuous monitoring, automated work papers, embedded audit modules)

        2. Conduct spreadsheet analysis

        3. Use analytical review techniques (e.g., ratio estimation, variance analysis, budget vs. actual, trend analysis, other reasonableness tests)

        4. Conduct benchmarking

        5. Draw conclusions

    C. Data Reporting

        1. Report test results to auditor in charge

        2. Develop preliminary conclusions regarding controls

    D. Documentation / Work Papers

        1. Develop work papers

    E. Process Mapping, Including Flowcharting

    F. Evaluate Relevance, Sufficiency, and Competence of Evidence

        1. Identify potential sources of evidence

CIA Exam Syllabus, Part 2 – Internal Audit Practice

- I. **Managing the Internal Audit Function (40-50%)**
- 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
  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
  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.6 **Privacy audit engagements**

                    a.7 **Performance audit engagements (key performance indicators)**

                    a.8 **Operational audit engagements (efficiency and effectiveness)**

                    a.9 **Financial audit engagements**

              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**

II. Managing Individual Engagements (40-50%)

    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**

        7. **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**

III. Fraud Risks and Controls (5-15%)

    A.   **Consider the potential for fraud risks and identify common types of fraud**

associated with the engagement area during the engagement planning process

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**

G. **Interrogation/investigative techniques** – *Awareness Level (A)*

H.   **Forensic auditing** – *Awareness Level (A)*

CIA Exam Syllabus, Part 3 – Internal Audit Knowledge Elements

I.Governance / Business Ethics (5-15%)

    A. **Corporate/Organizational Governance Principles – Proficiency Level (P)**

    B. **Environmental and Social Safeguards**

    C. **Corporate Social Responsibility**

    II. **Risk Management (10-20%)- Proficiency Level (P)**

    A. **Risk Management Techniques**

    B. **Organizational Use of Risk Frameworks (e.g. COSO and ISO 31000 Risk Management)**

III. Organizational Structure/Business Processes and Risks (15-25%)

    A. **Risk/Control Implications of Different Organizational Structures**

    B. **Structure (e.g., centralized/decentralized)**

    C. **Typical Schemes in Various Business Cycles (e.g., procurement, sales, knowledge, supply-chain management)**

    D. **Business Process Analysis (e.g., workflow analysis and bottleneck management, theory of constraints)**

    E. **Inventory Management Techniques and Concepts**

    F. **Electronic Funds Transfer (EFT)/Electronic Data Interchange (EDI)/E-commerce**

    G. **Business Development Life Cycles**

    H. **The International Organization for Standardization (ISO) Framework**

    I. **Outsourcing Business Processes**

IV. Communication (5-10%)

    A. **Communication (e.g., the process, organizational dynamics, impact of computerization)**

    B. **Stakeholder Relationships**

V. Management / Leadership Principles (10-20%)

    A. **Strategic Management**

        1. Global analytical techniques

            a. Structural analysis of industries

            b. Competitive strategies (e.g., Porter's model)

            c. Competitive analysis

            d. Market signals

            e. Industry evolution

        2. Industry environments

            a. Competitive strategies related to:

                1. Fragmented industries

                2. Emerging industries

                3. Declining industries

            b. Competition in global industries

                1. Sources/impediments

                2. Evolution of global markets

                3. Strategic alternatives

                4. Trends affecting competition

        3. Strategic decisions

            a. Analysis of integration strategies

            b. Capacity expansion

        c. **Entry into new businesses**

    4. **Forecasting**

    5. **Quality management (e.g., TQM, Six Sigma)**

    6. **Decision analysis**

B. **Organizational Behavior**

    1. **Organizational theory (structures and configurations)**

    2. **Organizational behavior (e.g., motivation, impact of job design, rewards, schedules)**

    3. **Group dynamics (e.g., traits, development stages, organizational politics, effectiveness)**

        4. **Knowledge of human resource processes (e.g., individual performance management, supervision, personnel sourcing/staffing, staff development)**

        5. **Risk/control implications of different leadership styles**

        6. **Performance (productivity, effectiveness, etc.)**

   C. **Management Skills/Leadership Styles**

        1. **Lead, inspire, mentor, and guide people, building organizational commitment and entrepreneurial orientation**

        2. **Create group synergy in pursuing collective goals**

        3. **Team-building and assessing team performance**

   D. **Conflict Management**

        1. **Conflict resolution (e.g., competitive, cooperative, and compromise)**

        2. **Negotiation skills**

        3. **Conflict management**

        4. **Added-value negotiating**

   E. **Project Management / Change Management**

        1. **Change management**

        2. **Project management techniques**

VI. **IT / Business Continuity (15-25%)**

   A. **Security**

        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**

        2. **Change control (Proficiency Level)**

        3. **Systems development methodology (Proficiency Level)**

        4. **Application development (Proficiency Level)**

        5. **Information systems development**

   C. **System Infrastructure**

        1. **Workstations**

        2. **Databases**

        3. **IT control frameworks (e.g., eSAC, COBIT)**

        4. **Functional areas of IT operations (e.g., data center operations)**

        5. **Enterprise-wide resource planning (ERP) software (e.g., SAP R/3)**

        6. **Data, voice, and network communications/connections (e.g., LAN, VAN, and WAN)**

        7. **Server**

        8. **Software licensing**

        9. **Mainframe**

        10. **Operating systems**

        11. **Web infrastructure**

   D. **Business Continuity**

        1. **IT contingency planning**

VII. **Financial Management (10-20%)**

   A. **Financial Accounting and Finance**

        1. **Basic concepts and underlying principles of financial accounting (e.g.,**

statements, terminology, relationships)

2. **Intermediate concepts of financial accounting (e.g., bonds, leases, pensions, intangible assets, RandD)**

3. **Advanced concepts of financial accounting (e.g., consolidation, partnerships, foreign currency transactions)**

4. **Financial statement analysis (e.g., ratios)**
5. **Types of debt and equity**
6. **Financial instruments (e.g., derivatives)**
7. **Cash management (e.g., treasury functions)**
8. **Valuation models**
9. **Business valuation**
10. **Inventory valuation**
11. **Capital budgeting (e.g., cost of capital evaluation)**
12. **Taxation schemes (e.g., tax shelters, VAT)**

B. **Managerial Accounting**

1. **General concepts**
2. **Costing systems (e.g., activity-based, standard)**
3. **Cost concepts (e.g., absorption, variable, fixed)**
4. **Relevant cost**
5. **Cost-volume-profit analysis**
6. **Transfer pricing**
7. **Responsibility accounting**
8. **Operating budget**

VIII. **Global Business Environment (0-10%)**

A. **Economic / Financial Environments**

1. **Global, multinational, international, and multi-local compared and contrasted**
2. **Requirements for entering the global marketplace**
3. **Creating organizational adaptability**
4. **Managing training and development**

B. **Cultural / Political Environments**

1. **Balancing global requirements and local imperatives**
2. **Global mindsets (personal characteristics/competencies)**
3. **Sources and methods for managing complexities and contradictions.**
4. **Managing multicultural teams**

C. **Legal and Economics — General Concepts (e.g., contracts)**

D. **Impact of Government Legislation and Regulation on Business (e.g., trade legislation)**

BUILD YOUR CAREER

BE WISE

BE RICH

THANK YOU

CIIF