

**Certified Internal Auditor® (CIA®) Examination**  
**Expanded Test Specifications**  
**Part 1 - Internal Audit Fundamentals**

**Section A: Foundations of Internal Auditing (35%)**

1. Describe the Purpose of Internal Auditing according to the Global Internal Audit Standards  
*May include but is not limited to:*
  - a. Explain the overall objectives and benefits of the internal audit function
  - b. Describe the conditions that contribute to the effectiveness of the internal audit function
2. Explain the internal audit mandate and responsibilities of the board and chief audit executive  
*May include but is not limited to:*
  - a. Describe the authority, role, and responsibilities of the internal audit function
  - b. Explain the role of the chief audit executive in helping the board establish or update the internal audit mandate
  - c. Explain the role of the board and senior management in determining the authority, role, and responsibilities of the internal audit function
3. Recognize the requirements of an internal audit charter  
*May include but is not limited to:*
  - a. Identify components required by the Global Internal Audit Standards
  - b. Recognize the importance of discussing the charter with the board and senior management
  - c. Recognize the importance of board approval
4. Interpret the differences between assurance services and advisory services provided by the internal audit function  
*May include but is not limited to:*
  - a. Define assurance services
  - b. Differentiate between limited and reasonable assurance
  - c. Define advisory services
  - d. Describe how the nature and scope of advisory services are determined
  - e. Determine which type of service (assurance or advisory) is appropriate in a given context



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5. Describe the types of assurance services performed by the internal audit function

*May include but is not limited to:*

- a. Describe risk and control assessments
- b. Describe third-party and contract compliance audits
- c. Describe IT security and privacy audits
- d. Describe performance and quality audits
- e. Describe operational, financial, and regulatory compliance audits
- f. Describe audits of organizational culture
- g. Describe audits of the management reporting process

6. Describe the types of advisory services performed by the internal audit function

*May include but is not limited to:*

- a. Describe the internal auditor's role in providing risk and control training
- b. Describe the internal auditor's role in system design and development
- c. Describe the internal auditor's role in due diligence services
- d. Describe the internal auditor's role in maintaining data privacy
- e. Describe the internal auditor's role in benchmarking
- f. Describe the internal auditor's role in internal control assessments
- g. Describe the internal auditor's role in process mapping

7. Identify situations where the independence of the internal audit function may be impaired

*May include but is not limited to:*

- a. Identify situations where the chief audit executive's functional reporting line is not appropriate
- b. Describe the board's responsibility for protecting internal audit independence
- c. Describe the chief audit executive's responsibility for protecting and maintaining internal audit independence, including communicating to the board when an impairment or perceived impairment is identified
- d. Identify situations where budget limitations may restrict internal audit operations
- e. Describe the effects of scope limitations or restricted access

8. Recognize the internal audit function's role in the organization's risk management process

*May include but is not limited to:*

- a. Describe The IIA's Three Lines Model
- b. Identify first and second line responsibilities that could impair the independence of the internal audit function
- c. Describe safeguards to implement when internal auditors conduct or are perceived to be conducting first or second line responsibilities



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### Section B: Ethics and Professionalism (20%)

1. Demonstrate integrity

*May include but is not limited to:*

- a. Describe how to apply honesty and professional courage when confronted with ethical dilemmas or difficult situations
- b. Describe how to practice legal and professional behavior in all situations

2. Assess whether an individual internal auditor has any impairments to objectivity

*May include but is not limited to:*

- a. Evaluate the impact of self-review and familiarity bias on engagements
- b. Analyze situations where conflicts of interest may arise

3. Analyze policies that promote objectivity and potential options to mitigate impairments

*May include but is not limited to:*

- a. Assess situations where reassigning internal auditors may be warranted
- b. Assess situations where it would be appropriate to outsource the performance or supervision of an engagement
- c. Determine when it is necessary to disclose impairments
- d. Recognize situations where it is inappropriate to accept a gift, reward, or favor

4. Apply the knowledge, skills, and competencies required (whether developed or procured) to fulfill the responsibilities of the internal audit function

*May include but is not limited to:*

- a. Apply written and verbal communication skills to deliver effective messages, reports, meetings, and presentations
- b. Apply critical thinking and problem-solving skills to address complex issues and identify innovative solutions
- c. Apply research skills to collect information from a variety of resources and expand knowledge on various topics
- d. Apply persuasion and negotiation skills to manage conflicts and collaborate effectively with teammates and stakeholders
- e. Apply relationship-building skills to establish trust and credibility
- f. Apply change management skills to thrive in evolving environments
- g. Demonstrate curiosity to uncover new information and foster continuous learning
- h. Evaluate situations that demonstrate a need for an internal auditor to pursue continuing professional development



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5. Demonstrate due professional care

*May include but is not limited to:*

- a. Recognize that due professional care involves assessment of the organization's strategy and objectives
- b. Recognize that due professional care involves assessment of the adequacy and effectiveness of governance, risk management, and control processes
- c. Recognize that due professional care involves assessment of the costs relative to potential benefits of an engagement
- d. Recognize that due professional care involves assessment of the probability of significant errors, fraud, noncompliance, and other risks
- e. Recognize that professional skepticism involves maintaining an unbiased mental attitude and critical assessment of the reliability of information

6. Maintain confidentiality and use information appropriately during engagements

*May include but is not limited to:*

- a. Apply relevant organizational policies, procedures, laws, and regulations
- b. Apply internal audit methodologies
- c. Demonstrate respect for privacy and ownership of information
- d. Apply appropriate methods to protect information

### Section C: Governance, Risk Management, and Control (30%)

1. Describe the concept of organizational governance

*May include but is not limited to:*

- a. Describe the roles of the board, senior management, the internal audit function, and other assurance providers
- b. Recognize governance frameworks, principles, and models

2. Recognize the impact of organizational culture on the overall control environment and individual engagement risks and controls

*May include but is not limited to:*

- a. Define organizational culture and the control environment
- b. Define engagement risks and controls
- c. Recognize the impact of the organization's decision-making processes on the organization's governance, risk management, and control processes



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<p>3. Recognize ethical and compliance-related issues <i>May include but is not limited to:</i></p> <ul style="list-style-type: none"><li>a. Identify ethical, legal, and compliance requirements applicable to an organization</li><li>b. Recognize the internal auditor's role in an organization's ethical framework</li></ul>
<p>4. Interpret fundamental concepts of risk type <i>May include but is not limited to:</i></p> <ul style="list-style-type: none"><li>a. Differentiate between the following types of risk: strategic, operational, financial, compliance, reputational, and environmental, sustainability and social responsibility</li><li>b. Compare and contrast inherent and residual risks</li></ul>
<p>5. Interpret fundamental concepts of the risk management process <i>May include but is not limited to:</i></p> <ul style="list-style-type: none"><li>a. Define risk management</li><li>b. Recognize an organization's risk appetite and risk tolerance</li><li>c. Assess the elements of the risk management cycle</li><li>d. Evaluate an organization's responses to identified risks</li></ul>
<p>6. Describe risk management within organizational processes and functions <i>May include but is not limited to:</i></p> <ul style="list-style-type: none"><li>a. Evaluate the design and effectiveness of risk management processes</li><li>b. Describe the purpose and benefit of using a risk management framework</li></ul>
<p>7. Interpret internal control concepts and types of controls <i>May include but is not limited to:</i></p> <ul style="list-style-type: none"><li>a. Describe the purpose of internal controls</li><li>b. Describe and evaluate types of internal controls, such as preventive, detective, and corrective</li><li>c. Recommend appropriate controls to mitigate risks</li></ul>
<p>8. Recognize the importance of the design, effectiveness, and efficiency of internal controls (financial and nonfinancial) <i>May include but is not limited to:</i></p> <ul style="list-style-type: none"><li>a. Review the design and effectiveness of internal controls</li><li>b. Describe the purpose and benefit of using an internal control framework.</li></ul>





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**Section D: Fraud Risks (15%)**

1. Describe concepts of fraud risks and types of fraud  
*May include but is not limited to:*
  - a. Describe the fraud triangle concepts: motivation, opportunity, and rationalization
  - b. Recognize fraud risks
  - c. Identify common fraud schemes
2. Determine whether fraud risks require special consideration during an engagement  
*May include but is not limited to:*
  - a. Recognize fraud risks when planning an engagement
  - b. Assess processes that may have significant exposure to fraud risk
3. Evaluate the potential for fraud and how the organization detects and manages fraud risks  
*May include but is not limited to:*
  - a. Evaluate an organization's fraud risk management processes
  - b. Detect and assess red flags at the organizational level and process level
  - c. Recognize the internal auditor's role in reporting red flags identified during an engagement
4. Describe controls to prevent and detect fraud  
*May include but is not limited to:*
  - a. Recognize the impact that tone at the top has on the likelihood of fraud
  - b. Recognize the appropriate application of segregation of duties
  - c. Recognize how authority levels may prevent fraud
  - d. Recognize common controls to detect fraud such as whistleblower hotlines, reconciliations, and supervisory reviews
5. Recognize techniques and the internal audit function's role related to fraud investigation  
*May include but is not limited to:*
  - a. Define the internal audit function's role related to fraud investigations
  - b. Describe interviewing techniques
  - c. Describe investigation techniques
  - d. Describe fraud testing methods
  - e. Recognize opportunities for internal auditors to coordinate with fraud investigators and review their risk assessments, prior investigations, investigation trends, and whistleblower complaints

