IKAF CIA-P3 Practice of Internal Auditing Syllabus and Study Guide

CIA Certified Internal Auditor in Private and Public Sector Qualification
(Based on IIA Certifications)

This syllabus and study guide is designed to assist in teaching and learning, also is intended to provide detailed information on the qualification, module and study guide.

Qualification Structure

It explains the content of Certified Internal Auditor Qualification level, which also includes the Practice of Internal Auditing Module. Explains the connection of this module to other levels and modules of qualification; modules included at the specified level as well as membership criteria; as well as the characteristics of lectures that are held during the certification period. Modules and Qualifications are also presented through diagrams.

Module

It explains briefly the reasoning of the module's importance, the general and detailed objectives of the module and, also shows in the widest sense the skills that will be developed during the study of the module. The relation of the module to the other modules is presented through a diagram representing the links between them; in order to be as clear as possible for the reader. Also, topics that belong to the module are described; also, how the module's topics and subthemes are planned. Moreover, the form of examination and evaluation is explained in detail, what the exam will consider and why. In the end, the module's content is attached.

Syllabus Structure

It explains the syllabus content of the module Practice of Internal Auditing, part of the Certified Internal Auditor Qualification Level. This module contains the main reasoning, aim, and capabilities expected to get learned during the course of the study. In addition, the syllabus includes the topics of the modules, the structure of the examination after the successful completion of the module as well as reading and scheduling the time.

Study Guide

This is the main document that students, education and content providers should use as the basis of their studies, instruction and materials. Examinations will be based on the detail of the study guide which comprehensively identifies what could be assessed in any examination session. The study guide is a precise reflection and breakdown of the syllabus. It is divided into sections based on the main capabilities identified in the syllabus. These sections are divided into subject areas which relate to the sub-capabilities included in the detailed syllabus. Subject areas are broken down into sub-headings which describe the detailed outcomes that could be assessed in examinations

QUALIFICATION STRUCTURE

CIA Certified Internal Auditor in Private and Public Sector Qualification
(Based on IIA Certifications)

Unlike any other available qualification a Certified Internal Auditor is committed to serving in the public interest and to all those who rely upon the assurance that internal auditors provides. Certification at the Internal Auditor level is the best way to become a professional, fully qualified internal auditor able to make a significant contribution to the success of an organization at the highest possible level by being a trusted team advisor with a senior team in the company. The title as Internal Auditor receives those who have completed our professional qualifications and who have demonstrated the influence and leadership in their role as an internal auditor.

IKAF Certification is the primary professional qualification for practicing the profession of internal auditor in various sectors, carrying out activities such as: risk management, control and governance, strongly rooted in the contextual practice in which internal audit operates. Unlike any other available qualification, it is specifically designed to meet the needs of internal audit and is a benchmark for the profession, based on internationally accepted standards.

Certified Internal Auditors Candidates should demonstrate knowledge of Practice of Internal Auditing Module.
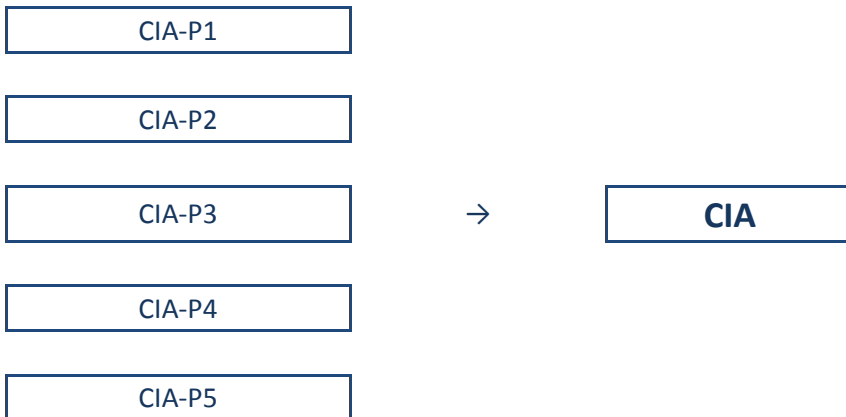
CIA-P1

CIA-P2

CIA-P3	→	**CIA**

CIA-P4

CIA-P5

Diagram.1: Certified Internal Auditor Qualification relations with other modules and certified qualifications

Modules

CIA Certified Internal Auditor Qualification Level consists of five modules and is mandatory to pass all five in order to obtain the title:

- Internal Audit Enviornment
- Financial Management
- **Practice of Internal Auditing**
- Audit of System Informations
- Corporate Governance

Diagram.2: *CIA Certified Internal Auditor Qualification Level* Modules

Qualification and Membership Criteria: Certified Internal Auditor

- University Degree;
- Proof for at least three (3) years of verified work experience in accounting - which can be acquired during or after the training;
- Have attended and passed five (5) certification exams for this purpose (Exam is passed if 50% of test points are reached) ;
- A person who has been certified in this qualification by IKAF and continues to have a regular membership status of the IKAF has the right to use the title "Certified Accountant" by fulfilling all of the above criteria;
- Regular members of the IKAF to use the title "Certified Accountant" are required to attend Continuing Professional Development (CPD) as defined in the IKAF Regulation.

Training Features:

- A comprehensive review of modules and during the training, participants will be provided with case studies, exercises similar to those given in the IIA exams, and mock exam.
- Trainers are holding professional qualifications, and well experience in their field
- IIA's materials shall be used in the training
- Upon completion of this course, participants will be able to take the exams of modules at IKAF center.

SYLLABUS STRUCTURE

Rationale

This is a narrative explaining how the syllabus is structured and how the main capabilities are linked. The rationale also explains in further detail what the examination intends to assess and why.

Relational diagram linking modules

This diagram shows direct and indirect links between this exam and other exams preceding or following it. It indicates where you are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall Aim

This explains briefly the overall objective of the syllabus and indicates in the broadest sense the capabilities to be developed within the exam.

Main Capabilities

The aim of the syllabus is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Topics

Certain topics that module contains and that will be treated during tuitions.

Examining Structure

This section briefly explains the structure of the examination and how it is assessed.

Annex: Detailed Syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

MODULE

This syllabus and study guide is designed to help with study planning and to provide detailed information on what could be assessed in any examination session.

Rationale

Internal Audit Practice module is divided into several chapters and each chapter consists of subjects of particular learning areas

> **Practice of Internal Auditing**

Diagram.1: Module

The first part of the Internal Audit Practice module announces the mandatory aspects and guidelines of the International Professional Practice Framework (IPPF), internal control and risk concepts, and the means and techniques for carrying out internal audit engagements.

This section consists of three sections such as Mandatory Guidelines, Internal and Risk Control, Commitment of Internal Audit Audit Tools and Techniques.

In addition, the IAB program provides depth instructions in which you need to know the topics. There are two levels: Ability: Candidates should demonstrate skills (full comprehension and ability to apply concepts). Awareness (conscience): Candidates should show conscience (knowledge of terminology and basics).

Aim

Provide mandatory guidance over the International Framework of Professional Practices, internal control and risk concepts. In detail:

Main capabilities

- Understanding and applying concepts as well as tools and techniques for conducting internal audit engagements
- Awareness on terminology and basics
- Definition of Internal Audit, Fundamental Purpose, Nature and Fieldwork
- Principles and expectations of behavior of individuals and organizations in conducting internal audits
- Principles and providing a framework for conducting and promoting internal audit

Topics

Major topics of Practice of Internal Auditing Module that will be covered during the training:

- Mandatory Guidance
- IAB Code of Ethics
- International Standards
- Types of Controls
- Management Control Technics
- Internal Control Framework Characteristics & Use
- Alternative Control Frameworks
- Risk Vocabulary and Concepts
- Documentation and Working papers
- Process Mapping, Including Flowcharting
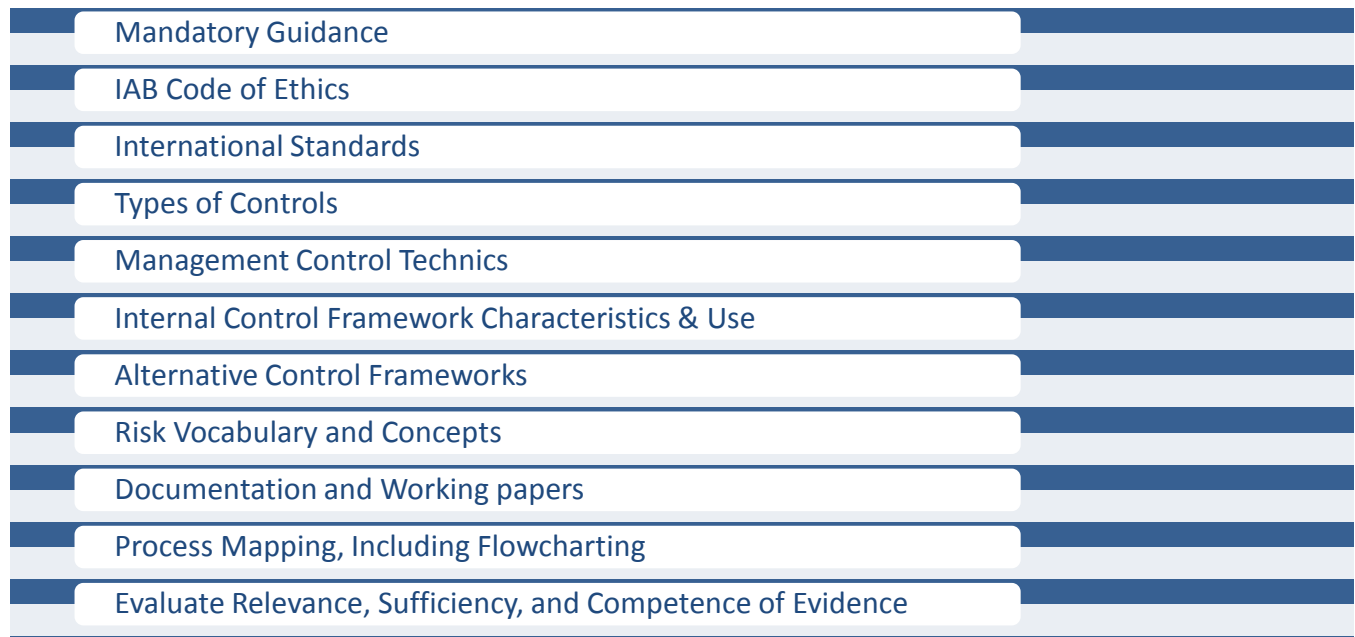- Evaluate Relevance, Sufficiency, and Competence of Evidence

Diagram.2: Topics of Practice of Internal Auditing Module that will be covered during the training

Examination Structure

The syllabus is assessed by a two-hour examination available in paper-based format. * All questions are compulsory. Some questions will adopt a scenario/case study approach. Candidates are provided with a formulae sheet.

Reading and Time Planning

For paper-based exams 15 minutes are added to the two hours to reflect the manual effort required. The total exam time is therefore two hours and 15 minutes. Prior to the start of the exam candidates are given an extra 10 minutes to read the exam instructions.

The pass mark for all IKAF Qualification examinations is 50%.

Annex: Detailed Syllabus

Detailed Syllabus

Introduction to the Exam

Part I - Mandatory Guidelines - Introduction

- Mandatory Guidelines
- Introduction to Standards
- Types of Standards
- Powerfully recommended instructions

A. Definition of Internal Audit

- Purpose, Authority, and Responsibility of Internal Audit Activity
- Internal Audit Statute
- The organizational status of the Internal Audit Activity
- Counseling services

B. IAB Code of Ethics

- IAB Code of Ethics

C. International Standards

C1. In accordance with the IAB Attribute Standards

C2. Maintaining Independence and Objectivity

- Independence and Objectivity
- Encouraging Independence
- Direct interaction with the Board
- Promote Objectivity

3-4. Expertise and Necessary Skills

Standards 1210: Expertise

C5. Exercising Proper Professional Care

- Standard 1220: Professional Proper Care

C6. Promotion of Continuous Professional Development

C7. Quality Assurance and Improvement Program

- 1. Internal Assessments (Standard 1311)
- 2. External Assessments (Standard 1312)
- Standard 1320: Reporting on Quality Assurance and Improvement Program
- Standard 1322: Disclosure of Discrepancy
- Section II - Internal Control & Risk - Introduction

A. Types of Controls (eg, Preventive, Detective, Input, Output, etc.)

- Definition of Control
- Classification of Controls
- Timelines of Controls
- Creating a control process
- Internal Control Restrictions

B. Management Control Techniques

- Control System Monitoring
- Controls in Accounting Cycles
- Cycle of Income
- Buying-Payable Cycle
- Cycle of Payments
- Monetary Asset Cycle
- Cycle for Disbursement of Cash

C. Characteristics & Usage of the Internal Control Framework

- COSO models

D. Alternative Control Frameworks

- CoCo models
- Model Cadbury (Turnbull's Predecessor)
- Turnbull reports

E. Concepts and Risk Dictionary

- Terminology of Risk
- Risk Management Process
- Operational Risk Management
- Financial Risk Management
- Impairment of Risk Awareness within an Organization Framework

F. Evidence of the Risk of Fraud

- Types of Fraud
- Necessary Conditions to Conduct Fraud
- Management Fraud
- Responsibility for Fraud Detection
- Conducting a Fraud Investigation

Section III - Carrying out Internal Audit Commitments - Introduction

A. Data collection

A1. Initial Survey

A2. Checklists and Questionnaires

A3. interviewing

A4. observation

A5. Conduct Engagement to Identify Key Hazards and Controls

- Types of Risk Exposure
- Risk and Impact Impact Assessment
- Risk Mapping based on Influence and Impact (Impact)
- Response to Risks

A6. Sampling

- Uses of taking monsters

- Sampling Risk
- Choice of Population Accurate
- Determination of Sample Size
- Obtaining Sample Attributes
- Obtaining Statistical Samples
- Dealing with Sample Mistakes
- Sampling Techniques
- Extraction of Variable Population Outcome in Population
- Proportional-Proportional-Size Probability (PPM) Sampling

B. Analysis and Interpretation of Data

B1. Computerized Audit Tools and Techniques

- Extracting Data
- Testing the Computer System
- Computer Assisted Audit Techniques (TAAK)
- Other TAAK methods

B2. Spreadsheet Analysis

- Using the Spreadsheet

Spreadsheet Risk

B3. Analytical Review Techniques

- Identifying Cause of Problem

1. Budget Comparisons (Variance Analysis)

- Variances of Direct Materials

2. Trend and Regression Analysis

3. Analysis Based on Financial Reports

B4. Benchmarking

- Benchmarking / Comparison Process
- Types of Benchmarking

- Benchmarking constraints

B5. Drawing conclusions

- Results of engagement
- Criteria for Observations and Recommendations

C. Reporting of Data

C1. Reporting the Test Results for the Responsible Auditor

C2. Develop Preliminary Conclusions Concerning Control

D. Documentation and Documents of Work

- Function of Document Documents
- Content of Work Documents
- Computer or Electronic Work Documents
- Types of Docs of Work Documents

- Summaries of Work Documents
- Control of Work Documents
- Retention of Work Documents

E. Mapping Process, Including Diagrams

- Diagrams
- Flowchart Diagram
- Narratives

F. Assessment of Significance, Sufficiency, and Competence of Evidence

- Reliability Hierarchy and Audit Evidence Compliance

Annex A: Dictionary

Annex B: Sample Statute of Internal Audit Activity

Annex C: Councils on Practices for Quality Assurance and Improvement Program