

PART 1

Internal Audit Fundamentals

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- Global Practice Guides
- Global Technology Audit Guides (GTAG)
- Research Committee Reports, and
- Model Internal Audit Charter

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INTRODUCTION TO THE CIA EXAM

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All Section

- Read this introduction about the CIA exam.
- Make sure to read the exam section a couple of days before your exam.

IMPORTANT NOTE

Dear Valued Candidate,

Please check our website regularly for downloads of any new supplemental updates to this material, or for other information provided to assist you in the preparation for your CIA examination. While every effort was made to ensure accuracy and minimize any errors in this 13th edition of the PRC CIA Review, errors are an integral part of the publishing process. We continuously seek and value your feedback on how we can improve this material.

It is also critical to emphasize that this review material was prepared in accordance with the IIA's disclosed Exam Outline Content, but due to the nature of the exam and the topics covered, exam candidates are expected to apply reasoning and logic to a wide array of potential scenarios that may not be fully covered in review materials. Moreover, when considering the body of knowledge for the CIA exam, it is sometimes challenging to separate the content across the three parts. Where necessary, we have included relevant material in Part 1 from other parts of the exam that would typically be further explained or repeated in Parts 2 and 3, but there is always the possibility that some questions tested on Part 1 require knowledge and/or competencies discussed in other Parts.

This material was prepared for the average candidate. Depending on your background, you may require the use of additional background reference material. If you are not from an auditing background or general business background, we recommend that you prepare for all three parts before attempting to write the exam for any individual part.

All information pertaining to the CIA examination was valid as of the time of printing this material. For more up to date information, log on to our website at

www.powersresources.com

Sincerely,

PRC Development Team

1. Introduction

To become a Certified Internal Auditor (CIA), candidates are required to sit for and pass all three parts of the exam. The exam is administered by The Institute of Internal Auditors – IIA™. CIA exams are offered through computer-based testing (CBT) or online testing (available in specific regions). This means that you will be able to take your exam in any one of more than 400 available testing centers around the world, at a time that is convenient for you.

The objective of the exam is to measure the candidate's understanding of management principles and the ability to practice internal auditing professionally.

The exam consists of three parts multiple choice questions as follows:

1. Internal Audit Fundamentals	125 Questions	150 Minutes (2.5 Hours)
2. Internal Audit Engagement	100 Questions	120 Minutes (2 Hours)
3. Internal Audit Function	100 Questions	120 Minutes (2 Hours)

2. Admission to the CIA Program

To be eligible to sit for the CIA exam, candidates must meet **ONE** of the following requirements:

- Hold a bachelor's degree or higher, or
- Hold an active Internal Audit Practitioner designation, or
- Possess five years of internal audit experience, or
- Be an active student in your final year of college, or *
- Be an active student with an approved Internal Audit Education Partnership (IAEP) school.*

*You are able to take the CIA exams, however, your certification will not be awarded until your degree is completed and all program requirements met.

3. Certification requirements

To receive the CIA certification, candidates must fulfill ALL of the following requirements:

- A. Pass the CIA exams within the program eligibility period.
- B. Work experience. Candidates may sit for the exam before obtaining the required experience. However, they will not receive their certificate until they fulfill all requirements. Required experience is different based on the level of education you have obtained and verified.

Education	Required experience
Master's degree	1 year of internal audit experience or its equivalent.
Bachelor's degree	2 years of internal audit experience or its equivalent.
Internal Audit Practitioner designation holder	5 years of internal audit experience

- C. Confidentiality. The CIA exam is a nondisclosed exam. Candidates must not share the exam content with anyone except the IIA's global certification department.
- D. Standards of Ethics and Professionalism. CIA candidates agree to abide by the Standards of Ethics and Professionalism established by the IIA.

4. Objective and Content of the CIA Exam

The CIA exam is designed to measure the candidates' basic technical competence and their application to such knowledge as well as their understanding of their professional responsibilities and their exercising of good judgment. The CIA exam tests nearly all management skills of the candidates and their ability to clearly and concisely communicate conclusions.

Content and % of Concentration:

1. **Part 1 – Internal Audit Fundamentals**
 - Section A: Foundations of Internal Auditing (35%)
 - Section B: Ethics and Professionalism (20%)
 - Section C: Governance, Risk Management, and Control (30%)
 - Section D: Fraud Risks (15%)
2. **Part 2 – Internal Audit Engagement**
 - Section A: Engagement Planning (50%)
 - Section B: Information Gathering, Analysis, and Evaluation (40%)
 - Section C: Engagement Supervision and Communication (10%)
3. **Part 3 – Internal Audit Function**
 - Section A: Internal Audit Operations (25%)
 - Section B: Internal Audit Plan (15%)
 - Section C: Quality of the Internal Audit Function (15%)
 - Section D: Engagement Results and Monitoring (45%)

The Board of Regents periodically changes the Exam Topics Outlines and their focus areas to reflect current trends in the profession. However, any changes are announced at least one year before taking effect. **PRC** is committed to continuously update the content of its materials to stay aligned with the latest changes in the exam outline.

5. CIA Application and Exam Registration (IIA CIA Exam Handbook)

IIA exams are offered through computer-based testing (CBT) and online testing (available in specific regions). The IIA has chosen Pearson VUE as its computer-based test administration vendor. Pearson VUE will therefore administer the IIA's exams in a computer-based format at its approved testing centers throughout the world.

The IIA's online Certification Candidate Management System (CCMS) makes it easier for the candidates to register, schedule the certification exams and monitor the certification progress. In addition, the CCMS allows candidates to access their records and exam score reports online.

Before accessing the online Certification Candidate Management System CCMS, make sure to review the Candidate Handbook available on the IIA website on the following link

<https://www.theiaa.org/en/certifications/cia>

DETAILED APPLICATION, REGISTRATION, AND SCHEDULING INSTRUCTIONS are available in the handbook. You are kindly requested to go over them as they are an important guide for the online registration.

6. Items Allowed at the Exam Site

- A non-electronic language translation dictionary.
- An onscreen calculator will be available during the exam.
- You will be offered an erasable note board and pen on which you can take notes during the exam.
- No other items, papers, food or drink are allowed at the examination site.

7. Exam Rules and Regulations

Below are specific restrictive rules that must be adhered to during the examination:

- No reference material, templates, or other aids may be used, except for items mentioned in the previous section.
- The administrator will provide you with a copy of the Candidate Rules Agreement. You must accept terms of this agreement in order to take an exam at Pearson VUE Testing Center.
- The administrator will capture your signature and verify that your signature matches that on your identification (if any).
- Your fingerprint will be captured, and a digital photograph of your face will be made.
- If you must be excused from the room, notify the monitor. You will be required to sign the test center log and show your identification. You must also provide a fingerprint when leaving or re-entering the testing room.
- You may not talk during the examination.
- You may not walk about the room during the examination.
- No other act that appears to violate examination ethics will be permitted.
- You are not to discuss the examination with anyone, including the proctors.
- All items provided by the exam center are to be returned upon completion of each exam.

Breaking any of these rules could result in losing the privilege of sitting for this or a future CIA exam under Article 1 of The Institute of Internal Auditors' Code of Ethics.

8. Non-Disclosed Exam

Due Professional Care implies that internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor under the same or similar circumstances. Internal auditors need to be alert to the following:

- Before you begin the exam, the IIA requires all exam candidates to read and accept the following Non-Disclosure Agreement and General Terms of Use for IIA exams:
- "This exam is confidential and is protected by law. It is made available to you, the examinee, solely for the purpose of becoming certified. You are expressly prohibited from disclosing, publishing, reproducing or transmitting this exam, in whole or in part, in any form or by any means, verbal or written, electronic or mechanical, for any purpose, without the prior written permission of The Institute of Internal Auditors (IIA)"
- If a candidate does not accept the exam non-disclosure agreement, his/her exam session will be terminated.

9. PRC's Passing Tips for Taking the CIA Exam

A. Preparing for the Exam

- Plan your study program.
- Periodically review, reassess, and revise your study program to ensure you stay within the time budget.
- Make sure to read through all the lectures and solve **ALL** multiple-choice questions (MCQs).
- Second attempts on solving the MCQs should focus on questions answered incorrectly in previous attempts.
- Spend more time on topics that you are answering incorrectly.
- It is highly recommended to enroll in one of PRC's live courses, or intensive seminars in your area.

B. Before you Go

- Have a good night's sleep before the exam.
- Arrange for a light breakfast.
- Plan to arrive at the exam site at least half an hour before the exam.
- Remember to have the following items with you:
 - Authorization letter (e-mail).
 - Valid photo identification.

C. During the Exam

- You have 120 minutes (150 minutes for part 1) to answer 100 questions (125 questions for part 1).
- Read the exam instructions carefully.
- Use **PRC's Exam Answering Technique**®:
 - ❖ Go through the questions answering only short and/or questions that you are familiar with. Do not attempt to answer long and/or questions pertaining to topics you are not familiar with or do not like. This step should give you more time on the more difficult questions in addition to building your confidence.
 - ❖ Make a second pass attempting to answer medium length and/or medium difficulty questions.
 - ❖ Repeat the process until you have completed the entire exam.
 - ❖ When you have exhausted all the questions you are able to answer, and there are still unanswered questions, attempt to guess the answers.
 - ❖ Be sure to choose only the appropriate checkbox.
 - ❖ Read the answer choices carefully.
 - ❖ If you do not know the correct answer, select the best possible choice.
 - ❖ Double check that you have answered all questions before submitting your exam.
 - ❖ Maintain your positive attitude before and during the exam; do not panic if you encounter difficulties while studying or while doing the exam.

D. After Each Exam

- Do not discuss the exam with anyone to avoid violating the IIA's exam non-disclosure clause.
- Contact PRC at contact@powersresources.com and let us know how we did and what we need to improve to help future candidates.

GOOD LUCK!