

## ACCA Challenge Exam

### Frequently Asked Questions 5/1/2015

- 1. Who is the IIA?** 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 180,000 members in 190 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, education, and security.
- 2. What is the CIA?** With over 130,000 holders, 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. Is the CIA recognized in the UK and Ireland?** The Chartered Institute of Internal Auditors in the UK and Ireland has just announced that it is converging its qualifications with those of The IIA globally. What this means is that the CIA will henceforth be promoted, supported, and recognized in the UK and Ireland as elsewhere, as the primary certification for all internal auditors. The CMIIA designation will be maintained and available to those who go on to the Qualification in Internal Audit Leadership® (QIAL®), also offered globally by The IIA. Existing holders of the PIIA and CMIIA are to be given the opportunity to accept the CIA as an equivalent designation.
- 4. Why does the IIA want to offer this challenge exam?** 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.
- 5. What are the advantages to the ACCA members to take this challenge exam?** The challenge exam will allow those 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 offers a tremendous opportunity that offers ACCA Members:
  - Ability to demonstrate their insights and capabilities relating to internal auditing as a distinctive area of expertise.
  - 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.
  - Professional recognition, job enhancement, and career progress.
- 6. Who is eligible to take the ACCA challenge exam?** 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:
  - Past Due Balance
  - Delinquent CPD reporting
  - Have a legal flag on their record
- 7. What is the content outline for the challenge exam?** The content outline can be found below:

#### ALL TOPICS TESTED AT PROFICIENCY LEVEL

unless otherwise indicated

<b>I. Mandatory Guidance (40-50%)</b>
<b>A. Definition of Internal Auditing</b>
1. Define purpose, authority, and responsibility of the internal audit activity

<b>B. Code of Ethics</b>
1. Abide by and promote compliance with The IIA Code of Ethics
<b>C. International Standards</b>
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
<b>II. Managing the Internal Audit Function (35-45%)</b>
<b>A. Strategic Role of Internal Audit</b>
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>B. Operational Role of IA</b>
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
<b>C. Establish Risk-Based IA Plan</b>
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
<b>a. Conduct assurance engagements</b>
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>b. Compliance audit engagements</b>
<b>c. Consulting engagements</b>
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
<b>III. Managing Individual Engagements (5-15%)</b>
<b>A. Communicate Engagement Results</b>
1. Approve engagement report

2. Determine distribution of the report
3. Obtain management response to the report
4. Report outcomes to appropriate parties
<b>B. Monitor Engagement Outcomes</b>
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

- 8. How do I prepare for the challenge exam?** As part of the exam bundle, The IIA will provide The IIA's ACCA CIA Challenge Exam Study Guide in a downloadable e-book format that covers only the content that is covered by the challenge exam. This review material will be delivered in an electronic download format within 48 hours of registration for the Challenge Exam to allow for the maximum time to prepare. Review materials will only be available for download in English for the period from 5 days after registration until 30 November 2015.
- 9. Do I have to be a member of my local IIA to take the challenge exam?** 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 in your local IIA or IIA Global as a member-at-large (if there is no local institute in your country of residence). Some local institutes may offer a longer term of membership depending on the local membership year. If you are already a member, there will be a discount on the bundle of \$200 USD.
- 10. How much will the challenge exam cost?** The exam bundle will cost \$1,195 USD non IIA member and \$995 USD if the candidate is already a member of The IIA. The bundle will include the following components:
- CIA exam application fee (normally \$100 USD member/\$200 USD non-member)
  - CIA exam registration fee (normally \$650 USD member/\$950 USD non-member)
  - The IIA's ACCA CIA Challenge Exam Study Guide in downloadable e-book format (normally \$600 USD member/\$500 USD non-member)
  - Membership in the local Institute or IIA Global (if there is no local institute in the candidate's country of residence). Candidates that are already a member of The IIA will receive a discount of \$200 USD on the bundle.
- 11. Can I just pay for the application and exam registration without purchasing the review materials and membership?** No. The challenge exam is only being offered as a bundle. Candidates may choose to take the exam through the normal 3 part process if they wish to only pay for exam application and registration.
- 12. What language will the challenge exam be offered in?** The challenge exam will only be offered in English.
- 13. What if I do not pass the challenge exam? Can I retake it?** No. The challenge exam will only be offered through Computer Based Testing (CBT) during the month of November 2015. Each candidate will be allowed only 1 attempt to pass the exam.
- 14. When can I register for the challenge exam?** Registration for the challenge exam will open on 1 August 2015 and registration will close on 30 September 2015.
- 15. What happens after I submit my application?** Your information will be shared with ACCA to validate that you meet all of the criteria to be eligible to sit for the exam (please refer to FAQ #6 for reasons your application will not be approved). If ACCA does not approve your application you will not be allowed to sit for the examination and no refund will be provided. ACCA will contact you directly with your approval or denial status.
- 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.

- 16. When can I take the challenge exam?** The challenge exam will be offered ONLY during the month of November 2015. Candidates can schedule on any available date and time at their preferred test center during the month of November 2015.
- 17. Where will the challenge exam be offered?** ACCA candidates will be able to take the challenge exam in any PearsonVUE test center which can be found [here](#).
- 18. How do I register to take the challenge exam?** Candidates for the exam will need to create a record in The IIA's Certification Candidate Management System (CCMS). Please note that if you already have a candidate record in CCMS, use that record. DO NOT create a second record. If you need assistance with logging into CCMS please contact our Customer Relations Department at [customerrelations@theiia.org](mailto:customerrelations@theiia.org) or +1-407-937-1111.
- Once you have logged into CCMS click on the COMPLETE A FORM LINK on the left side navigation panel.
  - Under the new FORMS tab look for the form called ACCA Challenge Exam Application form. Click on the form title to open the form. Complete the entire form, and submit with payment.
  - Upon completion you will receive an automated email confirming your form submission. Once your application has been approved (no later than October 31<sup>st</sup>, 2015) you will receive another automated email confirming your application has been approved. This email will provide additional instructions on how to register for your examination.
- 19. What documentation will I need to provide in order to take the ACCA challenge exam? How do I submit the documentation to The IIA?** Once you have submitted your application, you will need to submit supporting documentation to IIA's global certifications department. Supporting documentation related to Character Reference, and photo identification, and your ACCA status will need to be received and approved by The IIA before you can be considered an eligible candidate to sit for the exam.
- Please click [HERE](#) for information on the character reference form.
  - To submit your documentation to The IIA for review, you will need to access the certification document upload portal which is available [HERE](#).
- 20. What happens if I apply for the ACCA Challenge exam and I do not meet the eligibility requirements?** If it is determined during the validation process that you do not meet the eligibility requirements, your application will be denied. NO REFUNDS will be provided for candidates that are determined not to be eligible.
- 21. How will I receive the customized review materials to prepare for the challenge exam?** Within 5 days of program registration, you will receive an email with instructions on how to set up your CIA ACCA Challenge Exam Learning System online account. Once the account is set up, you can download the e-books and begin using the online study tools.
- 22. How will I become a member of the local IIA institute if I am not already a member?** Once you have registered and paid for the program, your information will be shared with the IIA Institute in your country. Your membership will begin 1 January 2016. If you are located in a country where there is currently no IIA Institute you will become a Member-at-Large unless you send us an Institute preference.
- 23. What are the CPE reporting requirements for the CIA if I achieve it through the challenge exam?** The CPE reporting requirements are the same for all CIA's and can be found [here](#).
- 24. When will I have to report CPE's for the first time?** Your first CPE report will be due 31 December 2017.