NOTE: Sections with changes are indicated by a vertical bar in the left margin. Text that should be deleted is displayed with a line through it. New text is shown with blue underlined font.

Preparing for and Taking the CIA Exam

Page 3, Eligibility Period: This update edits the eligibility period information.

Credits for parts passed can be retained as long as the requirements are fulfilled. However, candidates accepted into the certification program before September 1, 2019, must complete the program certification process within 4 years of application approval. Candidates should note that this time period begins with application approval and not when they pass the first part. If a candidate has not completed the certification process within 4 years, all fees and previously passed exam parts will be forfeited.

IMPORTANT UPDATE: Candidates who receive application approval on or after September 1, 2019, will have 3 years to complete the certification process, not 4 years. If a candidate approved into the program on or after September 1, 2019, does not complete the certification process within 3 years, all fees and previously passed exam parts will be forfeited.

Study Unit 2 - Independence, Objectivity, Proficiency, Care, and Quality

Page 47, Subunit 2.3, Item 3.a.: This update expands our coverage of CAE roles.

3. Objectivity Impaired by Assignment of Nonaudit Functions to Internal Audit Personnel
   a. The CAE may be assigned responsibility for one or more functions outside the scope of internal auditing.

Attribute Standard 1112
Chief Audit Executive Roles Beyond Internal Auditing
Where the chief audit executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards must be in place to limit impairments to independence or objectivity.

Interpretation of Standard 1112
The chief audit executive may be asked to take on additional roles and responsibilities outside of internal auditing, such as responsibility for compliance or risk management activities. These roles and responsibilities may impair, or appear to impair, the organizational independence of the internal audit activity or the individual objectivity of the internal auditor. Safeguards are those oversight activities, often undertaken by the board, to address these potential impairments, and may include such activities as periodically evaluating reporting lines and responsibilities and developing alternative processes to obtain assurance related to the areas of additional responsibility.
b. The IIA addresses the frequency of reporting on the QAIP in the following excerpt from the Interpretation of Standard 1320:

To demonstrate conformance with the Code of Ethics and the Standards, the results of external and periodic internal assessments are communicated upon completion of such assessments and the results of ongoing monitoring are communicated at least annually.

c. IG 1320, Reporting on the Quality Assurance and Improvement Program, provides further guidance.

1) The expression of an opinion or conclusion on the results of the external assessment is included in the external assessment report. The report typically includes an assessment for each standard and an overall assessment for each standard series (attribute and performance). These assessments are in addition to the overall conformance results. The following is an example of a rating scale that may be used to show the degree of conformance:

   a) Generally conforms. The top rating means that (1) an internal audit activity has a charter, policies, and processes, and (2) their execution and results conform with the Standards.

   b) Partially conforms. Deficiencies in practice are judged to deviate from the Standards. But they do not preclude the internal audit activity from performing its responsibilities.

   c) Does not conform. Deficiencies in practice are judged to be so significant as to seriously impair, or preclude, the internal audit activity’s ability to perform adequately in all or in significant areas of its responsibilities.

2) During an external assessment, the assessor may provide recommendations to address (a) areas that were not in conformance with the Standards and (b) opportunities for improvement. The CAE may provide management action plans to address recommendations from the external assessment. The CAE also may consider (a) adding the recommendations and management action plans to the internal audit activity’s existing monitoring of progress related to internal audit engagement findings and (b) reporting on resolutions. Verification that recommendations identified during the external assessment have been implemented is communicated to the board either (a) as part of the internal audit activity’s monitoring of progress or (b) by following up separately through the next QAIP internal assessment.