



Dear CIA Part 1 Candidate,

Studying for and passing the CIA Exams is a mission that requires dedication and hard work. From our experience at HOCK with thousands of candidates, we know that planning makes this process much easier. Because the exam is available on an ongoing basis and there is no date by which you need to be prepared, studying can seem endless without a proper plan. We know it is easy to “put things off until tomorrow.”

We believe that you will find studying easier and less time consuming if you have a solid plan that targets passing the Part 1 exam within two months after you begin studying. Set out below is a 7-week plan, studying 8 to 10 hours per week. This is a guide based on the expected amount of study time for a person with some auditing background and who is familiar with the basic exam concepts.

As you go through your schedule, you may find yourself getting ahead or somewhat behind due to changes in your work or personal commitments. This does not matter. Each person should study at his or her own pace and feel comfortable with the study process and time required to prepare for the exams.

While studying, there are sure to be topics that are not clear to you and perhaps some that you find incredibly difficult. When encountering these topics, you can always contact HOCK and we will help you as much as possible. Also, keep in mind that you do not need to have 100% knowledge of 100% of the exam content in order to pass. Sometimes, you will need to decide whether the extra time spent learning a specific concept is worth the extra knowledge gained. When in doubt about what to do, contact us and we will guide you.

I wish you great success in your studies and I look forward to helping you pass the exams.

Sincerely,

A handwritten signature in black ink that reads "Brian J. Hock". The signature is written in a cursive, slightly slanted style.

Brian Hock, CIA, CMA
President and CEO

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The CIA Part 1 exam, **Essentials of Internal Auditing**, covers six main topics:

- 1) Foundations of Internal Auditing (15%)
- 2) Independence and Objectivity (15%)
- 3) Proficiency and Due Professional Care (18%)
- 4) Quality Assurance and Improvement Program (7%)
- 5) Governance, Risk Management, and Control (35%)
- 6) Fraud Risks (10%)

It should take approximately seven weeks to study for Part 1, including five weeks of study and two weeks of review.

Our basic study methodology is the same for each unit:

- 1) Carefully read through the textbook to learn and understand the concepts.
- 2) If you have the videos, watch the corresponding videos for each topic after completing the reading.
- 3) After reading/watching each topic, you should answer **all** of the study questions in ExamSuccess for that topic. At first, it will take you longer than it should for each question, but for the exam you should take no more than a minute and fifteen seconds on each question. Continued practice will improve your test-taking skills and you will get faster as you become more familiar with the process and how questions are asked. We include detailed explanations so you can understand why each answer is right or wrong.
- 4) Develop an 80%+ proficiency level within each Section. Your goal is to improve your knowledge, not just memorization. You should have enough understanding of the subject matter to be able to explain it to someone else.

How to Use the HOCK Textbook

Your textbook is the core of the HOCK study program. You will find a pdf version of the textbook in My Studies, which you may print as you wish. If your purchase included a printed copy of the textbook, you also have online access in My Studies to the same book and to all future updates to it in pdf format.

If an update to the textbook you purchased is published, the revised textbook will be posted in My Studies for you to download.

How to Use the HOCK Flash Cards

The flash cards are available to download in My Studies. How you choose to use the flash cards is entirely up to you. They are not included in the assignments in this Study Plan. The flash cards cannot replace the textbook because they contain abbreviated information from the textbook. However, you might use them, for example, to drill on formulas you need to memorize or to review concepts.

The flash cards can be used on-screen using any PowerPoint-compatible software.

How to Use the HOCK Videos

If your purchase included the videos, you will find links to the videos as well as to the associated audios in My Studies for each exam part you purchased. The audios are the soundtracks from the videos. The videos must be used online because they are supplied as streaming videos, but the audios are in mp3 format and you can download them and listen to them on a computer or mobile device.

The videos and audios are intended for use as a supplement to the textbook. **Not all topics covered on the exam are covered in the videos and audios, so they cannot take the place of reading and studying your textbook.**

The videos/audios should be used following the reading.

How to Use ExamSuccess

ExamSuccess Online, found in My Studies, can be used online from virtually any computer or mobile device that accesses the Internet, without needing to install anything. After completing the reading and the questions in the book for each assigned topic, answer the questions on that topic in ExamSuccess.

Note: It is very important to use ExamSuccess **as you are progressing** through the book. Do not wait until you have read the whole book to start answering questions in ExamSuccess. ExamSuccess gives you an opportunity to put into practice the concepts you have been reading about. Practice is very important for learning, and you should answer the pertinent questions as soon as you complete each block of assigned reading.

Create and complete a Study Session consisting of **all** the questions available on the topic you are studying.

Select the Section, then click on the link "Study Session" under that Section. On the next page, you will see two choices of Study Sessions to create:

- 1) Select your own mix of questions from the topics in Section [*section letter and name*].
- 2) Select questions from Section [*section letter and name*] containing any of the following terms.

The default is no. 1, "Select your own mix of questions from the topics in Section [*section letter and name*]." HOCK recommends the use of the default initially, because that choice enables you to narrow the selection of questions to the single topic that you have been reading and studying.

To request questions from a specific topic or topics, fill in the number of questions you want to see from one (or more) topics. HOCK recommends when you create a Study Session that you request the maximum number of questions available, because that ensures you will see all the questions in the question database for that topic. Scroll down to the "Start Session" button and click it.

You do not need to answer all of the questions in the Study Session at one sitting. You can click "Save" to close a session without grading it. Later, clicking on the Section link will re-open the session so you can work on it some more. You can have only one Study Session per Section saved and in progress at a time.

As you answer each question in a Study Session, you can receive immediate feedback for your answer by clicking the "See Answer" button below the question. If you answered the question correctly, you will see a green checkmark and the answer explanation for the correct answer. If you answered the question incorrectly, you will see a red "x" and answer explanations for both your incorrect answer choice and the correct answer choice.

To close out and grade a Study Session, click the "End Session" button. You will see your score and a review of all the questions in the Study Session along with answer explanations. You can create another Study Session from the same Section and topic after you have ended your current Study Session.

You should review the answer explanations for any questions you answered incorrectly and make sure you understand why your incorrect answers were wrong. Look up any concepts that you do not understand and review the books and/or videos to re-study the weak topics.

Note: When you use the option to select your own mix of questions (the first option), questions are selected and shown in the following order: 1) unseen questions, 2) questions not yet answered correctly, and finally 3) questions answered correctly.

The number of questions answered correctly and the total number of questions in the topic is shown to the right of the topic, for example "12 correct out of 20."

Therefore, after you have answered **all** the questions in a given topic (thus you have seen them all) and have ended the session, you can create a new Study Session from questions not answered correctly by requesting another Study Session on the same topic consisting of the number of questions not answered correctly. Using the example of "12 correct out of 20," a Study Session created consisting of 8 questions will present you with questions you have not yet answered correctly.

Make sure you complete **all** of the questions for each topic before moving on to study the next topic.

As you complete each full Section (A, B, and so forth), a review in ExamSuccess should be part of your overall review of the Section. Review Sessions are available for each Section and for multiple Sections cumulatively.

Final Review

When you have completed your preparation, take several practice exams in ExamSuccess as part of your overall review:

- If you are using ExamSuccess Online, use the CIA Part 1 Practice Exam that you will find at the end of the Section listings on the ExamSuccess Online home page.
- If you are using the HOCK CIA Prep mobile app by Appitur[®], choose Exam on the setup screen.

In both formats, the Exam will consist of 125 multiple-choice questions drawn from the same question database as the Study Sessions are drawn from, and you will be timed for 150 minutes (2.5 hours).¹ The question topics will be in the same proportion as the actual exam questions will be. You may create and complete as many Exams as you wish, and the questions will be different each time, though always selected randomly from the database of questions.²

How to Use the Mock Exams

The mock exams contain new questions not used elsewhere in the study materials and provide a measure for your exam readiness and are a solid last review before taking the real exam.

After you have completed your mock exams, look up and re-study the topics on which you missed questions and then answer those questions again.

¹ If you are using the HOCK CIA Prep App by Appitur[®], you can choose to take a shorter exam with questions drawn from all the Sections.

² If you have the HOCK "You Pass or We Pay" Guarantee, to be eligible you must 1) Watch 95% of the videos, 2) Answer 90% of the MCQs correctly, and 3) Pass one mock exam with a 70% score (first attempt only) or two whole-Part review sessions with an 80% score (multiple attempts allowed). You must use ExamSuccess Online for the question requirements.

Unit 1: Sections I, II and III

During the first week of studying, you should read and, if you have the Videos, watch all of Sections I, II, and III. These sections are each not very long and introduce the *International Professional Practices Framework* (IPPF) that provides guidance for internal auditors when conducting audits.

Section I introduces the three mandatory guidance elements:

- 1) The **Definition of Internal Auditing** states the fundamental purpose, nature, and scope of internal auditing.
- 2) The **Code of Ethics** states the principles and expectations governing behavior of individuals and organizations in the conduct of internal auditing.
- 3) The **International Standards for the Professional Practice of Internal Auditing (Standards)** provide the framework from which internal auditors do their work.

Sections II and III cover the Standards for Independence and Objectivity, Proficiency, and Due Professional Care.

Note: Together, Sections I, II, and III represent 48% of the CIA Part 1 exam.

ExamSuccess

After completing the reading/videos for each topic, create and complete a Study Session in ExamSuccess for each of the topics in *Section I – Foundations of Internal Auditing*, *Section II – Independence and Objectivity*, and *Section III – Proficiency and Due Professional Care*. It will be easier if you do the questions topic by topic as you proceed through the textbook/videos rather than wait to do them all at the end.

Review of Sections I, II, and III

If you have had particular difficulty with a topic or topics in these Sections, begin your review by completing a Study Session in ExamSuccess consisting of questions from just that topic or those topics. Use the questions you missed as a learning tool and review those topics.³

HOCK recommends that you create a study sheet consisting of the items you will need to memorize for the exam. You can wait until you are finished studying and do that as part of your overall review, or you can create it Section by Section as part of your Section reviews. If you have chosen to create it Section by Section, now is the time to create it for Sections I, II, and III. Creating the study sheet is in itself a learning experience, and for that reason we do not do it for you. It will be much more meaningful to you if you make the study sheet yourself and then review it than it would be to review one that has been made for you.

³ Remember that if you have the HOCK “You Pass or We Pay” Guarantee, to be eligible to claim your exam re-registration fee in the event you fail the exam, one of the requirements is that you must answer 90% of the MCQs correctly. **ExamSuccess Online must be used to fulfill this requirement.**

Unit 2: Sections IV and V (Topics A-D)**Section IV**

The **QAIP** provides an assessment of the efficiency and effectiveness of the IAA. The assessment may be done through an internal assessment or an external assessment, and you must know what is required under both types.

Note: QAIP is only 7% of the CIA Part 1 exam and tested at the **basic** level, so do not spend too much time studying Section IV.

Section V

Section V covers a wide variety of topics related to governance, risk management, and control, and is 35% of the CIA Part 1 exam. The topics in Section V are broken down across three study units, starting with Topics A-D in this unit.

In essence, **governance** is a way of thinking about how the board and company management understand their objectives and the means of achieving them. The implicit expectation is that a well-governed company is in the optimal position to succeed.

For this unit, read all of Section IV and topics A-D in Section V and watch the corresponding videos if you have them as part of your studies.

ExamSuccess

After completing the reading/videos, create and complete a Study Session in ExamSuccess for all of the topics in *Section IV* and for *Section V – A-D. Governance and Corporate Social Responsibility*.

Review of Section IV and Section V (A-D)

If you have had particular difficulty with a topic or topics in Section IV or Section V A-D, begin your review by completing a Study Session in ExamSuccess consisting of questions from just that topic or those topics. Use the questions you missed as a learning tool and review those topics.⁴

If you have chosen to create a study sheet Section by Section, now is the time to add to the sheet the items you want to memorize for Section IV and Section VA-D.

Additional Periodic Review

HOCK recommends that you periodically review all of the topics you have studied to date by using the Random MCQs from Sections I-IV Review Session in ExamSuccess Online.

⁴ Remember that if you have the HOCK “You Pass or We Pay” Guarantee, to be eligible to claim your exam re-registration fee in the event you fail the exam, one of the requirements is that you must answer 90% of the MCQs correctly. **ExamSuccess Online must be used to fulfill this requirement.**

Unit 3: Section V (Topics E-H)

Risk management is a concept that is the foundation for much of what the IAA does, and it is critical that internal auditors are familiar with risk, risk frameworks, and risk management. Proper identification of risks is the critical first step to managing risks and it is through the management of risk that a company achieves its goals and objectives.

Enterprise-wide Risk Management (ERM) is an effective process to identify, assess, and manage a company's risk appetite, which is an organization's willingness to take on risk. Concerning ERM, you need to understand its eight interrelated components. ERM is fundamentally an expansion of the COSO internal control model.

For this unit, read topics E-H in Section V and watch the corresponding videos if you have them as part of your studies. It should take about one week to study these topics.

ExamSuccess

After completing the reading/videos, create and complete a Study Session in Exam-Success for *Section V – E-H. Risk, Risk Frameworks, and Risk Management*.

Review of Section V (E-H)

If you have chosen to create a study sheet Section by Section, now is the time to add to the sheet the items you want to memorize for Section V (E-H).

Unit 4: Section V (Topics I-K)

The primary purpose of control is for the organization to achieve the following objectives:

- Operations are **effective** and **efficient**
- **Financial reports** (both internal and external) are **reliable**
- **Compliance** with laws and regulations

These topics discuss the different internal control models, including the COSO model, CoCo model, and the Turnbull model. Based on the COSO model, the five components of internal control are: **Control Environment**, **Risk Assessment**, **Control Activities**, **Information and Communication**, and **Monitoring**, and you should have a thorough understand of these components of internal control.

For this unit, read topics I-K in Section V and watch the corresponding videos if you have them as part of your studies. It should take about one week to study these topics.

ExamSuccess

After completing the reading/videos, create and complete a Study Session in ExamSuccess for *Section V – I. Internal Control Concepts and Types of Controls, J. Internal Control Frameworks, and K. Effectiveness and Efficiency of Internal Controls.*

Review of Section V

If you have had particular difficulty with a topic or topics in this Section, begin your review by completing a Study Session in ExamSuccess consisting of questions from just that topic or those topics. Use the questions you missed as a learning tool and review those topics.⁵

In addition, you should review all the topics in Section V by completing the Review Session available in ExamSuccess Online. Given the number of topics covered in this Section, we recommend at least two such review sessions, or more if you find you still have some weak areas.

If you have chosen to create a study sheet Section by Section, now is the time to add to the sheet the items you want to memorize for Section V (I-K).

Additional Periodic Review

HOCK recommends that you periodically review all of the topics you have studied to date by using the Random MCQs from Sections I-V Review Session in ExamSuccess Online.

⁵ Remember that if you have the HOCK “You Pass or We Pay” Guarantee, to be eligible to claim your exam re-registration fee in the event you fail the exam, one of the requirements is that you must answer 90% of the MCQs correctly. **ExamSuccess Online must be used to fulfill this requirement.**

Unit 5: Section VI

The final section of Part 1 covers **fraud** and is 10% of the Part 1 exam. Congratulations, this is your final week of study before starting the comprehensive review!

For an internal auditor, it is vital to have a clear understanding of fraud and its associated “red flags.” Management is ultimately responsible for the detection and prevention of fraud, but internal auditors should have sufficient knowledge of it in order to identify significant fraud when it occurs.

ExamSuccess

After completing the reading/videos, create and complete a Study Session in ExamSuccess consisting of all of the questions in *Section VI – Fraud Risks*.

Review of Section VI

If you have had particular difficulty with a topic or topics in this Section, begin your review by completing a Study Session in ExamSuccess consisting of questions from just that topic or those topics. Use the Re-Study Session for Section VI to go over questions that you missed.⁶

If you have chosen to create a study sheet Section by Section, now is the time to add to the sheet the items you want to memorize for Section VI.

Additional Periodic Review

HOCK recommends that you periodically review all of the topics you have studied to date by using the Random MCQs from Sections I-VI Review Session in ExamSuccess Online.

⁶ Remember that if you have the HOCK “You Pass or We Pay” Guarantee, to be eligible to claim your exam re-registration fee in the event you fail the exam, one of the requirements is that you must answer 90% of the MCQs correctly. **ExamSuccess Online must be used to fulfill this requirement.**

Unit 6: Comprehensive Review

For weeks six and seven, prior to your exam and after you have completed studying, you will want to skim through the entire material at least one more time. Do not focus on any individual idea or topic or try to memorize the formulas. Instead, make certain that you are familiar with all of the topics, both large and small, and refresh your memory of key terms and ideas.

If you have the flash cards and have not been using them up to this point, now is a good time to use them. The flash cards do not cover every detail in the materials, but they do address the main topics, definitions and formulas that are most likely to be tested. Use the flash cards whenever you can, even if it is for only a few minutes.

During the final week or two before your exam, create several Part 1 Practice Exams in ExamSuccess Online.⁷ Each of these practice exams will contain 125 questions selected randomly from the entire question base in approximately the same distribution as the questions will be on the real exam. For example, if a particular section accounts for 25% of questions on the real exam, 25% of the questions on the simulation exam will also come from that section. The simulation exams will be timed for 2.5 hours, so set aside this much time for taking each test. You need to become accustomed to sitting for 2.5 hours in one place and answering questions on the computer.

You also have access to two mock exams with new questions in ExamSuccess Online, which you can take after you have completed your review. Like the real exam, the mock exams contain 125 multiple-choice questions, and you will not get immediate feedback about whether your answer is correct or not. Set aside 2.5 hours without interruption to complete each mock exam so you can become accustomed to sitting for 2.5 hours in one place. When you have completed the mock exams, use them as another study tool. Look up in your book the topics where missed questions, and then try answering those questions again.

After you have completed the two mock exams, you can use the Part 1 Practice Exam to continue reviewing questions from all of the topics in Part 1. Keep in mind that you don't need to do this too many times, and eventually the questions will become familiar because the questions are drawn randomly from the whole question database.

As always, if you have any questions at all, contact the HOCK team and we will be happy to help you.

⁷ Remember that if you have the HOCK "You Pass or We Pay" Guarantee, to be eligible to claim your exam re-registration fee in the event you fail the exam, one of the requirements is that you pass one mock exam with a 70% score (first attempt only) or two whole-Part review sessions with an 80% score (multiple attempts allowed). **ExamSuccess Online must be used to fulfill this requirement.**