



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 an 8 week plan, studying 8 to 10 hours per week. This is simply a guide based on the expected amount of study time for a person with some accounting background 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. At certain points you will need to decide whether the extra time spent learning something 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 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 style with a large, stylized initial "B".

Brian Hock, CIA, CMA
President and CEO

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Part 1 is divided into 5 study units; it should take you about 8 weeks to study all of the material, including 3 weeks of review at the end.

Our basic study methodology is the same for each study unit:

- 1) Carefully read through the textbook to learn and understand the concepts. We include multiple-choice questions in the book to help you better understand the subject matter and help you get used to the style of the questions on the exam.
- 2) After reading each section, you should answer all of the study questions in Exam-Success. 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 a half 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 an answer is right or wrong.
- 3) Develop a 75+ 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.

Note: Flash cards are included in the HOCK study material. We consider the flash cards to be a useful study tool. You can study them when you have only a few minutes of time to spare, while riding into work, or simply before going to bed.

CIA Part 1 Study Plan
Unit 1: 1 Week
Section A
Comply with the IIA's Attribute Standards

The Attribute Standards are “the *Standards* that address the characteristics of organizations and parties performing internal audit activities.” The section begins by discussing the purpose, authority and responsibility of the internal audit activity (IAA). The IAA has to be defined in the charter, consistent with the *Standards*, and most importantly, the charter has to be approved by senior management and the board.

The other primary topics discussed in the section are Independence and Objectivity, Proficiency and Due Professional Care, and Quality Assurance and Improvement Program.

At the end of the section is The IIA's Code of Ethics. This topic will be covered in the Part 1 exam (as well as in Part 2) so it is crucial that you are familiar with the different ethics and how they relate to different circumstances.

For the Exam you are required to have a proficiency level of understanding of these topics. This means that you should have a thorough understanding of the concepts, and the ability to apply them.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in *Section A – Comply with the IIA's Attribute Standards*. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

CIA Part 1 Study Plan
Unit 2: 1 Week
Section B
Managing the Internal Audit Activity

Section A covered the attributes of the internal audit function. Now, we want to start discussing the Performance Standards. The Performance Standards describe the actual internal audit activities (IAA) and the criteria against which performance can be measured.

Managing the IAA starts with the planning process and ends with reporting to senior management and board. Managing the IAA also entails making sure the IAA is properly staffed, has the right policies and procedures for its size and complexity, and is sharing information and coordinating its activities with other internal and external providers (i.e. external auditors, regulatory oversight bodies, and other internal assurance functions).

At the end of the section we discuss the Sarbanes-Oxley Act of 2002 (SOX). SOX was enacted as a response to several major incidents of financial reporting fraud and audit failures.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in *Section B – Managing the Internal Audit Activity*. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

CIA Part 1 Study Plan
Unit 3: 1 Week
Section C
Risk Management and Governance

The function of the internal audit activity (IAA) is to evaluate and improve the adequacy and effectiveness of the risk management, control and governance processes. In Section C we look at the IAA's roles and responsibilities concerning risk management and the governance. Control is discussed in Section D.

Section C is not a very long section, but it is a Section that must be very well understood. You have to have a clear understanding that the function of the IAA is to evaluate and improve the adequacy and effectiveness of the risk management and governance processes. This is important for businesses because they want to have reasonable assurance that their goals and objectives will be achieved *efficiently* and *economically*.

Besides risk management and governance, we also look at the roles and responsibilities of the IAA concerning information security and physical security, regulatory compliance programs, e-commerce, environmental risks, privacy and business continuity.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in *Section C – Risk Management and Governance*. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Section D is a very important Section of the Part 1 Exam and addresses control and the processes that help the organization achieve its goals and objectives. You have to remember that without a reliable control process, the organization runs a greater risk of not achieving its goals and objectives.

Establishing a tight control process contributes to the overall improvement in the reliability and integrity of financial and operating information, efficiency and effectiveness of operations, safeguarding of assets, and compliance with laws, regulations, and contracts.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in *Section D – Control*. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

The final Section of Part 1 discusses planning for the engagement. Part of the planning process is to first establish the objectives of the engagement. Once the objectives have been established, the auditor needs to establish the scope of the audit. The scope describes the testing to be done that will accomplish the engagement objectives. The next step is to determine the resources that will be required to achieve the objectives, and the last step in the planning process is to write the work program.

The work program includes information about the objectives and the procedures to be carried out in order to reach the objectives.

Also contained in section E is a smaller section on fraud. Internal auditors have to have an awareness of fraud, but internal auditors are not responsible for preventing fraud. Preventing fraud is the responsibility of management. You can expect the topic fraud to be tested in Part 2 as well.

ExamSuccess

After completing the reading, create and complete a Study Session in ExamSuccess consisting of all of the questions in *Section E – Engagement Planning*. Re-study all questions missed by creating a new Study Session from all incorrectly answered questions.

Prior to your exam and after you have completed studying, you will want to at least skim through the entire material one more time. While doing this, you won't want to focus on any individual idea or topic or try to memorize the formulas. Simply make certain that you are familiar with all of the topics, both large and small, and refresh your memory as to the key terms and ideas.

After you skim through the materials, you will want to focus on the main topics, which are identified in the Section Overviews.

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

During the final week or two before your exam, create several Exam Simulations in Exam-Success. Each of these Exam Simulations will contain 100 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 major section will account for 25% of the 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 2.75 hours, so set aside this much time when you will not be interrupted for taking each test. You need to become accustomed to sitting for almost three hours in one place and answering questions on the computer.

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

Mock Exam: You should be prepared to take the Part 1 Mock Exam and then pass the real exam shortly after. Email us at cia@hockinternational.com and ask for the mock exam to be emailed to you. It is a paper and pencil exam containing 100 questions to be completed in 2.75 hours (2 hours and 45 minutes).