



Certified International Professional Accountant

Content Outlines

For the Certified International Professional Accountant Examinations

Audit

The content outlines presented below represent the body of knowledge that will be covered on the Tax and Law examination of the Certified International Professional Accountant program. The outline may be changed in the future when new subject matter becomes part of the common body of knowledge. Candidates for the CIPA designation are required to pass Tax & Law.

Candidates are responsible for being informed on the most recent developments in the areas covered in the outlines. This includes understanding of public pronouncements issued by accounting organizations such as the International Accounting Standards Board and the International Federation of Accountants as well as being up-to-date on recent developments reported in current accounting, financial and business periodicals. Note that candidates are responsible for knowing accounting and auditing pronouncements six months after a pronouncement's effective date, *unless early application is permitted*. When early application is permitted, candidates are responsible for knowing the new pronouncement six months after the *issuance* date.

The content outlines serve several purposes. These purposes include:

- Establishing the foundation from which each examination will be developed.
- Providing consistent coverage on each examination.
- Communicating to interested parties more detail as to the content of each examination part.
- Aiding candidates in their preparation for each examination.
- Providing information to those who offer courses designed to assist candidates in preparing for the examinations.

Important additional information about the content outlines and the examination is listed below.

1. The percentage range given for each major topic within each examination part does NOT represent the relative weight range given to that topic in an examination part. Instead the relative weight is an indication of the classroom time that should be spent on a particular topic within a 60 hour course. A 5% weight merely indicates that approximately 3 hours (5% x 60 hours) should be devoted to the subject matter. However, individual candidates should study the material to achieve the level of knowledge indicated, regardless of the time necessary to achieve such mastery of the subject.
2. Each examination will attempt to sample from the subject areas contained within each major topic area. No relative examination weights have been assigned to the subject areas. No inference should be made from the order in which the subject areas are listed or from the number of subject areas as to the relative weight or importance of any of the subjects.
3. Each major topic within each major topic area has been assigned a coverage level designating the depth and breadth of topic coverage, ranging from an introductory knowledge of a subject area (Level A) to a



thorough understanding of and ability to apply the essentials of a subject area (Level E). Detailed explanations of the coverage levels and the skills expected of candidates are presented below.

4. The topics for each of the examinations have been selected to minimize the overlapping of subject areas among the examination comprising the CIPA certification program. The topics within an examination and the subject areas within topics may be combined in individual questions.
5. Income taxation issues will be divided into four categories and be contained in questions that relate to the four categories.
 - a. Accounting for income taxes. The financial reporting requirements for income taxes, including the proper treatment of deferred income taxes, will be contained in questions in Financial Accounting 2 and the Finance examinations.
 - b. The Tax Reconciliation Form preparation will be included in the Financial Accounting 1 examination.
 - c. Detailed knowledge of the appropriate tax laws and regulations of the candidate's country will be tested in the Tax and Law examination.
 - d. Tax implications for decisions. The tax code provisions that impact decisions (e.g., depreciation, interest, etc.) will be contained in questions in the Managerial Accounting 1, Managerial Accounting 2, and Finance examinations.
6. Candidates for the CAP and CIPA designations are expected to have a minimum level of business knowledge that transcends all examination parts. This minimum level would include knowledge of economics, time value of money concepts, and elementary statistics.

In order to more clearly define the topical knowledge required by a candidate, varying levels of coverage for the treatment of major topics of the content specification outlines have been identified and defined. The cognitive skills that a successful candidate should possess and that should be tested on the examinations can be defined as follows:

Knowledge: Ability to remember previously learned material such as specific facts, criteria, techniques, principles, and procedures (i.e., identify, define, list).

Comprehension: Ability to grasp and interpret the meaning of material (i.e., classify, explain, distinguish between).

Application: Ability to use learned material in new and concrete situations (i.e., demonstrate, predict, solve, modify, relate).

Analysis: Ability to break down material into its component parts so that its organizational structure can be understood; ability to recognize causal relationships, discriminate between behaviors, and identify elements that are relevant to the validation of a judgment (i.e., differentiate, estimate, order).

Synthesis: Ability to put parts together to form a new whole or proposed set of operations; ability to relate ideas and formulate hypotheses (i.e. combine, formulate, revise).

Evaluation: Ability to judge the value of material for a given purpose on the basis of consistency, logical accuracy, and comparison to standards; ability to appraise judgments involved in the selection of a course of action (i.e., criticize, justify, conclude).

The five levels of coverage can be defined as follows:

Level A: Requiring the skill levels of knowledge.

Level B: Requiring the skill levels of knowledge, comprehension, and application.

Level C: Requiring the skill levels of knowledge, comprehension, application, and analysis.

Level D: Requiring the skill levels of knowledge comprehension, application, analysis, and synthesis.

Level E: Requiring all six skill levels, knowledge, comprehension, application, analysis, synthesis, and evaluation.

МЕЖДУНАРОДНЫЙ
СОВЕТ
СЕРТИФИЦИРОВАННЫХ
БУХГАЛТЕРОВ И
АУДИТОРОВ



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The levels of coverage as they apply to each of the major topics of the Content Outlines are shown on the following pages with each topic listing. The levels represent the manner in which topic areas are to be treated and represent ceilings, i.e., a topic area designated as Level C may contain requirements at the “A,” “B,” or “C” level, but a topic designated as Level B will not contain requirements at the “C” level.



Content Outlines
for the
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Audit

- A. Introduction to audit (*Study weighting—2%, Level C*)
 - 1. Assurance engagements
 - 2. Financial statement audits
 - 3. The accounting and auditing profession
- B. Ethical requirements (*Study weighting—8%, Level D*)
 - 1. International Standards on Auditing, their essence, objective and scope of application
 - 2. Foundations of audit standards
 - 3. Governmental bodies and audit
 - 4. Legal environment of audit
 - 5. Review of audit related legislation
 - 6. Regulative bodies, law enforcement bodies and audit
 - 7. Professional ethics code of auditors
- C. Responsibilities (*Study weighting—6%, Level D*)
 - 1. Objective and general principles governing an audit of financial statements
 - 2. Terms of audit engagement
 - 3. Quality control for audit work
 - 4. Documentation
 - 5. The auditor's responsibility to consider fraud and error in an audit of financial statements
 - 6. Consideration of laws and regulations in an audit of financial statements
 - 7. Communication of audit matters with those charged with governance
- D. Planning (*Study weighting—10%, Level D*)
 - 1. Planning
 - 2. Knowledge of the business
 - 3. Audit materiality
- E. Internal control (*Study weighting—20%, Level D*)
 - 1. Risk assessments and internal control
 - 2. Auditing in a computer information systems environment
 - 3. Audit considerations relating to entities using service organizations
- F. Audit evidence (*Study weighting—27%, Level D*)
 - 1. Audit evidence
 - 2. Considerations for specific items
 - 3. External confirmations
 - 4. Initial engagements—opening balances
 - 5. Analytical procedures
 - 6. Audit sampling and other selective testing procedures
 - 7. Audit of accounting estimates
 - 8. Auditing fair value measurements and disclosures
 - 9. Related parties
 - 10. Subsequent events



11. Going concern
12. Management representations
- G. Using work of others (*Study weighting—3%, Level C*)
 1. Using the work of another auditor
 2. Considering the work of internal auditing
 3. Using the work of an expert
- H. Audit conclusions and reporting (*Study weighting—10%, Level D*)
 1. The auditor's report on financial statements
 2. Comparatives
 3. Other information in documents containing audited financial statements
- I. Specialized areas (*Study weighting—2%, Level C*)
 1. The auditor's report on special purpose audit engagements
 2. The examination of prospective financial information
- J. Related services (*Study weighting—10%, Level B*)
 1. Engagements to review financial statements
 2. Engagements to perform agreed-upon procedures regarding financial information
 3. Engagements to compile financial information
- K. International audit practice statements (*Study weighting—2%, Level A*)
 1. IT environments—stand-alone personal computers
 2. IT environments—on-line computer systems
 3. IT environments—database systems
 4. The special considerations in the audit of small entities
 5. Risk assessments and internal control—computer information system characteristics and considerations
 6. Computer-assisted audit techniques
 7. The consideration of environmental matters in the audit of financial statements