**CMT 446**

**Information System Audit**

Chapter One : Audit Process

Issues of Information System Auditors

System Auditors review the strength of the Information System control

Compliance Audits , Inf

The auditor must understand the information audit and the risks involved

Areas to Consider in auditing

All organizations work under laws that govern data security

Safe Harbor act

Identify the external requirements in which the company is reliable

review law that the org must be compliant

Determine whether the org followed the procedure

laws adhere to external laws

Audit Planning

Goal of an audit is to present an independent evaluation of the state of the internal controls to mitigate any detected risks

Long term plan also called strategic plan looks at what effects changes will have to the security

Short term (Tactical) looks at issues the org currently faces eg what is to be audited

auditors must account for environment

Audit Planning steps

Identify risks and concerns

carry out risk analysis

internal control

scope of audit

identify resources needed assign personnel

Guidelines for isaca audit system audit

Auditor is expected to follow isaca guidelines

Risk Analysis

Risk:Potential for harm

Vulnerability: weakness in a system or process

Threat: frequency of vulnerability

Audit risk : risk that audit report might contain a material or an error might exist that the auditor dint detected

control risk: material error may exist but not detected by system

business risk: will affect business functional goals

Inherent risk

material risk

isaca (contro,l inherent ) audit risks

Auditors need to focus on high risk high impact issues- threaten an org being financial regulatory or operational means

Steps of system audit

Develop risk management teams

identify assets

identify risk

perform risk analysis

perform risk mitigation

Monitor

Risk management team

responsible for risk assessment led by one with strong management skill

Ways of handling risk

Avoid Risk

Reduce Risk (most common – installing a firewall)

Accepting risk(org knows risk but knowingly accepts the risks) retains otential cost of risk

Transferring the risk(placing risk in elses hands)

Risk Based Audits

Auditing looks at more than a risk examins org practices and internal and operational control, help pin p[oint areas of high risk

Gather info and plan

understand the bizz

review previous audits reports

exam financial data

evaluate regulatory statutes

Determine internal control and review functionality

Perform compliance test

‘’ reliance ‘’

Conclude the audit by preparing a reportS

Auditing AND USE OF INTERNAL CONTROL

U to exercise authority and effectively manage org

controls start with high level authority and apply to all areas of company

General control procedures

I) Internal accounting control to safeguard financial records

ii) Info control p[procedure –procedure that provide reasonable assurance for control of database admin

ISA should understand how control procedure correlates with the system General;c p

COBIT Control Objectives for information and related Topics

Control objective domains

Plan and organize

Acquire an implement

Deliver and support

Monitor and evaluate

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