**Spring 2016 CIS 584 Ravi Bhadana  
Prof. Wasley HW 1: AUDIT AND IT AUDIT INDUSTRY TERMS 4/06/2016**

**Homework 1: “AUDIT AND IT AUDIT INDUSTRY TERMS” Define the following terms. Your answer should include the meaning of the term/initials/acronym and a brief description of its purposes.**

1. **SEC**

The **Securities and Exchange Commission (SEC)** is a government commission created by [Congress](http://www.investopedia.com/terms/c/congress.asp) to regulate the [securities](http://www.investopedia.com/terms/s/security.asp) markets and protect investors. In addition to regulation and protection, it also monitors the corporate takeovers in the U.S. The SEC is composed of five commissioners appointed by the U.S. President and approved by the Senate. The statutes administered by the SEC are designed to promote full public [disclosure](http://www.investopedia.com/terms/d/disclosure.asp) and to protect the investing public against fraudulent and manipulative practices in the securities markets. Generally, most issues of securities offered in interstate commerce, through the mail or on the internet must be registered with the SEC.

1. **AICPA**

**American Institute of Certified Public Accountants (AICPA),** The professional organization of CPAs in the U.S. It is a private organization of CPAs, not an arm of the government. Each state issues CPA certificates, not the AICPA. Since each state makes its own laws, each state could prepare and grade their own CPA examination. However, each state uses the uniform CPA exam prepared and graded by the AICPA.

1. **FASB**

**Financial Accounting Standards Board (FASB),** A nongovernment private organization that sets GAAP in the U.S. for profit making entities and not-for-profit nongovernmental organizations.

1. **FASB Opinions**An official opinion by the Financial Accounting Standards Board on how to report a transaction. FASB statements or opinions set standards for the accounting industry and help establish uniform practice insofar as it is possible.

Essentially, FASB statements determine the acceptable accounting practices that Certified Public Accountants use in reporting corporate financial information to stockholders, the SEC, and the general public.

1. **SAS**

**Statements on Auditing Standards** **(SAS)** provide guidance to [external auditors](https://en.wikipedia.org/wiki/External_auditors) on [generally accepted auditing standards](https://en.wikipedia.org/wiki/Generally_accepted_auditing_standards) (abbreviated as GAAS) in regards to [auditing](https://en.wikipedia.org/wiki/Auditing) a non-public company and issuing a [report](https://en.wikipedia.org/wiki/Auditor%27s_report). They are promulgated by the [Auditing Standards Board](https://en.wikipedia.org/wiki/Auditing_Standards_Board) of the [American Institute of Certified Public Accountants](https://en.wikipedia.org/wiki/American_Institute_of_Certified_Public_Accountants) (AICPA), which holds all copyright on the Standards. They are commonly abbreviated as "SAS" followed by their respective number and title.

1. **IIA**

**The Institute of Internal**[**Auditors**](https://en.wikipedia.org/wiki/Auditors)**(IIA)** is a guidance-setting body. Serving 180,000 members in nearly 190 countries, The IIA is the internal [audit](https://en.wikipedia.org/wiki/Audit) profession's global voice, chief advocate, recognized authority, and principal educator, with global headquarters in Altamonte Springs, Fla., United States.

The CIA ([Certified Internal Auditor](https://en.wikipedia.org/wiki/Certified_Internal_Auditor)) is the primary professional designation offered by The IIA. The CIA designation is a globally recognized certification for internal auditors and is a standard by which individuals may demonstrate their competency and professionalism in the internal audit field. Earning the CIA qualification is intended to demonstrate a professional knowledge of the internal audit profession. CIAs are required to take continuing education courses. Many CIAs today are senior internal audit [managers](https://en.wikipedia.org/wiki/Management), [Vice Presidents](https://en.wikipedia.org/wiki/Vice_President), [Directors](https://en.wikipedia.org/wiki/Executive_director) and [Chief Audit Executives](https://en.wikipedia.org/wiki/Chief_Audit_Executive) in top global [MNC companies](https://en.wikipedia.org/wiki/Multinational_corporation) driving internal audit functions in their respective companies.

1. **CPA**

**A Certified Public Accountant (CPA)** is a person who has passed the very difficult CPA Exam and has been licensed by one of the 50 U.S. states (or one of five other jurisdictions). The CPA's license is renewed if the state's requirements continue to be met including continuing professional education credits.  
Many certified public accountants work in the field of [public accounting](http://www.accountingcoach.com/blog/what-is-public-accounting) in CPA firms ranging from a sole practitioner to a large international CPA firm. However, many certified public accountants leave public accounting while others never enter public accounting. These CPAs can be found working as [accountants](http://www.accountingcoach.com/blog/what-does-an-accountant-do) in manufacturing, financial services, [not-for-profit organizations](http://www.accountingcoach.com/blog/what-is-a-nonprofit-organization), health care, government agencies, education, and so on.

1. **Chartered Accountant**

**Chartered Accountants** were the first [accountants](https://en.wikipedia.org/wiki/Accountant) to form a [professional accounting body](https://en.wikipedia.org/wiki/Professional_accounting_body), initially established in Scotland in 1854. The title is an internationally recognized professional designation, and is generally equivalent to the American [certified public accountant](https://en.wikipedia.org/wiki/Certified_public_accountant) designation. Chartered accountants work in all fields of business and finance, including audit, taxation, financial and general management. Some are engaged in public practice work, others work in the private sector and some are employed by government bodies.

1. **CISA**

**The Certified Information Systems Auditor (CISA)** is a certification issued by the Information Systems Audit and Control Association (ISACA). The purpose of the certification is to assist employers in hiring auditors who are skilled in measuring and assessing IT controls by affirming that a candidate possesses a baseline set of auditing skills.

1. **CISM**

**Certified Information Security Manager (CISM)** is a certification offered by [ISACA](http://searchcompliance.techtarget.com/definition/ISACA), a nonprofit, independent association that advocates for professionals involved in information security, assurance, risk management and governance.

CISM is an advanced certification that provides validation for individuals who have demonstrated they possess the knowledge and experience required to develop and manage an enterprise information security program. The certification intended for information security managers, aspiring managers or IT consultants who support information security program management.

1. **CGEIT**

**The Certified in the Governance of Enterprise IT (CGEIT)** credential is geared towards professionals who play a significant role in managing, advising and/or assuring IT governance. Typical job roles include senior security analyst and chief information security officer -- the upper echelon of the organization chart. Professionals at this level align IT with business strategies and goals, manage IT investments to maximize return on investment, strive for excellence in IT operations and governance, and promote greater efficiency and effectiveness in IT while minimizing risk.

1. **CRISC**

**Certified in Risk and Information Systems Control (CRISC)** is an advanced certification introduced in 2010 by [ISACA](http://www.qualified-audit-partners.be/index.php?cont=373&lgn=3), and designed for IT and business professionals who identify and manage [risks](http://www.qualified-audit-partners.be/index.php?cont=227&lgn=3) through the development, implementation and maintenance of appropriate information systems (IS) [controls](http://www.qualified-audit-partners.be/index.php?cont=217&lgn=3).

CRISC is designed for experienced professionals, who can demonstrate 5 or more years of IT or business experience, and at least 3 years of experience in the CRISC focus areas. It also requires passing a 4-hour test, designed to evaluate an applicant's understanding of risk and information systems controls.

1. **ISACA**ISACA is an international professional association focused on IT Governance. Previously known as **the Information Systems Audit and Control Association**, ISACA now goes by its acronym only, to reflect the broad range of IT governance professionals it serves.

ISACA originated in the USA in 1967, when a group of individuals working on auditing controls in computer systems started to become increasingly critical of the operations of their organizations. They identified a need for a centralized source of information and guidance in the field. In 1969, Stuart Tyrnauer, an employee of the (then) [Douglas Aircraft Company](https://en.wikipedia.org/wiki/Douglas_Aircraft_Company), incorporated the group as the EDP Auditors Association (EDPAA). Tyrnauer served as the body's founding chairman for the first three years. In 1976 the association formed an education foundation to undertake large-scale research efforts to expand the knowledge of and value accorded to the fields of governance and control of [information technology](https://en.wikipedia.org/wiki/Information_technology).

The association became the Information Systems Audit and Control Association in 1994. ISACA currently serves more than 110,000 constituents (members and professionals holding ISACA certifications) in more than 180 countries. The job titles of members are such as IS auditor, consultant, educator, IS security professional, regulator, [chief information officer](https://en.wikipedia.org/wiki/Chief_information_officer) and [internal auditor](https://en.wikipedia.org/wiki/Internal_audit). They work in nearly all industry categories. There is a network of ISACA chapters with more than 200 chapters established in over 180 countries. Chapters provide education, resource sharing, advocacy, networking and other benefits.

1. **COBIT  
   Control Objectives for Information and Related Technology (COBIT)** is a [framework](https://en.wikipedia.org/wiki/Software_framework) created by [ISACA](https://en.wikipedia.org/wiki/ISACA) for [information technology (IT) management](https://en.wikipedia.org/wiki/Information_technology_management) and [IT governance](https://en.wikipedia.org/wiki/Corporate_governance_of_information_technology). It is a supporting toolset that allows managers to bridge the gap between control requirements, technical issues and business risks.  
   COBIT aims "to research, develop, publish and promote an authoritative, up-to-date, international set of generally accepted [information technology control](https://en.wikipedia.org/wiki/Information_technology_controls) [objectives](https://en.wikipedia.org/wiki/Objective_(goal)) for day-to-day use by [business managers](https://en.wikipedia.org/wiki/Business_manager), IT professionals and assurance professionals".
2. **IT Governance Institute  
   The IT Governance Institute (ITGI)** was established in 1998 in recognition of the increasing criticality of information technology to enterprise success. In many organizations, success depends on the ability of IT to enable achievement of business goals. In such an environment, governance over IT is as critical a board and management discipline as corporate governance or enterprise governance. Effective IT governance helps ensure that IT supports business goals, maximizes business investment in IT, and appropriately manages IT-related risks and opportunities.

ITGI is a research think tank that exists to be the leading reference on IT governance for the global business community. ITGI aims to benefit enterprises by assisting enterprise leaders in their responsibility to make IT successful in supporting the enterprise's mission and goals. By conducting original research on IT governance and related topics, ITGI helps enterprise leaders understand and have the tools to ensure effective governance over IT within their enterprise.

1. **COSO**The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is a joint initiative of the five private sector organizations listed below and is dedicated to providing thought leadership through the development of frameworks and guidance on enterprise risk management, internal control and fraud deterrence.
   1. American Accounting Association (AAA)
   2. American Institute of CPAs (AICPA)
   3. Financial Executives International (FEI)
   4. The institute of accountants and Financial Professionals in Business (IMA)
   5. The institute of internal auditors
2. **PCAOBUS  
   The Public Company Accounting Oversight Board (PCAOB)** is a nonprofit corporation established by Congress to oversee the audits of public companies in order to protect investors and the public interest by promoting informative, accurate, and independent audit reports. The PCAOB also oversees the audits of brokers and dealers, including compliance reports filed pursuant to federal securities laws, to promote investor protection.  
   The five members of the PCAOB Board, including the Chairman, are appointed to staggered five-year terms by the Securities and Exchange Commission (SEC), after consultation with the Chairman of the Board of Governors of the Federal Reserve System and the Secretary of the Treasury.   
   The SEC has oversight authority over the PCAOB, including the approval of the Board's rules, standards, and budget.