

IT Audit – Why bother?

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Introduction – What are we going to talk about for the next 40 minutes?

1. Why listen to me?
2. What is IT audit?
3. Why is IT audit so important?
4. Where does Internal Audit fit into this?
5. What is an appropriate IT audit qualification?
6. Summary

Why listen to me? –

You do not ask broke people for financial advice !



- UK Chartered Accountant with 8 years pqe
- Internal and external audit experience with fraud management as well
- IT audit experience with Big 4
- Commercial IT audit experience
- Clients and employers – AT&T, Alcan, Tesco, Banks, Ntl
- Regulatory environments – UK (IFRS) and US (SEC and SOx)

What is an IT Audit?

What are we trying to achieve?

Garbage in ... garbage out

“ the process of collecting and evaluating evidence of an organisations information systems, practices and operations.....”

The evaluation of this evidence gives us comfort that the information systems are safeguarding assets, maintaining data integrity, operating effectively and efficiently to achieve that organisations objectives.

- Availability
- Confidentiality
- Integrity.

How many types of IT audit are there?

There are many ways to skin a cat

IT audit approaches available – 3 approaches – Technical innovation / Innovative comparison / technology position

Catagories of IT audit – 5 catagories – Systems and applications / Information processing / Systems devlopment / Management of IT and enterprise architecture / Cleinet server and telecoms

Types of audit available – 2 types – IT general controls / Application level review

Why is IT audit so important?

The so what question

1. The way we do business is changing – global companies with ERP
2. Changing regulatory environment
3. Changing appetite for risk
4. Who is doing the work?

Lets use Tesco as an example

Tesco Plc – Global retailer.

Thar she blows

- 2002-7 saw increase in revenue from 25 Bn sterling to 43Bn
- By FY07, 273k employees and 2,672 stores
- UK uses an Oracle Db with Retek unit to deal with the 1,252 UK stores and controls 30% of the UK retail market. A major supstore can deal with 100k+ transactions a week and receive 2M sterling a week.

(I have a pictorial representation of the controls in the end to end payment to order cycle. I printed it off and it is 2 meters long - so that you can actually read the descriptions).

How do you audit this?

Are you going to test the transactions or the system?

Where does Internal Audit fit into this?

That depends upon the answers to a few questions...

1. What kind of Internal Audit function are you?
2. What does your business actually want from you?

There are service offerings out in the market that allow you to gauge where your IA function is and where you want it to be - (that is a sales pitch).

What is an appropriate IT qualification?

I have an interest here in that I am setting up a CISA branch here in Iceland.

For IT audit, you are looking for a qualification that covers the main areas of IT. Recognised qualifications are

- Certified Information System Auditor
- Certified Internal Auditor
- Certified Computer Professional
- Certified Information Systems Security Professional
- Chartered Accountant
- Certified Public Accountant
- ISO 27001 lead Auditor.

And finally.....

Any questions?

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