

IS Audit Function Knowledge

1. Information Systems auditing
2. Understanding the organization's business
3. The IS audit life-cycle
4. The IS audit role
5. The IS auditor responsibility, authority and accountability
6. Code of professional ethics, laws, and regulations

Understanding the organization's business

Business Understanding refers to the profound knowledge and insight into the core aspects of an **organization's operations**, its **market**, and its **customers**. It is the ability to grasp the intricacies of the industry, the competitive landscape, and the driving forces that shape the success of a business.



Understanding the organization's business

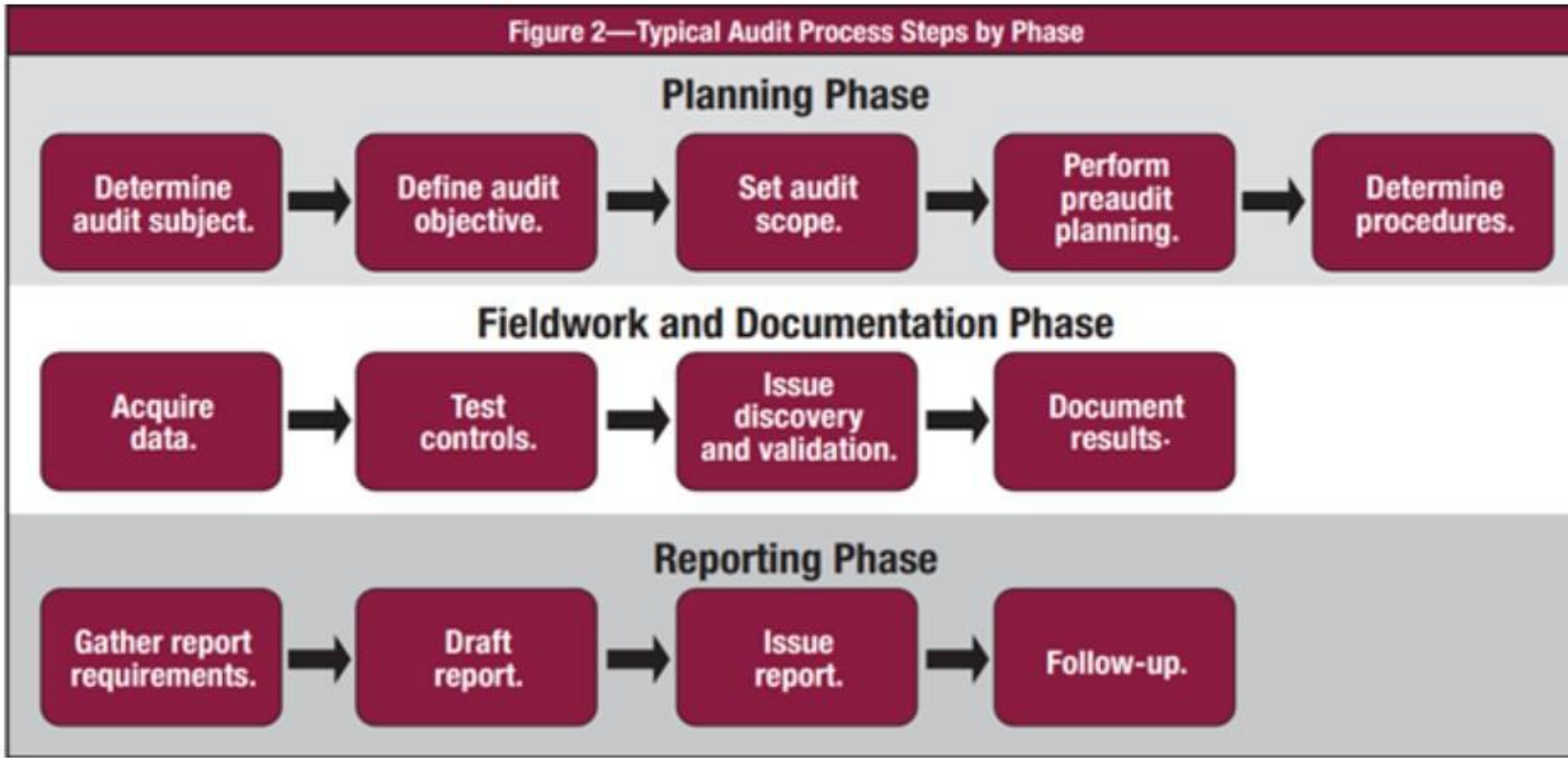
The Pillars of Business Understanding

1. **Industry Insights** - businesses can adapt and capitalize on new opportunities to stay ahead of the curve.
2. **Consumer Behavior** - evaluating, purchasing, and using products and services.
3. **Competitive Analysis** - evaluating the strengths and weaknesses of competitors and strategies and tactics.
4. **Internal Operations** - organizations to optimize processes and resources , structure, its workflows, roles and responsibilities.
5. **Risk Assessment** - Anticipating and mitigating risks is a crucial aspect of Business.

Figure 1—Typical Audit Process Phases



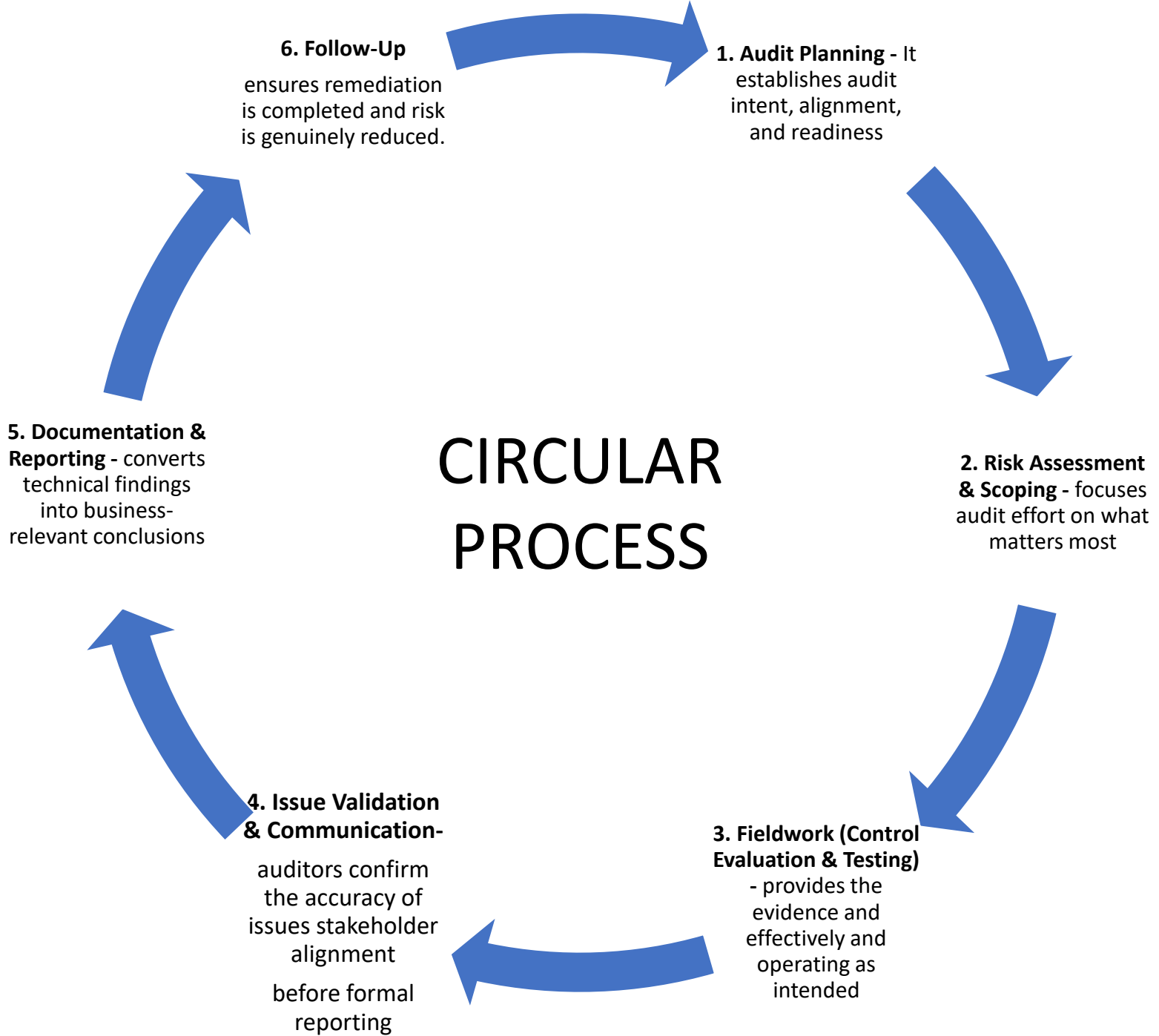
Figure 2—Typical Audit Process Steps by Phase



The IS audit life-cycle

- IS audit life cycle is a structured process that enables auditors to deliver credible, risk-based, and defensible assurance. Each phase has a distinct purpose, and the quality of the audit depends on disciplined execution across all six stages.

CIRCULAR PROCESS



The IS audit role

- An IT auditor develops, implements, tests, and evaluates all IT audit review procedures within a company that relies on technology. These audit procedures can extend to networks, software applications, communication and security systems as well as any other systems that are part of the organization's technological infrastructure.

Additional IS Audit role

It's not just about firewalls and malware scans. A good IS auditor evaluates:

- **Authentication protocols** (multi-factor? password complexity?)
- **Change management systems** (are changes tracked and tested?)
- **Data backup and recovery readiness** (how long would it take to bounce back?)
- **Access control policies** (who has the keys to your digital kingdom?)
- **Data classification and data retention** (is sensitive data handled correctly?)



The IS auditor responsibility, authority and accountability

IT auditors have such an important role within a company relying on technology

- Development and planning of audit test plans
- Determining audit scope and objectives
- Coordination and execution of audit activities
- Adhering to auditing standards established by the company
- Development of detailed audit reports
- Identifying best practices for meeting audit requirements
- Maintain and update IT audit documentation
- Communicating audit findings and recommendations
- Ensuring that previous recommendations have been implemented

Code of professional ethics, laws, and regulations

- The Code of Ethics states the **principles and expectations governing** the behavior of individuals and organizations in the conduct of internal auditing. It describes the minimum requirements for conduct and behavioral expectations rather than specific activities.



- **Integrity** – trust and thus provides the basis for reliance on their judgment.



- **Objectivity** – Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.



- **Confidentiality** – Internal auditors respect the value and ownership of information



- **Internal** - auditors **apply the knowledge, skills, and experience needed in the performance of internal audit services.**

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