



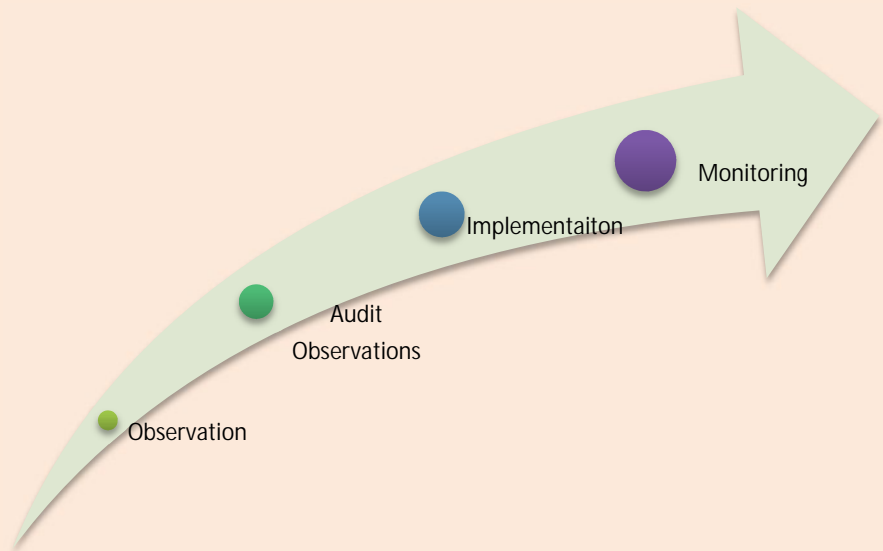
**CORPORATE GENERAL SOLUTIONS (PVT.) LIMITED**  
**MANAGEMENT & INFORMATION SYSTEMS CONSULTANTS**



# INFORMATION SYSTEM AUDIT

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CREATING TRANSPARENCY FOR OUR CLIENTS



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# INFORMATION SYSTEM AUDIT

## INTRODUCTION



Rapid & dramatic advances in information technology in few years, force the organization, to secure its valuable assets i.e. information; and struggle hard for pervasive & critically needed quality to achieve its goals. With the widespread use of advance technology & non-automated work, it is essential for organizations to have information systems audit for reliance. Information system audit is a process in which auditor independently validate the system controls in IT architecture to evaluate suitability of IT configuration, practices & operations.

Auditor evaluates the integrity of data, safe guarding of IT assets, and reliability of financial reporting, inefficient use of corporate resources, computer systems & network to minimizing the unpredicted risks.

IT audits are also known as automated data processing (ADP) audits and computer audits or IS, IT or ICT auditing and systems auditing. They were formerly called electronic data processing (EDP) audits. Whatever the nomenclature is, the basic objectives behind all of these activities are to safeguard the assets of the entity and add a value to the stakeholder.

## WHY ISA IS NECESSARY

The vast majority of organizations now use computerized system to organize their business activities and day by day, the functionalities of information systems are becoming complex due to incorporation of mixture of automated & non-automated systems. Information system audit is a necessary evil for controlled & fluent running of organization, as well as, to ensure the following:

- Reliability of system in which information is communicated
- Data integrity, security & privacy
- Completeness & accuracy of data
- Efficiency & effectiveness of operations
- IT assets safeguarding
- Compliance of laws & regulations
- Reliability of financial statements
- To make SWOT analysis of information system
- To verify application & general controls showing accurate utilization of organization & resources
- Removal of any discrepancy in system & leakage of information to unauthorized persons
- Organization's strategy & planning are ensuring to lead the organization towards its goals
- Confidences of parties' space & market upon organization's information system increase the goodwill of organization.
- Management, security ,day to day & planning tasks are performing accurately

## OBJECTIVES

CGS's provides information system audit & its main objective is to provide its client with quality of services, value addition & security, they expect from it. Further objectives of audit are as follows;

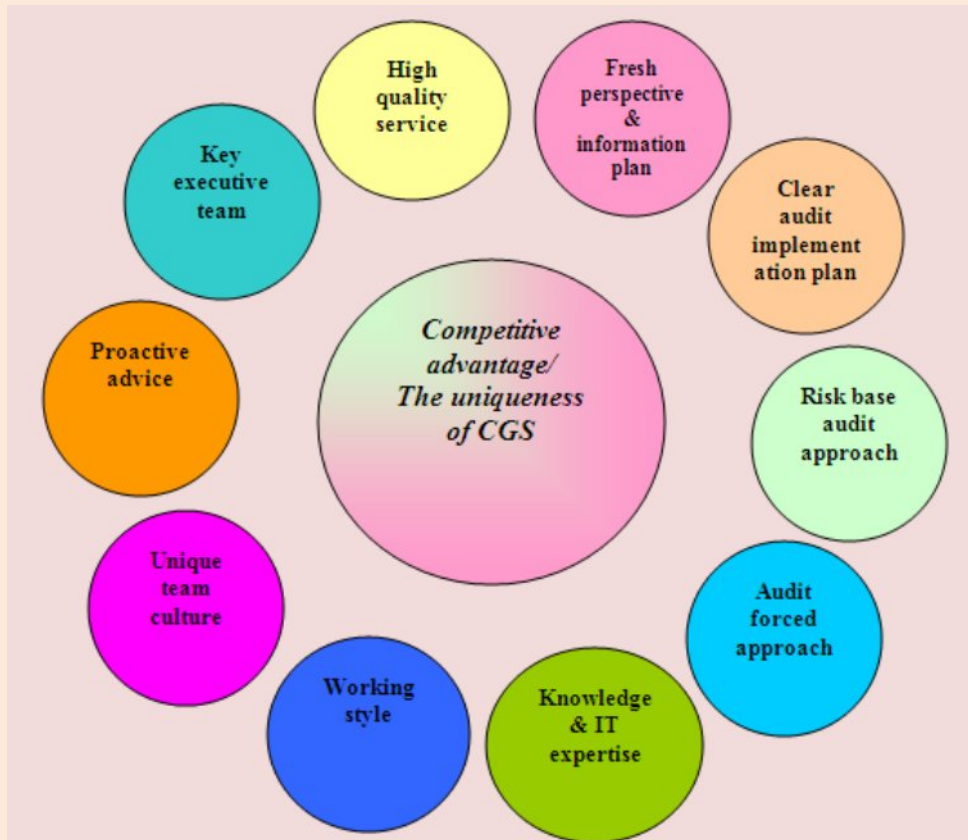
1. Evaluate internal control systems.
2. Evaluate partner compliance with the applicable frameworks i.e. both internal and external frameworks
3. Provide reasonable assurance that ;
  - a) Transactions conform to management authorisation.
  - b) Transactions are recorded in accordance with accounting principles & guidelines.
  - c) Transactions reflect the work being implemented in the field. (particularly in the construction prices and program)

## AUDIT APPROACH

Our audit approach is based on objective of evaluating operating efficiency and effectiveness of information system and related internal controls and whether a computer system safeguards assets, maintain data integrity, achieve, organizational goals effectively and consumes resources efficiently. We conduct our audit with an attitude of professional skepticism.

## COMPETITIVE ADVANTAGE

By continuing best practices the Corporate General Solution (Pvt) Ltd is in the process of horizon with such a unique factor mentioned below:

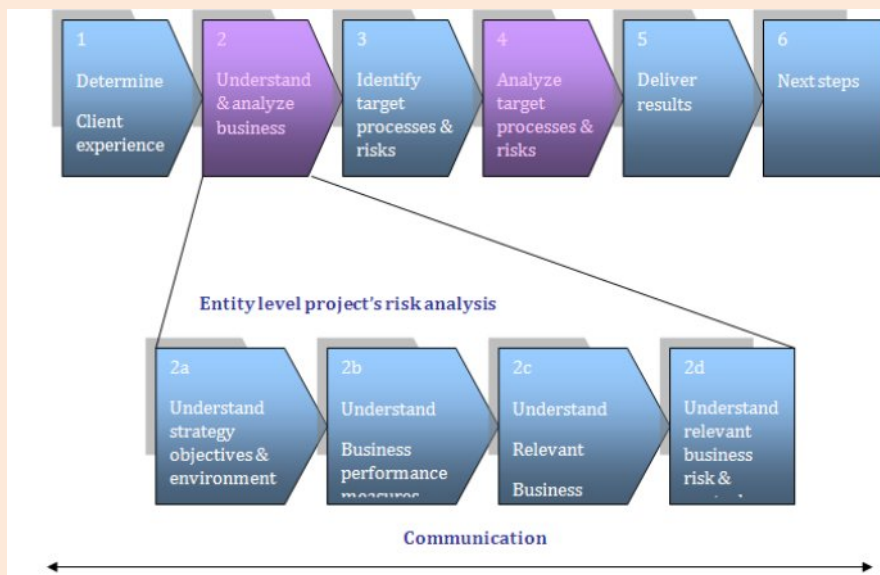


**INFORMATION SYSTEM AUDIT METHODOLOGY**

A methodology is philosophy of establishing the principal, formulation & implementation of a plan and devising the procedures & methods that constitute the best ‘practices’ which are followed in a particular discipline.

Over the years, our industry wide experience, technology specific skill set and qualified & experienced personnel have enabled us to devise a methodology to conduct the ISA. This methodology is a proven of practical ideas & practices that we have applied on our clients.

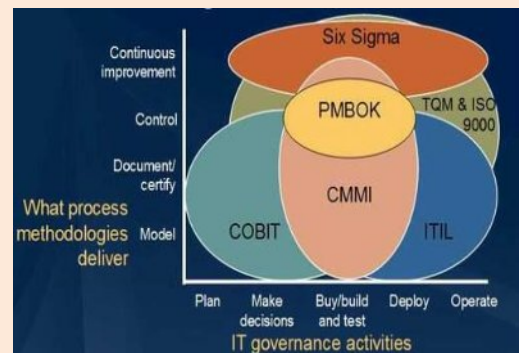
Our methodology has been developed in accordance with ISACA Information Systems Audit Standards and Guidelines & the Sarbanes Oxley COSO framework. The beginning point of this methodology is to carry out planning activities that are geared towards integrating a Risk Based Audit Approach to the IS Audit.



*An IS audit tends to focus on determining risks that are relevant to information assets, and in assessing controls in order to reduce or mitigate these risks. An IT audit may take the form of a "general control review" or a "specific control review".*

**PHASE 1: Audit Planning**

By focusing on explicit scope of assignment auditor generate road-map to formulate & enhance information security capability as well as audit program. IS auditor have to define mechanism, obtain audit charted from the client, assessment of range of issues, required skills & resources to handle reporting constraints, audit environment, automated tools and cost.



Auditor shall determine the management’s functions in respect of audit planning are as follows:

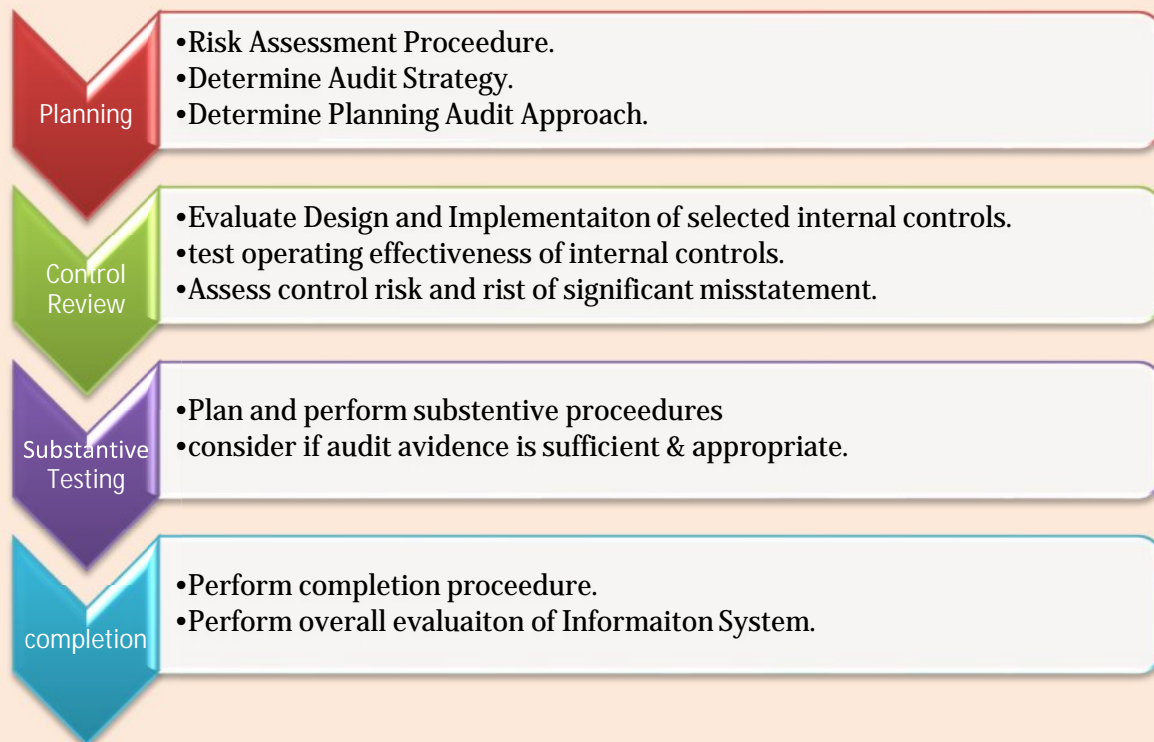
- Responsibility
- Authority
- Accountability

**PHASE 2 – Risk Assessment and Business Process Analysis**

IS Auditor often is the translator of business risk that is utilized to determine cost/benefit analysis of internal control. Risk of financial loss, sample base evaluation, change in key personal, complexity of operations, quality of internal control, time since last audit, rapid growth & technology etc is essential to determine the nature, timing & extent of audit procedure, amount of resources allocated. This process of quantifying the risk is called risk assessment which is integral part of risk management. The following types of risks are expected:

- Inherent risk
- Control risk
- Detection risk

### Our Risk Based Information Systems Audit Approach



Often IS an auditor use computer assisted audit techniques (CAAT). The use of CAATs is generally defined & decided by the scope of the IS audit and the complexity & automation level of entity's information systems.

### PHASE 3 – Performance of Audit Work

After risk assessment and formation of audit plan & audit program audit work starts which includes applying audit procedures, evaluating sufficient & reliable evidences, & documentation of audit work.

### PHASE 4 – Reporting

By considering the scope of work, audit work, period coverage, any restrictions during audit work & provided audit evidences, auditor shall state all findings, recommendations, qualification and limitation in his report which is the conclusive evidence of effectiveness of organization's information system.