UNIVERSITY OF TOLEDO INTERNAL AUDIT DEPARTMENT
MANAGE INFORMATION RESOURCES

Control practices

The following control objectives provide a basis for strengthening your control environment for the process of managing information resources. When you select an objective, you will access a list of the associated business risks and control practices. That information can serve as a checklist when you begin reviewing the strength of your current process controls.

This business risk and control information can help you assess your internal control environment and assist with the design and implementation of internal controls. Please note that this information is at the generic business process level and many companies will need to go beyond generic models to address the specific business processes that support the financial and nonfinancial disclosures being made. You can combine the insight of this business risk and control information with your industry-specific knowledge and understanding of your company's environment when conducting internal control assessments and designing and implementing recommendations.

Effectiveness and efficiency of operations
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Business risks
- Internal audit will be less involved in effective IT audit activities and, thus, will have less influence on the scope of audits in two ways: 1. internal audit will be a less significant element of internal accounting control, so the company will place less reliance on it for determining the nature, timing, and extent of substantive tests; and 2. internal audit will provide less direct assistance to the audit team performing tests of controls and/or substantive audit tests.
- The company will have less assurance that general IT controls, IT application controls, and application processing systems are operating effectively unless other substantiation and evaluation techniques compensate for the lack of internal IT audit activities.

Control practices
1. Test IT controls for internal audit compliance.
2. Require internal audit to review systems development activities.
3. Involve internal audit in quality assurance reviews during significant phases of systems development.
4. Ensure that internal audit conducts post installation audits of recently completed systems development and installation projects to assess whether the designed functional and operational specifications have been achieved.
5. Engage internal audit in the designing, testing, and implementation of controls in new application systems and major modifications of existing software.
6. Authorize internal audit to prepare control design guidelines for the systems development methodology.
7. Engage internal audit in the development of test data and engage them in the actual testing of controls.
8. Conduct internal audit review of application systems and compliance tests controls.
9. Review select applications systems regularly for compliance with internal controls and review other applications systems on a rotating basis.
10. Ensure that internal audit reviews program logic to determine whether they are coded correctly and whether specified techniques or processing steps are included.
11. Ensure that internal audit reviews systems maintenance and testing documents.
12. Engage internal audit in developing the system test policies and in the actual testing of system changes.
13. Leverage internal audit's use of computer assisted audit techniques (CAATs).
14. Leverage internal audit's use of generalized or custom audit software, utility programs, time-sharing programs, and other forms of CAATs within the audit process.
15. Ensure that internal audit uses test data, integrated test facilities, or embedded audit modules to test programmed internal control techniques and critical processing procedures.
16. Ensure that internal audit uses software to compare two versions of a computer program and print a listing of differences (for example, source code to source code or object code to object code).
17. Ensure that internal audit uses computer assisted audit techniques (CAATs) to simulate calculations, select samples for audit tests, scan files, summarize data, and reprocess data to compare with recorded amounts.