



# THE ROBERTS COMPANY, LLC

Compliance Services: IT & Business Processes

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## Implementation of new SAS 108

# CASE STUDY

## Risk Based Audit

### ❑ The Challenge

The use of professionals possessing information technology (IT) skills to determine the effect of IT on the audit, to understand the IT controls, or to design and perform tests of IT controls or substantive procedures is a significant aspect of many audit engagements.

### ❑ Information Technology Controls:

While planning the engagement, the auditor has determined the need to use a specialized IT skill to perform the audit based on the following factors (as stated in SAS 108):

- ✓ The complexity of the entity's systems and IT controls and the manner in which they are used in conducting the entity's business
- ✓ The significance of changes made to existing systems, or the implementation of new systems
- ✓ The extent to which data is shared among systems
- ✓ The extent of the entity's participation in electronic commerce
- ✓ The entity's use of emerging technologies
- ✓ The significance of audit evidence that is available only in electronic form

### ❑ IT Audit Approach

The IT auditor performed the following:

1. Identified the critical IT control activities in relationship to the clients business and computing environment.
2. Substantiated the presence of IT control activities through either "inquiry", "observation", or "examination" methods.

The IT audit was based-on interviewing the Company IT and accounting staffs.

The selected IT internal controls examined in our IT audit were within the following disciplines:

1. IT Planning and Governance
2. Computer network logical security
3. Computer server physical security
4. Program Development & Controls
5. IT Operations and Support
6. Information systems backup
7. The use of Excel spreadsheets
8. Application Controls: Segregation of Duty
9. IT Policies presence and condition

### ❑ The Outcome

Issued IT audit report stating the *presence* and *effectiveness* of the selected IT control activities.

- ✓ Must you comply with and maintain Sarbanes-Oxley Act Section 404?
- ✓ Are you concerned about the Internal Controls within your company?
- ✓ Does your IT function support your company business processes & objectives?
- ✓ Does your company need Fraud Protection Programs?

### Our Services Include:

- ❑ Sarbanes-Oxley Act- Section 404 Compliance
- ❑ Corporate Governance and Entity Level Controls
- ❑ Corporate Governance Compliance
- ❑ IT General Controls
- ❑ Fraud Deterrence and Prevention Services
- ❑ Information Technology: Policy Development & Compliance
- ❑ Operations Processes: Policy Development & Compliance
- ❑ Accounting Processes: Policy Development & Compliance
- ❑ Corporate Governance: Policy Development & Compliance
- ❑ Application Due Diligence and Testing
- ❑ Gramm-Leach-Bliley Act
- ❑ SAS 70 & SAS 94
- ❑ ISO 17799/27000 Compliance Services
- ❑ IT Planning and Assessment