e-Commerce Auditing

Prepared For:
Mr. Mohd. Shah Mahat

Prepared By:
Rachmat Ratapura Bin Bahtiar
(2008700283)
Abdul Taib Bin Hamdin
(2007242572)
Norman Bin Morshidi
(2006495549)
Muhammad Farhan Bin Alias
(2008250192)

AUD571

Content   Page

INTRODUCTION

This guideline briefly outlines the basic approach for conducting an Information and Communication Technology (ICT) Audit).

The overall objective and scope of an audit do not change in a computerised environment, in spite of the fact that the use of ICT has tremendously changed the mode and speed of processing, and the storage media of financial data and records. However, these changes have significantly affected the organisation and the procedures of the auditee's accounting and internal control systems. Consequently auditors techniques and methodologies in conducting the audit and the evaluation of the systems and their related internal controls are affected by the characteristics of the computerised environment. The differences between the computerised and the manual environment are quite conspicuous in the following areas; The nature of audit evidence, The procedures used to obtain evidence & The timing and extent of procedures applied.

GENERAL ICT AUDIT

The audit objective is to determine the integrity of the system in the production of financial and critical information.

This is divided into 4. First is General ICT Audit that consist of General Controls, Application controls and network control.

Second, System Development Audit that consist of Concurrent Audit and Post Implemented Audit.

Third, Performance Audit On ICT Environment and lastly Computer Assisted Audit Techniques and Tools (CAATTs).

The audit methodology requires the auditors to evaluate the auditees computerised information systems to determine whether they produce timely, accurate, complete and reliable information in conformity with their management goals and objectives.

The implementation of the computer-based auditing includes technique used for Auditing Around the Computer, Auditing Through the Computer and Auditing With the Computer.

Audit Planning Considerations

The auditor should initially gather information pertinent to the computerised environment to be audited as The organisation of the ICT function, committees, the extent of computer processing and network being used throughout the auditee

The computer hardware and software used by the auditee; Details of all ICT systems and applications used by the auditee. This also need to Identify significant applications used, the nature of the processing (e.g. batch/on-line) and back-up retention policies. Future System Development, including revisions to existing applications. The ICT Documentation i.e. ICT policies and standard on systems development, systems documentation, systems implementations, user manual etc; and Legal and regulatory policies.

The auditor should then perform a risk analysis and assessment on the overall ICT system of the organisation. This risk analysis and assessment should include all systems and subsystems directly or indirectly involved in the production of financial and critical information. Based on these results, the auditor should rank the systems according to the risks attached to them. This will form the basis for prioritising the audit.

In considering the overall plan the auditor should consider matters such as determining the degree of reliance, he expects to place on the ICT controls in his overall evaluation of internal control. Planning how, where and when the ICT function will be reviewed; and Planning audit procedures using CAATTs.

The main products at this stage will be the documentations on the auditee profile, the systems profile, the computerised internal controls profile and the detailed audit plan. An ICT Audit Planning Memorandum would normally contain items.