UNIVERSITY OF TOLEDO INTERNAL AUDIT DEPARTMENT
DEVELOP FRAMEWORKS TO ALIGN BUSINESS AND TECHNOLOGY

Control practices

Effectiveness and efficiency of operations

A. Responsibilities of IT personnel are defined and communicated.

Business risks
- IT personnel will make operating mistakes as a result of misunderstood instructions, lack of proper supervision and review, poor work habits, shortcuts in performance of duties, or poor communication.
- IT personnel will make undetected errors because they will assume responsibilities that exceed their understanding or qualifications.
- IT effort and resources will be expended in ways unrelated to company objectives because of inadequate management control.

Control practices
1. Develop and continually update the information technology (IT) organizational chart.
2. Exercise adequate supervision, at appropriate levels, in each IT functional area.

B. Incompatible duties among IT personnel are segregated.

Business risks
- x IT controls will be subject to override or circumvention as a matter of "convenience."
- x Opportunities to perpetrate and conceal fraud will develop because IT personnel will have direct or indirect access to assets.
- x IT employees and others inside or outside of the organization will conspire to commit fraud.

Control practices
1. Delegate adequate segregation of duties between operations, systems, programming, applications programming, and data control.
2. Ensure that programmers and developers do not approve or initiate changes to master file data or "live" data.
3. Ensure that IT personnel do not have other duties in other departments. (For example, an IT programmer who creates the purchasing system would not also act as a purchasing agent for the company.)
4. Instruct IT department to prepare reports covering the activities of its personnel. (Examples include time reports or Gantt charts highlighting the time element for specific projects.)
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