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NEW QUESTION 1

- (Topic 1)

Which of the following would be the BEST method for ensuring that critical fields in a master record have been updated properly?

- A. Field checks
- B. Control totals
- C. Reasonableness checks
- D. A before-and-after maintenance report

Answer: D

Explanation:

A before-and-after maintenance report is the best answer because a visual review would provide the most positive verification that updating was proper.

NEW QUESTION 2

- (Topic 1)

Which of the following is MOST likely to result from a business process reengineering (BPR) project?

- A. An increased number of people using technology
- B. Significant cost savings, through a reduction in the complexity of information technology
- C. A weaker organizational structures and less accountability
- D. Increased information protection (IP) risk will increase

Answer: A

Explanation:

A BPR project more often leads to an increased number of people using technology, and this would be a cause for concern. Incorrect answers:

B. As BPR is often technology oriented, and this technology is usually more complex and volatile than in the past, cost savings do not often materialize in this area.

D. There is no reason for IP to conflict with a BPR project, unless the project is not run properly.

NEW QUESTION 3

- (Topic 1)

Which of the following network configuration options contains a direct link between any two host machines?

- A. Bus
- B. Ring
- C. Star
- D. Completely connected (mesh)

Answer: D

Explanation:

A completely connected mesh configuration creates a direct link between any two host machines.

NEW QUESTION 4

- (Topic 1)

A data administrator is responsible for:

- A. maintaining database system softwar
- B. defining data elements, data names and their relationshi
- C. developing physical database structure
- D. developing data dictionary system softwar

Answer: B

Explanation:

A data administrator is responsible for defining data elements, data names and their relationship. Choices A, C and D are functions of a database administrator (DBA)

NEW QUESTION 5

- (Topic 1)

An IS auditor reviewing the key roles and responsibilities of the database administrator (DBA) is LEAST likely to expect the job description of the DBA to include:

- A. defining the conceptual schem
- B. defining security and integrity check
- C. liaising with users in developing data mode
- D. mapping data model with the internal schem

Answer: D

Explanation:

A DBA only in rare instances should be mapping data elements from the data model to the internal schema (physical data storage definitions). To do so would eliminate data independence for application systems. Mapping of the data model occurs with the conceptual schema since the conceptual schema represents the enterprisewide view of data within an organization and is the basis for deriving an end-user department data model.

NEW QUESTION 6

- (Topic 1)

A critical function of a firewall is to act as a:

- A. special router that connects the Internet to a LA
- B. device for preventing authorized users from accessing the LA
- C. server used to connect authorized users to private trusted network resource
- D. proxy server to increase the speed of access to authorized user

Answer: B

Explanation:

A firewall is a set of related programs, located at a network gateway server, that protects the resources of a private network from users of other networks. An enterprise with an intranet that allows its workers access to the wider Internet installs a firewall to prevent outsiders from accessing its own private data resources and for controlling the outside resources to which its own users have access. Basically, a firewall, working closely with a router program, filters all network packets to determine whether or not to forward them toward their destination. A firewall includes or works with a proxy server that makes network requests on behalf of workstation users. A firewall is often installed in a specially designated computer separate from the rest of the network so no incoming request can get directed to private network resources.

NEW QUESTION 7

- (Topic 1)

A LAN administrator normally would be restricted from:

- A. having end-user responsibilitie
- B. reporting to the end-user manage
- C. having programming responsibilitie
- D. being responsible for LAN security administratio

Answer: C

Explanation:

A LAN administrator should not have programming responsibilities but may have end- user responsibilities. The LAN administrator may report to the director of the IPF or, in a decentralized operation, to the end-user manager. In small organizations, the LAN administrator also may be responsible for security administration over the LAN.

NEW QUESTION 8

- (Topic 1)

Which of the following is a telecommunication device that translates data from digital form to analog form and back to digital?

- A. Multiplexer
- B. Modem
- C. Protocol converter
- D. Concentrator

Answer: B

Explanation:

A modem is a device that translates data from digital to analog and back to digital.

NEW QUESTION 9

- (Topic 1)

Which of the following systems-based approaches would a financial processing company employ to monitor spending patterns to identify abnormal patterns and report them?

- A. A neural network
- B. Database management software
- C. Management information systems
- D. Computer assisted audit techniques

Answer: A

Explanation:

A neural network will monitor and learn patterns, reporting exceptions for investigation.

NEW QUESTION 10

- (Topic 1)

The initial step in establishing an information security program is the:

- A. development and implementation of an information security standards manua

- B. performance of a comprehensive security control review by the IS auditor
- C. adoption of a corporate information security policy statement
- D. purchase of security access control software

Answer: C

Explanation:

A policy statement reflects the intent and support provided by executive management for proper security and establishes a starting point for developing the security program.

NEW QUESTION 10

- (Topic 1)

Which of the following is a continuity plan test that uses actual resources to simulate a system crash to cost-effectively obtain evidence about the plan's effectiveness?

- A. Paper test
- B. Post test
- C. Preparedness test
- D. Walk-through

Answer: C

Explanation:

A preparedness test is a localized version of a full test, wherein resources are expended in the simulation of a system crash. This test is performed regularly on different aspects of the plan and can be a cost-effective way to gradually obtain evidence about the plan's effectiveness. It also provides a means to improve the plan in increments.

NEW QUESTION 13

- (Topic 1)

Company.com has contracted with an external consulting firm to implement a commercial financial system to replace its existing in-house developed system. In reviewing the proposed development approach, which of the following would be of GREATEST concern?

- A. Acceptance testing is to be managed by user
- B. A quality plan is not part of the contracted deliverable
- C. Not all business functions will be available on initial implementation
- D. Prototyping is being used to confirm that the system meets business requirement

Answer: B

Explanation:

A quality plan is an essential element of all projects. It is critical that the contracted supplier be required to produce such a plan. The quality plan for the proposed development contract should be comprehensive and encompass all phases of the development and include which business functions will be included and when. Acceptance is normally managed by the user area, since they must be satisfied that the new system will meet their requirements. If the system is large, a phased-in approach to implementing the application is a reasonable approach. Prototyping is a valid method of ensuring that the system will meet business requirements.

NEW QUESTION 17

- (Topic 1)

In a public key infrastructure (PKI), the authority responsible for the identification and authentication of an applicant for a digital certificate (i.e., certificate subjects) is the:

- A. registration authority (RA).
- B. issuing certification authority (CA).
- C. subject C
- D. policy management authority

Answer: A

Explanation:

A RA is an entity that is responsible for identification and authentication of certificate subjects, but the RA does not sign or issue certificates. The certificate subject usually interacts with the RA for completing the process of subscribing to the services of the certification authority in terms of getting identity validated with standard identification documents, as detailed in the certificate policies of the CA. In the context of a particular certificate, the issuing CA is the CA that issued the certificate. In the context of a particular CA certificate, the subject CA is the CA whose public key is certified in the certificate.

NEW QUESTION 21

- (Topic 1)

A control that detects transmission errors by appending calculated bits onto the end of each segment of data is known as a:

- A. reasonableness check
- B. parity check
- C. redundancy check
- D. check digit

Answer: C

Explanation:

A redundancy check detects transmission errors by appending calculated bits onto the end of each segment of data.

NEW QUESTION 22

- (Topic 1)

IS auditors are MOST likely to perform compliance tests of internal controls if, after their initial evaluation of the controls, they conclude that control risks are within the acceptable limits. True or false?

- A. True
- B. False

Answer: A

Explanation:

IS auditors are most likely to perform compliance tests of internal controls if, after their initial evaluation of the controls, they conclude that control risks are within the acceptable limits. Think of it this way: If any reliance is placed on internal controls, that reliance must be validated through compliance testing. High control risk results in little reliance on internal controls, which results in additional substantive testing.

NEW QUESTION 25

- (Topic 1)

What is the PRIMARY purpose of audit trails?

- A. To document auditing efforts
- B. To correct data integrity errors
- C. To establish accountability and responsibility for processed transactions
- D. To prevent unauthorized access to data

Answer: C

Explanation:

The primary purpose of audit trails is to establish accountability and responsibility for processed transactions.

NEW QUESTION 27

- (Topic 1)

The use of statistical sampling procedures helps minimize:

- A. Detection risk
- B. Business risk
- C. Controls risk
- D. Compliance risk

Answer: A

Explanation:

The use of statistical sampling procedures helps minimize detection risk.

NEW QUESTION 30

- (Topic 1)

What type of approach to the development of organizational policies is often driven by risk assessment?

- A. Bottom-up
- B. Top-down
- C. Comprehensive
- D. Integrated

Answer: B

Explanation:

A bottom-up approach to the development of organizational policies is often driven by risk assessment.

NEW QUESTION 34

- (Topic 1)

A core tenant of an IS strategy is that it must:

- A. Be inexpensive
- B. Be protected as sensitive confidential information
- C. Protect information confidentiality, integrity, and availability
- D. Support the business objectives of the organization

Answer: D

Explanation:

Above all else, an IS strategy must support the business objectives of the organization.

NEW QUESTION 38

- (Topic 1)

Which of the following could lead to an unintentional loss of confidentiality? Choose the BEST answer.

- A. Lack of employee awareness of a company's information security policy
- B. Failure to comply with a company's information security policy
- C. A momentary lapse of reason
- D. Lack of security policy enforcement procedures

Answer: A

Explanation:

Lack of employee awareness of a company's information security policy could lead to an unintentional loss of confidentiality.

NEW QUESTION 39

- (Topic 1)

What topology provides the greatest redundancy of routes and the greatest network fault tolerance?

- A. A star network topology
- B. A mesh network topology with packet forwarding enabled at each host
- C. A bus network topology
- D. A ring network topology

Answer: B

Explanation:

A mesh network topology provides a point-to-point link between every network host. If each host is configured to route and forward communication, this topology provides the greatest redundancy of routes and the greatest network fault tolerance.

NEW QUESTION 42

- (Topic 1)

What kind of protocols does the OSI Transport Layer of the TCP/IP protocol suite provide to ensure reliable communication?

- A. Nonconnection-oriented protocols
- B. Connection-oriented protocols
- C. Session-oriented protocols
- D. Nonsession-oriented protocols

Answer: B

Explanation:

The transport layer of the TCP/IP protocol suite provides for connection-oriented protocols to ensure reliable communication.

NEW QUESTION 45

- (Topic 1)

Atomicity enforces data integrity by ensuring that a transaction is either completed in its entirety or not at all. Atomicity is part of the ACID test reference for transaction processing. True or false?

- A. True
- B. False

Answer: A

Explanation:

Atomicity enforces data integrity by ensuring that a transaction is either completed in its entirety or not at all. Atomicity is part of the ACID test reference for transaction processing.

NEW QUESTION 48

- (Topic 1)

Why does the IS auditor often review the system logs?

- A. To get evidence of password spoofing
- B. To get evidence of data copy activities
- C. To determine the existence of unauthorized access to data by a user or program
- D. To get evidence of password sharing

Answer: C

Explanation:

When trying to determine the existence of unauthorized access to data by a user or program, the IS auditor will often review the system logs.

NEW QUESTION 53

- (Topic 1)

How is risk affected if users have direct access to a database at the system level?

- A. Risk of unauthorized access increases, but risk of untraceable changes to the database decrease
- B. Risk of unauthorized and untraceable changes to the database increase
- C. Risk of unauthorized access decreases, but risk of untraceable changes to the database increase
- D. Risk of unauthorized and untraceable changes to the database decrease

Answer: B

Explanation:

If users have direct access to a database at the system level, risk of unauthorized and untraceable changes to the database increases.

NEW QUESTION 56

- (Topic 1)

What benefit does using capacity-monitoring software to monitor usage patterns and trends provide to management? Choose the BEST answer.

- A. The software can dynamically readjust network traffic capabilities based upon current usag
- B. The software produces nice reports that really impress managemen
- C. It allows users to properly allocate resources and ensure continuous efficiency of operation
- D. It allows management to properly allocate resources and ensure continuous efficiency of operation

Answer: D

Explanation:

Using capacity-monitoring software to monitor usage patterns and trends enables management to properly allocate resources and ensure continuous efficiency of operations.

NEW QUESTION 58

- (Topic 1)

What are used as a countermeasure for potential database corruption when two processes attempt to simultaneously edit or update the same information? Choose the BEST answer.

- A. Referential integrity controls
- B. Normalization controls
- C. Concurrency controls
- D. Run-to-run totals

Answer: A

Explanation:

Concurrency controls are used as a countermeasure for potential database corruption when two processes attempt to simultaneously edit or update the same information.

NEW QUESTION 62

- (Topic 1)

What increases encryption overhead and cost the most?

- A. A long symmetric encryption key
- B. A long asymmetric encryption key
- C. A long Advance Encryption Standard (AES) key
- D. A long Data Encryption Standard (DES) key

Answer: B

Explanation:

A long asymmetric encryption key (public key encryption) increases encryption overhead and cost. All other answers are single shared symmetric keys.

NEW QUESTION 63

- (Topic 1)

What type of cryptosystem is characterized by data being encrypted by the sender using the recipient's public key, and the data then being decrypted using the recipient's private key?

- A. With public-key encryption, or symmetric encryption
- B. With public-key encryption, or asymmetric encryption
- C. With shared-key encryption, or symmetric encryption
- D. With shared-key encryption, or asymmetric encryption

Answer: B

Explanation:

With public key encryption or asymmetric encryption, data is encrypted by the sender using the recipient's public key; the data is then decrypted using the recipient's private key.

NEW QUESTION 64

- (Topic 1)

What are used as the framework for developing logical access controls?

- A. Information systems security policies
- B. Organizational security policies
- C. Access Control Lists (ACL)
- D. Organizational charts for identifying roles and responsibilities

Answer: A

Explanation:

Information systems security policies are used as the framework for developing logical access controls.

NEW QUESTION 69

- (Topic 1)

Which of the following is a good control for protecting confidential data residing on a PC?

- A. Personal firewall
- B. File encapsulation
- C. File encryption
- D. Host-based intrusion detection

Answer: C

Explanation:

File encryption is a good control for protecting confidential data residing on a PC.

NEW QUESTION 73

- (Topic 1)

Which of the following is a guiding best practice for implementing logical access controls?

- A. Implementing the Biba Integrity Model
- B. Access is granted on a least-privilege basis, per the organization's data owners
- C. Implementing the Take-Grant access control model
- D. Classifying data according to the subject's requirements

Answer: B

Explanation:

Logical access controls should be reviewed to ensure that access is granted on a least-privilege basis, per the organization's data owners.

NEW QUESTION 76

- (Topic 1)

What does PKI use to provide some of the strongest overall control over data confidentiality, reliability, and integrity for Internet transactions?

- A. A combination of public-key cryptography and digital certificates and two-factor authentication
- B. A combination of public-key cryptography and two-factor authentication
- C. A combination of public-key cryptography and digital certificates
- D. A combination of digital certificates and two-factor authentication

Answer: C

Explanation:

PKI uses a combination of public-key cryptography and digital certificates to provide some of the strongest overall control over data confidentiality, reliability, and integrity for Internet transactions.

NEW QUESTION 79

- (Topic 1)

Regarding digital signature implementation, which of the following answers is correct?

- A. A digital signature is created by the sender to prove message integrity by encrypting the message with the sender's private ke
- B. Upon receiving the data, the recipient can decrypt the data using the sender's public ke
- C. A digital signature is created by the sender to prove message integrity by encrypting the message with the recipient's public ke
- D. Upon receiving the data, the recipient can decrypt the data using the recipient's public ke
- E. A digital signature is created by the sender to prove message integrity by initially using a hashing algorithm to produce a hash value or message digest from the entire message content
- F. Upon receiving the data, the recipient can independently create i
- G. A digital signature is created by the sender to prove message integrity by encrypting the message with the sender's public ke
- H. Upon receiving the data, the recipient can decrypt the data using the recipient's private ke

Answer: C

Explanation:

A digital signature is created by the sender to prove message integrity by initially using a hashing algorithm to produce a hash value, or message digest, from the entire message contents. Upon receiving the data, the recipient can independently create its own message digest from the data for comparison and data integrity validation. Public and private are used to enforce confidentiality. Hashing algorithms are used to enforce integrity.

NEW QUESTION 80

- (Topic 1)

What are often the primary safeguards for systems software and data?

- A. Administrative access controls
- B. Logical access controls
- C. Physical access controls
- D. Detective access controls

Answer: B

Explanation:

Logical access controls are often the primary safeguards for systems software and data.

Which of the following is often used as a detection and deterrent control against Internet

attacks? A. Honeypots B. CCTV C. VPN D. VLAN Answer: A Honeypots are often used as a detection and deterrent control against Internet attacks.

NEW QUESTION 85

- (Topic 1)

Which of the following BEST characterizes a mantrap or deadman door, which is used as a deterrent control for the vulnerability of piggybacking?

- A. A monitored double-doorway entry system
- B. A monitored turnstile entry system
- C. A monitored doorway entry system
- D. A one-way door that does not allow exit after entry

Answer: A

Explanation:

A monitored double-doorway entry system, also referred to as a mantrap or deadman door, is used as a deterrent control for the vulnerability of piggybacking.

NEW QUESTION 86

- (Topic 1)

Which of the following is an effective method for controlling downloading of files via FTP? Choose the BEST answer.

- A. An application-layer gateway, or proxy firewall, but not stateful inspection firewalls
- B. An application-layer gateway, or proxy firewall
- C. A circuit-level gateway
- D. A first-generation packet-filtering firewall

Answer: B

Explanation:

Application-layer gateways, or proxy firewalls, are an effective method for controlling downloading of files via FTP. Because FTP is an OSI application-layer protocol, the most effective firewall needs to be capable of inspecting through the application layer.

NEW QUESTION 90

- (Topic 1)

Which of the following provides the strongest authentication for physical access control?

- A. Sign-in logs
- B. Dynamic passwords
- C. Key verification
- D. Biometrics

Answer: D

Explanation:

Biometrics can be used to provide excellent physical access control.

NEW QUESTION 93

- (Topic 1)

What can ISPs use to implement inbound traffic filtering as a control to identify IP packets transmitted from unauthorized sources? Choose the BEST answer.

- A. OSI Layer 2 switches with packet filtering enabled
- B. Virtual Private Networks
- C. Access Control Lists (ACL)
- D. Point-to-Point Tunneling Protocol

Answer: C

Explanation:

ISPs can use access control lists to implement inbound traffic filtering as a control to identify IP packets transmitted from unauthorized sources.

NEW QUESTION 98

- (Topic 1)

What is the key distinction between encryption and hashing algorithms?

- A. Hashing algorithms ensure data confidentiality
- B. Hashing algorithms are irreversible
- C. Encryption algorithms ensure data integrity
- D. Encryption algorithms are not irreversible

Answer: B

Explanation:

A key distinction between encryption and hashing algorithms is that hashing algorithms are irreversible.

NEW QUESTION 102

- (Topic 1)

Who is ultimately responsible and accountable for reviewing user access to systems?

- A. Systems security administrators
- B. Data custodians
- C. Data owners
- D. Information systems auditors

Answer: C

Explanation:

Data owners are ultimately responsible and accountable for reviewing user access to systems.

NEW QUESTION 106

- (Topic 1)

Establishing data ownership is an important first step for which of the following processes? Choose the BEST answer.

- A. Assigning user access privileges
- B. Developing organizational security policies
- C. Creating roles and responsibilities
- D. Classifying data

Answer: D

Explanation:

To properly implement data classification, establishing data ownership is an important first step.

NEW QUESTION 111

- (Topic 1)

What influences decisions regarding criticality of assets?

- A. The business criticality of the data to be protected
- B. Internal corporate politics
- C. The business criticality of the data to be protected, and the scope of the impact upon the organization as a whole
- D. The business impact analysis

Answer: C

Explanation:

Criticality of assets is often influenced by the business criticality of the data to be protected and by the scope of the impact upon the organization as a whole. For example, the loss of a network backbone creates a much greater impact on the organization as a whole than the loss of data on a typical user's workstation.

NEW QUESTION 112

- (Topic 1)

Although BCP and DRP are often implemented and tested by middle management and end users, the ultimate responsibility and accountability for the plans remain with executive management, such as the _____. (fill-in-the-blank)

- A. Security administrator
- B. Systems auditor
- C. Board of directors
- D. Financial auditor

Answer: C

Explanation:

Although BCP and DRP are often implemented and tested by middle management and end users, the ultimate responsibility and accountability for the plans remain with executive management, such as the board of directors.

NEW QUESTION 116

- (Topic 1)

What is often the most difficult part of initial efforts in application development? Choose the BEST answer.

- A. Configuring software
- B. Planning security
- C. Determining time and resource requirements
- D. Configuring hardware

Answer: C

Explanation:

Determining time and resource requirements for an application-development project is often the most difficult part of initial efforts in application development.

NEW QUESTION 119

- (Topic 1)

Whenever an application is modified, what should be tested to determine the full impact of the change? Choose the BEST answer.

- A. Interface systems with other applications or systems
- B. The entire program, including any interface systems with other applications or systems
- C. All programs, including interface systems with other applications or systems
- D. Mission-critical functions and any interface systems with other applications or systems

Answer: B

Explanation:

Whenever an application is modified, the entire program, including any interface systems with other applications or systems, should be tested to determine the full impact of the change.

NEW QUESTION 122

- (Topic 1)

The quality of the metadata produced from a data warehouse is _____ in the warehouse's design. Choose the BEST answer.

- A. Often hard to determine because the data is derived from a heterogeneous data environment
- B. The most important consideration
- C. Independent of the quality of the warehoused databases
- D. Of secondary importance to data warehouse content

Answer: B

Explanation:

The quality of the metadata produced from a data warehouse is the most important consideration in the warehouse's design.

NEW QUESTION 125

- (Topic 1)

Function Point Analysis (FPA) provides an estimate of the size of an information system based only on the number and complexity of a system's inputs and outputs. True or false?

- A. True
- B. False

Answer: B

Explanation:

Function point analysis (FPA) provides an estimate of the size of an information system based on the number and complexity of a system's inputs, outputs, and files.

NEW QUESTION 130

- (Topic 1)

If an IS auditor observes that individual modules of a system perform correctly in development project tests, the auditor should inform management of the positive results and recommend further:

- A. Documentation development
- B. Comprehensive integration testing
- C. Full unit testing
- D. Full regression testing

Answer: B

Explanation:

If an IS auditor observes that individual modules of a system perform correctly in development project tests, the auditor should inform management of the positive results and recommend further comprehensive integration testing.

NEW QUESTION 133

- (Topic 1)

If an IS auditor observes that an IS department fails to use formal documented methodologies, policies, and standards, what should the auditor do? Choose the BEST answer.

- A. Lack of IT documentation is not usually material to the controls tested in an IT audit
- B. The auditor should at least document the informal standards and policies
- C. Furthermore, the IS auditor should create formal documented policies to be implemented
- D. The auditor should at least document the informal standards and policies, and test for compliance
- E. Furthermore, the IS auditor should recommend to management that formal documented policies be developed and implemented
- F. The auditor should at least document the informal standards and policies, and test for compliance
- G. Furthermore, the IS auditor should create formal documented policies to be implemented

Answer: C

Explanation:

If an IS auditor observes that an IS department fails to use formal documented methodologies, policies, and standards, the auditor should at least document the informal standards and policies, and test for compliance. Furthermore, the IS auditor should recommend to management that formal documented policies be developed and implemented.

NEW QUESTION 136

- (Topic 1)

What can be used to help identify and investigate unauthorized transactions? Choose the BEST answer.

- A. Postmortem review
- B. Reasonableness checks
- C. Data-mining techniques
- D. Expert systems

Answer: C

Explanation:

Data-mining techniques can be used to help identify and investigate unauthorized transactions.

NEW QUESTION 141

- (Topic 1)

_____ risk analysis is not always possible because the IS auditor is attempting to calculate risk using nonquantifiable threats and potential losses. In this event, a _____ risk assessment is more appropriate. Fill in the blanks.

- A. Quantitative; qualitative
- B. Qualitative; quantitative
- C. Residual; subjective
- D. Quantitative; subjective

Answer: A

Explanation:

Quantitative risk analysis is not always possible because the IS auditor is attempting to calculate risk using nonquantifiable threats and potential losses. In this event, a qualitative risk assessment is more appropriate.

NEW QUESTION 146

- (Topic 1)

What must an IS auditor understand before performing an application audit? Choose the BEST answer.

- A. The potential business impact of application risk
- B. Application risks must first be identified
- C. Relative business processes
- D. Relevant application risk

Answer: C

Explanation:

An IS auditor must first understand relative business processes before performing an application audit.

NEW QUESTION 150

- (Topic 1)

Which of the following can help detect transmission errors by appending specially calculated bits onto the end of each segment of data?

- A. Redundancy check
- B. Completeness check
- C. Accuracy check
- D. Parity check

Answer: A

Explanation:

A redundancy check can help detect transmission errors by appending especially calculated bits onto the end of each segment of data.

NEW QUESTION 154

- (Topic 1)

What is an edit check to determine whether a field contains valid data?

- A. Completeness check
- B. Accuracy check
- C. Redundancy check
- D. Reasonableness check

Answer: A

Explanation:

A completeness check is an edit check to determine whether a field contains valid data.

NEW QUESTION 157

- (Topic 1)

The traditional role of an IS auditor in a control self-assessment (CSA) should be that of a(n):

- A. Implementor

- B. Facilitator
- C. Developer
- D. Sponsor

Answer: B

Explanation:

The traditional role of an IS auditor in a control self-assessment (CSA) should be that of a facilitator.

NEW QUESTION 158

- (Topic 1)

Which of the following would prevent accountability for an action performed, thus allowing nonrepudiation?

- A. Proper authentication
- B. Proper identification AND authentication
- C. Proper identification
- D. Proper identification, authentication, AND authorization

Answer: B

Explanation:

If proper identification and authentication are not performed during access control, no accountability can exist for any action performed.

NEW QUESTION 161

- (Topic 1)

Which of the following is the MOST critical step in planning an audit?

- A. Implementing a prescribed auditing framework such as COBIT
- B. Identifying current controls
- C. Identifying high-risk audit targets
- D. Testing controls

Answer: C

Explanation:

In planning an audit, the most critical step is identifying the areas of high risk.

NEW QUESTION 164

- (Topic 1)

What type of risk is associated with authorized program exits (trap doors)? Choose the BEST answer.

- A. Business risk
- B. Audit risk
- C. Detective risk
- D. Inherent risk

Answer: D

Explanation:

Inherent risk is associated with authorized program exits (trap doors).

NEW QUESTION 166

- (Topic 1)

An integrated test facility is not considered a useful audit tool because it cannot compare processing output with independently calculated data. True or false?

- A. True
- B. False

Answer: B

Explanation:

An integrated test facility is considered a useful audit tool because it compares processing output with independently calculated data.

NEW QUESTION 169

- (Topic 1)

An advantage of a continuous audit approach is that it can improve system security when used in time-sharing environments that process a large number of transactions. True or false?

- A. True
- B. False

Answer: A

Explanation:

It is true that an advantage of a continuous audit approach is that it can improve system security when used in time-sharing environments that process a large number of transactions.

NEW QUESTION 172

- (Topic 1)

If an IS auditor finds evidence of risk involved in not implementing proper segregation of duties, such as having the security administrator perform an operations function, what is the auditor's primary responsibility?

- A. To advise senior management
- B. To reassign job functions to eliminate potential fraud
- C. To implement compensator control
- D. Segregation of duties is an administrative control not considered by an IS auditor

Answer: A

Explanation:

An IS auditor's primary responsibility is to advise senior management of the risk involved in not implementing proper segregation of duties, such as having the security administrator perform an operations function.

NEW QUESTION 176

- (Topic 1)

When should reviewing an audit client's business plan be performed relative to reviewing an organization's IT strategic plan?

- A. Reviewing an audit client's business plan should be performed before reviewing an organization's IT strategic plan
- B. Reviewing an audit client's business plan should be performed after reviewing an organization's IT strategic plan
- C. Reviewing an audit client's business plan should be performed during the review of an organization's IT strategic plan
- D. Reviewing an audit client's business plan should be performed without regard to an organization's IT strategic plan

Answer: A

Explanation:

Reviewing an audit client's business plan should be performed before reviewing an organization's IT strategic plan.

NEW QUESTION 177

- (Topic 1)

Allowing application programmers to directly patch or change code in production programs increases risk of fraud. True or false?

- A. True
- B. False

Answer: A

Explanation:

Allowing application programmers to directly patch or change code in production programs increases risk of fraud.

NEW QUESTION 178

- (Topic 1)

Who should be responsible for network security operations?

- A. Business unit managers
- B. Security administrators
- C. Network administrators
- D. IS auditors

Answer: B

Explanation:

Security administrators are usually responsible for network security operations.

NEW QUESTION 183

- (Topic 1)

What can be implemented to provide the highest level of protection from external attack?

- A. Layering perimeter network protection by configuring the firewall as a screened host in a screened subnet behind the bastion host
- B. Configuring the firewall as a screened host behind a router
- C. Configuring the firewall as the protecting bastion host
- D. Configuring two load-sharing firewalls facilitating VPN access from external hosts to internal hosts

Answer: A

Explanation:

Layering perimeter network protection by configuring the firewall as a screened host in a screened subnet behind the bastion host provides a higher level of protection from external attack than all other answers.

NEW QUESTION 185

- (Topic 1)

The directory system of a database-management system describes:

- A. The access method to the data
- B. The location of data AND the access method

- C. The location of data
- D. Neither the location of data NOR the access method

Answer: B

Explanation:

The directory system of a database-management system describes the location of data and the access method.

NEW QUESTION 189

- (Topic 1)

In order to properly protect against unauthorized disclosure of sensitive data, how should hard disks be sanitized?

- A. The data should be deleted and overwritten with binary 0
- B. The data should be demagnetize
- C. The data should be low-level formatte
- D. The data should be delete

Answer: B

Explanation:

To properly protect against unauthorized disclosure of sensitive data, hard disks should be demagnetized before disposal or release.

NEW QUESTION 190

- (Topic 1)

When reviewing print systems spooling, an IS auditor is MOST concerned with which of the following vulnerabilities?

- A. The potential for unauthorized deletion of report copies
- B. The potential for unauthorized modification of report copies
- C. The potential for unauthorized printing of report copies
- D. The potential for unauthorized editing of report copies

Answer: C

Explanation:

When reviewing print systems spooling, an IS auditor is most concerned with the potential for unauthorized printing of report copies.

NEW QUESTION 194

- (Topic 1)

Proper segregation of duties prevents a computer operator (user) from performing security administration duties. True or false?

- A. True
- B. False

Answer: A

Explanation:

Proper segregation of duties prevents a computer operator (user) from performing security administration duties.

NEW QUESTION 196

- (Topic 1)

How do modems (modulation/demodulation) function to facilitate analog transmissions to enter a digital network?

- A. Modems convert analog transmissions to digital, and digital transmission to analo
- B. Modems encapsulate analog transmissions within digital, and digital transmissions within analo
- C. Modems convert digital transmissions to analog, and analog transmissions to digita
- D. Modems encapsulate digital transmissions within analog, and analog transmissions within digita

Answer: A

Explanation:

Modems (modulation/demodulation) convert analog transmissions to digital, and digital transmissions to analog, and are required for analog transmissions to enter a digital network.

NEW QUESTION 199

- (Topic 1)

What type(s) of firewalls provide(s) the greatest degree of protection and control because both firewall technologies inspect all seven OSI layers of network traffic?

- A. A first-generation packet-filtering firewall
- B. A circuit-level gateway
- C. An application-layer gateway, or proxy firewall, and stateful-inspection firewalls
- D. An application-layer gateway, or proxy firewall, but not stateful-inspection firewalls

Answer: C

Explanation:

An application-layer gateway, or proxy firewall, and stateful-inspection firewalls provide the greatest degree of protection and control because both firewall technologies inspect all seven OSI layers of network traffic.

NEW QUESTION 204

- (Topic 1)

Which of the following can degrade network performance? Choose the BEST answer.

- A. Superfluous use of redundant load-sharing gateways
- B. Increasing traffic collisions due to host congestion by creating new collision domains
- C. Inefficient and superfluous use of network devices such as switches
- D. Inefficient and superfluous use of network devices such as hubs

Answer: D

Explanation:

Inefficient and superfluous use of network devices such as hubs can degrade network performance.

NEW QUESTION 206

- (Topic 1)

What is an effective control for granting temporary access to vendors and external support personnel? Choose the BEST answer.

- A. Creating user accounts that automatically expire by a predetermined date
- B. Creating permanent guest accounts for temporary use
- C. Creating user accounts that restrict logon access to certain hours of the day
- D. Creating a single shared vendor administrator account on the basis of least-privileged access

Answer: A

Explanation:

Creating user accounts that automatically expire by a predetermined date is an effective control for granting temporary access to vendors and external support personnel.

NEW QUESTION 210

- (Topic 1)

What are trojan horse programs? Choose the BEST answer.

- A. A common form of internal attack
- B. Malicious programs that require the aid of a carrier program such as email
- C. Malicious programs that can run independently and can propagate without the aid of a carrier program such as email
- D. A common form of Internet attack

Answer: D

Explanation:

Trojan horse programs are a common form of Internet attack.

NEW QUESTION 215

- (Topic 1)

What is/are used to measure and ensure proper network capacity management and availability of services? Choose the BEST answer.

- A. Network performance-monitoring tools
- B. Network component redundancy
- C. Syslog reporting
- D. IT strategic planning

Answer: A

Explanation:

Network performance-monitoring tools are used to measure and ensure proper network capacity management and availability of services.

NEW QUESTION 220

- (Topic 1)

What can be used to gather evidence of network attacks?

- A. Access control lists (ACL)
- B. Intrusion-detection systems (IDS)
- C. Syslog reporting
- D. Antivirus programs

Answer: B

Explanation:

Intrusion-detection systems (IDS) are used to gather evidence of network attacks.

NEW QUESTION 223

- (Topic 1)

Which of the following is a passive attack method used by intruders to determine potential network vulnerabilities?

- A. Traffic analysis

- B. SYN flood
- C. Denial of service (DoS)
- D. Distributed denial of service (DoS)

Answer: A

Explanation:

Traffic analysis is a passive attack method used by intruders to determine potential network vulnerabilities. All others are active attacks.

NEW QUESTION 226

- (Topic 1)

What type of fire-suppression system suppresses fire via water that is released from a main valve to be delivered via a system of dry pipes installed throughout the facilities?

- A. A dry-pipe sprinkler system
- B. A deluge sprinkler system
- C. A wet-pipe system
- D. A halon sprinkler system

Answer: A

Explanation:

A dry-pipe sprinkler system suppresses fire via water that is released from a main valve to be delivered via a system of dry pipes installed throughout the facilities.

NEW QUESTION 231

- (Topic 1)

Digital signatures require the sender to "sign" the data by encrypting the data with the sender's public key, to then be decrypted by the recipient using the recipient's private key. True or false?

- A. False
- B. True

Answer: B

Explanation:

Digital signatures require the sender to "sign" the data by encrypting the data with the sender's private key, to then be decrypted by the recipient using the sender's public key.

NEW QUESTION 234

- (Topic 1)

What is used to provide authentication of the website and can also be used to successfully authenticate keys used for data encryption?

- A. An organizational certificate
- B. A user certificate
- C. A website certificate
- D. Authenticode

Answer: C

Explanation:

A website certificate is used to provide authentication of the website and can also be used to successfully authenticate keys used for data encryption.

NEW QUESTION 236

- (Topic 1)

Which of the following should an IS auditor review to determine user permissions that have been granted for a particular resource? Choose the BEST answer.

- A. Systems logs
- B. Access control lists (ACL)
- C. Application logs
- D. Error logs

Answer: B

Explanation:

IS auditors should review access-control lists (ACL) to determine user permissions that have been granted for a particular resource.

NEW QUESTION 241

- (Topic 1)

What should IS auditors always check when auditing password files?

- A. That deleting password files is protected
- B. That password files are encrypted
- C. That password files are not accessible over the network
- D. That password files are archived

Answer: B

Explanation:

IS auditors should always check to ensure that password files are encrypted.

NEW QUESTION 246

- (Topic 1)

Using the OSI reference model, what layer(s) is/are used to encrypt data?

- A. Transport layer
- B. Session layer
- C. Session and transport layers
- D. Data link layer

Answer: C

Explanation:

User applications often encrypt and encapsulate data using protocols within the OSI session layer or farther down in the transport layer.

NEW QUESTION 250

- (Topic 1)

When should systems administrators first assess the impact of applications or systems patches?

- A. Within five business days following installation
- B. Prior to installation
- C. No sooner than five business days following installation
- D. Immediately following installation

Answer: B

Explanation:

Systems administrators should always assess the impact of patches before installation.

NEW QUESTION 254

- (Topic 1)

Which of the following is the most fundamental step in preventing virus attacks?

- A. Adopting and communicating a comprehensive antivirus policy
- B. Implementing antivirus protection software on users' desktop computers
- C. Implementing antivirus content checking at all network-to-Internet gateways
- D. Inoculating systems with antivirus code

Answer: A

Explanation:

Adopting and communicating a comprehensive antivirus policy is the most fundamental step in preventing virus attacks. All other antivirus prevention efforts rely upon decisions established and communicated via policy.

NEW QUESTION 255

- (Topic 1)

If a programmer has update access to a live system, IS auditors are more concerned with the programmer's ability to initiate or modify transactions and the ability to access production than with the programmer's ability to authorize transactions. True or false?

- A. True
- B. False

Answer: A

Explanation:

If a programmer has update access to a live system, IS auditors are more concerned with the programmer's ability to initiate or modify transactions and the ability to access production than with the programmer's ability to authorize transactions.

NEW QUESTION 256

- (Topic 1)

Organizations should use off-site storage facilities to maintain _____ (fill in the blank) of current and critical information within backup files. Choose the BEST answer.

- A. Confidentiality
- B. Integrity
- C. Redundancy
- D. Concurrency

Answer: C

Explanation:

Redundancy is the best answer because it provides both integrity and availability. Organizations should use off-site storage facilities to maintain redundancy of current and critical information within backup files.

NEW QUESTION 261

- (Topic 1)

Which of the following is the dominating objective of BCP and DRP?

- A. To protect human life
- B. To mitigate the risk and impact of a business interruption
- C. To eliminate the risk and impact of a business interruption
- D. To transfer the risk and impact of a business interruption

Answer: A

Explanation:

Although the primary business objective of BCP and DRP is to mitigate the risk and impact of a business interruption, the dominating objective remains the protection of human life.

NEW QUESTION 266

- (Topic 1)

What is an acceptable recovery mechanism for extremely time-sensitive transaction processing?

- A. Off-site remote journaling
- B. Electronic vaulting
- C. Shadow file processing
- D. Storage area network

Answer: C

Explanation:

Shadow file processing can be implemented as a recovery mechanism for extremely time-sensitive transaction processing.

NEW QUESTION 269

- (Topic 1)

Off-site data backup and storage should be geographically separated so as to _____ (fill in the blank) the risk of a widespread physical disaster such as a hurricane or earthquake.

- A. Accept
- B. Eliminate
- C. Transfer
- D. Mitigate

Answer: D

Explanation:

Off-site data backup and storage should be geographically separated, to mitigate the risk of a widespread physical disaster such as a hurricane or an earthquake.

NEW QUESTION 270

- (Topic 1)

Why is a clause for requiring source code escrow in an application vendor agreement important?

- A. To segregate systems development and live environments
- B. To protect the organization from copyright disputes
- C. To ensure that sufficient code is available when needed
- D. To ensure that the source code remains available even if the application vendor goes out of business

Answer: D

Explanation:

A clause for requiring source code escrow in an application vendor agreement is important to ensure that the source code remains available even if the application vendor goes out of business.

NEW QUESTION 271

- (Topic 1)

What uses questionnaires to lead the user through a series of choices to reach a conclusion? Choose the BEST answer.

- A. Logic trees
- B. Decision trees
- C. Decision algorithms
- D. Logic algorithms

Answer: B

Explanation:

Decision trees use questionnaires to lead the user through a series of choices to reach a conclusion.

NEW QUESTION 274

- (Topic 1)

Who is ultimately responsible for providing requirement specifications to the software-development team?

- A. The project sponsor
- B. The project members
- C. The project leader
- D. The project steering committee

Answer: A

Explanation:

The project sponsor is ultimately responsible for providing requirement specifications to the software-development team.

NEW QUESTION 277

- (Topic 1)

What should regression testing use to obtain accurate conclusions regarding the effects of changes or corrections to a program, and ensuring that those changes and corrections have not introduced new errors?

- A. Contrived data
- B. Independently created data
- C. Live data
- D. Data from previous tests

Answer: D

Explanation:

Regression testing should use data from previous tests to obtain accurate conclusions regarding the effects of changes or corrections to a program, and ensuring that those changes and corrections have not introduced new errors.

NEW QUESTION 278

- (Topic 1)

An IS auditor should carefully review the functional requirements in a systems-development project to ensure that the project is designed to:

- A. Meet business objectives
- B. Enforce data security
- C. Be culturally feasible
- D. Be financially feasible

Answer: A

Explanation:

An IS auditor should carefully review the functional requirements in a systems-development project to ensure that the project is designed to meet business objectives.

NEW QUESTION 282

- (Topic 1)

When should application controls be considered within the system-development process?

- A. After application unit testing
- B. After application module testing
- C. After applications systems testing
- D. As early as possible, even in the development of the project's functional specifications

Answer: D

Explanation:

Application controls should be considered as early as possible in the system-development process, even in the development of the project's functional specifications.

NEW QUESTION 284

- (Topic 1)

What kind of testing should programmers perform following any changes to an application or system?

- A. Unit, module, and full regression testing
- B. Module testing
- C. Unit testing
- D. Regression testing

Answer: A

Explanation:

Programmers should perform unit, module, and full regression testing following any changes to an application or system.

NEW QUESTION 286

- (Topic 1)

Which of the following uses a prototype that can be updated continually to meet changing user or business requirements?

- A. PERT
- B. Rapid application development (RAD)

- C. Function point analysis (FPA)
- D. GANTT

Answer: B

Explanation:

Rapid application development (RAD) uses a prototype that can be updated continually to meet changing user or business requirements.

NEW QUESTION 288

- (Topic 1)

What is the most common reason for information systems to fail to meet the needs of users? Choose the BEST answer.

- A. Lack of funding
- B. Inadequate user participation during system requirements definition
- C. Inadequate senior management participation during system requirements definition
- D. Poor IT strategic planning

Answer: B

Explanation:

Inadequate user participation during system requirements definition is the most common reason for information systems to fail to meet the needs of users.

NEW QUESTION 293

- (Topic 1)

Who is responsible for the overall direction, costs, and timetables for systems-development projects?

- A. The project sponsor
- B. The project steering committee
- C. Senior management
- D. The project team leader

Answer: B

Explanation:

The project steering committee is responsible for the overall direction, costs, and timetables for systems-development projects.

NEW QUESTION 296

- (Topic 1)

Above almost all other concerns, what often results in the greatest negative impact on the implementation of new application software?

- A. Failing to perform user acceptance testing
- B. Lack of user training for the new system
- C. Lack of software documentation and run manuals
- D. Insufficient unit, module, and systems testing

Answer: A

Explanation:

Above almost all other concerns, failing to perform user acceptance testing often results in the greatest negative impact on the implementation of new application software.

NEW QUESTION 301

- (Topic 1)

Input/output controls should be implemented for which applications in an integrated systems environment?

- A. The receiving application
- B. The sending application
- C. Both the sending and receiving applications
- D. Output on the sending application and input on the receiving application

Answer: C

Explanation:

Input/output controls should be implemented for both the sending and receiving applications in an integrated systems environment

NEW QUESTION 306

- (Topic 1)

What is the primary security concern for EDI environments? Choose the BEST answer.

- A. Transaction authentication
- B. Transaction completeness
- C. Transaction accuracy
- D. Transaction authorization

Answer: D

Explanation:

Transaction authorization is the primary security concern for EDI environments.

NEW QUESTION 309

- (Topic 1)

Which of the following exploit vulnerabilities to cause loss or damage to the organization and its assets?

- A. Exposures
- B. Threats
- C. Hazards
- D. Insufficient controls

Answer: B

Explanation:

Threats exploit vulnerabilities to cause loss or damage to the organization and its assets.

NEW QUESTION 310

- (Topic 1)

Business process re-engineering often results in _____ automation, which results in _____ number of people using technology. Fill in the blanks.

- A. Increased; a greater
- B. Increased; a fewer
- C. Less; a fewer
- D. Increased; the same

Answer: A

Explanation:

Business process re-engineering often results in increased automation, which results in a greater number of people using technology.

NEW QUESTION 312

- (Topic 1)

_____ (fill in the blank) should be implemented as early as data preparation to support data integrity at the earliest point possible.

- A. Control totals
- B. Authentication controls
- C. Parity bits
- D. Authorization controls

Answer: A

Explanation:

Control totals should be implemented as early as data preparation to support data integrity at the earliest point possible.

NEW QUESTION 317

- (Topic 1)

What is used as a control to detect loss, corruption, or duplication of data?

- A. Redundancy check
- B. Reasonableness check
- C. Hash totals
- D. Accuracy check

Answer: C

Explanation:

Hash totals are used as a control to detect loss, corruption, or duplication of data.

NEW QUESTION 318

- (Topic 1)

Data edits are implemented before processing and are considered which of the following? Choose the BEST answer.

- A. Deterrent integrity controls
- B. Detective integrity controls
- C. Corrective integrity controls
- D. Preventative integrity controls

Answer: D

Explanation:

Data edits are implemented before processing and are considered preventive integrity controls.

NEW QUESTION 320

- (Topic 1)

Processing controls ensure that data is accurate and complete, and is processed only through which of the following? Choose the BEST answer.

- A. Documented routines
- B. Authorized routines
- C. Accepted routines
- D. Approved routines

Answer: B

Explanation:

Processing controls ensure that data is accurate and complete, and is processed only through authorized routines.

NEW QUESTION 321

- (Topic 1)

Database snapshots can provide an excellent audit trail for an IS auditor. True or false?

- A. True
- B. False

Answer: A

Explanation:

Database snapshots can provide an excellent audit trail for an IS auditor.

NEW QUESTION 325

- (Topic 1)

An IS auditor is using a statistical sample to inventory the tape library. What type of test would this be considered?

- A. Substantive
- B. Compliance
- C. Integrated
- D. Continuous audit

Answer: A

Explanation:

Using a statistical sample to inventory the tape library is an example of a substantive test.

NEW QUESTION 326

- (Topic 2)

Which of the following is a substantive test?

- A. Checking a list of exception reports
- B. Ensuring approval for parameter changes
- C. Using a statistical sample to inventory the tape library
- D. Reviewing password history reports

Answer: C

Explanation:

A substantive test confirms the integrity of actual processing. A substantive test would determine if the tape library records are stated correctly. A compliance test determines if controls are being applied in a manner that is consistent with management policies and procedures. Checking the authorization of exception reports, reviewing authorization for changing parameters and reviewing password history reports are all compliance tests.

NEW QUESTION 329

- (Topic 2)

An audit charter should:

- A. be dynamic and change often to coincide with the changing nature of technology and the audit professio
- B. clearly state audit objectives for, and the delegation of, authority to the maintenance and review of internal control
- C. document the audit procedures designed to achieve the planned audit objective
- D. outline the overall authority, scope and responsibilities of the audit functio

Answer: D

Explanation:

An audit charter should state management's objectives for and delegation of authority to IS audit. This charter should not significantly change over time and should be approved at the highest level of management. An audit charter would not be at a detailed level and, therefore, would not include specific audit objectives or procedures.

NEW QUESTION 332

- (Topic 2)

Which of the following sampling methods is MOST useful when testing for compliance?

- A. Attribute sampling
- B. Variable sampling
- C. Stratified mean per unit

D. Difference estimation

Answer: A

Explanation:

Attribute sampling is the primary sampling method used for compliance testing. Attribute sampling is a sampling model that is used to estimate the rate of occurrence of a specific quality (attribute) in a population and is used in compliance testing to confirm whether the quality exists. The other choices are used in substantive testing, which involves testing of details or quantity.

NEW QUESTION 335

- (Topic 2)

Which of the following is the MOST likely reason why e-mail systems have become a useful source of evidence for litigation?

- A. Multiple cycles of backup files remain available
- B. Access controls establish accountability for e-mail activities
- C. Data classification regulates what information should be communicated via e-mail
- D. Within the enterprise, a clear policy for using e-mail ensures that evidence is available

Answer: A

Explanation:

Backup files containing documents that supposedly have been deleted could be recovered from these files. Access controls may help establish accountability for the issuance of a particular document, but this does not provide evidence of the e-mail. Data classification standards may be in place with regards to what should be communicated via e-mail, but the creation of the policy does not provide the information required for litigation purposes.

NEW QUESTION 338

- (Topic 2)

An IS auditor is assigned to perform a postimplementation review of an application system. Which of the following situations may have impaired the independence of the IS auditor? The IS auditor:

- A. implemented a specific control during the development of the application system
- B. designed an embedded audit module exclusively for auditing the application system
- C. participated as a member of the application system project team, but did not have operational responsibilities
- D. provided consulting advice concerning application system best practice

Answer: A

Explanation:

Independence may be impaired if an IS auditor is, or has been, actively involved in the development, acquisition and implementation of the application system. Choices B and C are situations that do not impair an IS auditor's independence. Choice D is incorrect because an IS auditor's independence is not impaired by providing advice on known best practices.

NEW QUESTION 339

- (Topic 2)

The PRIMARY purpose of audit trails is to:

- A. improve response time for user
- B. establish accountability and responsibility for processed transaction
- C. improve the operational efficiency of the system
- D. provide useful information to auditors who may wish to track transactions

Answer: B

Explanation:

Enabling audit trails helps in establishing the accountability and responsibility of processed transactions by tracing transactions through the system. The objective of enabling software to provide audit trails is not to improve system efficiency, since it often involves additional processing which may in fact reduce response time for users. Enabling audit trails involves storage and thus occupies disk space. Choice D is also a valid reason; however, it is not the primary reason.

NEW QUESTION 344

- (Topic 2)

When developing a risk-based audit strategy, an IS auditor should conduct a risk assessment to ensure that:

- A. controls needed to mitigate risks are in place
- B. vulnerabilities and threats are identified
- C. audit risks are considered
- D. a gap analysis is appropriate

Answer: B

Explanation:

In developing a risk-based audit strategy, it is critical that the risks and vulnerabilities be understood. This will determine the areas to be audited and the extent of coverage. Understanding whether appropriate controls required to mitigate risks are in place is a resultant effect of an audit. Audit risks are inherent aspects of

auditing, are directly related to the audit process and are not relevant to the risk analysis of the environment to be audited. A gap analysis would normally be done to compare the actual state to an expected or desirable state.

NEW QUESTION 349

- (Topic 2)

An organization's IS audit charter should specify the:

- A. short- and long-term plans for IS audit engagements
- B. objectives and scope of IS audit engagement
- C. detailed training plan for the IS audit staff
- D. role of the IS audit function

Answer: D

Explanation:

An IS audit charter establishes the role of the information systems audit function. The charter should describe the overall authority, scope, and responsibilities of the audit function. It should be approved by the highest level of management and, if available, by the audit committee. Short-term and long-term planning is the responsibility of audit management. The objectives and scope of each IS audit should be agreed to in an engagement letter. A training plan, based on the audit plan, should be developed by audit management.

NEW QUESTION 353

- (Topic 2)

An IS auditor is evaluating management's risk assessment of information systems. The IS auditor should FIRST review:

- A. the controls already in place
- B. the effectiveness of the controls in place
- C. the mechanism for monitoring the risks related to the asset
- D. the threats/vulnerabilities affecting the asset

Answer: D

Explanation:

One of the key factors to be considered while assessing the risks related to the use of various information systems is the threats and vulnerabilities affecting the assets. The risks related to the use of information assets should be evaluated in isolation from the installed controls. Similarly, the effectiveness of the controls should be considered during the risk mitigation stage and not during the risk assessment phase. A mechanism to continuously monitor the risks related to assets should be put in place during the risk monitoring function that follows the risk assessment phase.

NEW QUESTION 354

- (Topic 2)

An IS auditor should use statistical sampling and not judgment (nonstatistical) sampling, when:

- A. the probability of error must be objectively quantified
- B. the auditor wishes to avoid sampling risk
- C. generalized audit software is unavailable
- D. the tolerable error rate cannot be determined

Answer: A

Explanation:

Given an expected error rate and confidence level, statistical sampling is an objective method of sampling, which helps an IS auditor determine the sample size and quantify the probability of error (confidence coefficient). Choice B is incorrect because sampling risk is the risk of a sample not being representative of the population. This risk exists for both judgment and statistical samples. Choice C is incorrect because statistical sampling does not require the use of generalized audit software. Choice D is incorrect because the tolerable error rate must be predetermined for both judgment and statistical sampling.

NEW QUESTION 356

- (Topic 2)

When selecting audit procedures, an IS auditor should use professional judgment to ensure that:

- A. sufficient evidence will be collected
- B. all significant deficiencies identified will be corrected within a reasonable period
- C. all material weaknesses will be identified
- D. audit costs will be kept at a minimum level

Answer: A

Explanation:

Procedures are processes an IS auditor may follow in an audit engagement. In determining the appropriateness of any specific procedure, an IS auditor should use professional judgment appropriate to the specific circumstances. Professional judgment involves a subjective and often qualitative evaluation of conditions arising in the course of an audit. Judgment addresses a grey area where binary (yes/no) decisions are not appropriate and the auditor's past experience plays a key role in making a judgment. ISACA's guidelines provide information on how to meet the standards when performing IS audit work. Identifying material weaknesses is the result of appropriate competence, experience and thoroughness in planning and executing the audit and not of professional judgment. Professional judgment is not a primary input to the financial aspects of the audit.

NEW QUESTION 359

- (Topic 2)

An IS auditor evaluating logical access controls should FIRST:

- A. document the controls applied to the potential access paths to the system
- B. test controls over the access paths to determine if they are functioning
- C. evaluate the security environment in relation to written policies and practices
- D. obtain an understanding of the security risks to information processing

Answer: D

Explanation:

When evaluating logical access controls, an IS auditor should first obtain an understanding of the security risks facing information processing by reviewing relevant documentation, by inquiries, and by conducting a risk assessment. Documentation and evaluation is the second step in assessing the adequacy, efficiency and effectiveness, thus identifying deficiencies or redundancy in controls. The third step is to test the access paths to determine if the controls are functioning. Lastly, the IS auditor evaluates the security environment to assess its adequacy by reviewing the written policies, observing practices and comparing them to appropriate security best practices.

NEW QUESTION 362

- (Topic 2)

An IS auditor is performing an audit of a remotely managed server backup. The IS auditor reviews the logs for one day and finds one case where logging on a server has failed with the result that backup restarts cannot be confirmed. What should the auditor do?

- A. Issue an audit finding
- B. Seek an explanation from IS management
- C. Review the classifications of data held on the server
- D. Expand the sample of logs reviewed

Answer: D

Explanation:

Audit standards require that an IS auditor gather sufficient and appropriate audit evidence. The auditor has found a potential problem and now needs to determine if this is an isolated incident or a systematic control failure. At this stage it is too preliminary to issue an audit finding and seeking an explanation from management is advisable, but it would be better to gather additional evidence to properly evaluate the seriousness of the situation. A backup failure, which has not been established at this point, will be serious if it involves critical data. However, the issue is not the importance of the data on the server, where a problem has been detected, but whether a systematic control failure that impacts other servers exists.

NEW QUESTION 363

- (Topic 2)

An IS auditor has imported data from the client's database. The next step—confirming whether the imported data are complete—is performed by:

- A. matching control totals of the imported data to control totals of the original data
- B. sorting the data to confirm whether the data are in the same order as the original data
- C. reviewing the printout of the first 100 records of original data with the first 100 records of imported data
- D. filtering data for different categories and matching them to the original data

Answer: A

Explanation:

Matching control totals of the imported data with control totals of the original data is the next logical step, as this confirms the completeness of the imported data. It is not possible to confirm completeness by sorting the imported data, because the original data may not be in sorted order. Further, sorting does not provide control totals for verifying completeness. Reviewing a printout of 100 records of original data with 100 records of imported data is a process of physical verification and confirms the accuracy of only these records. Filtering data for different categories and matching them to original data would still require that control totals be developed to confirm the completeness of the data.

NEW QUESTION 365

CORRECT TEXT - (Topic 2)

The vice president of human resources has requested an audit to identify payroll overpayments for the previous year. Which would be the BEST audit technique to use in this situation?

- A. Test data
- B. Generalized audit software
- C. Integrated test facility
- D. Embedded audit module

Answer: B

NEW QUESTION 369

- (Topic 2)

During a security audit of IT processes, an IS auditor found that there were no documented security procedures. The IS auditor should:

- A. create the procedures document
- B. terminate the audit
- C. conduct compliance testing
- D. identify and evaluate existing practice

Answer: D

Explanation:

One of the main objectives of an audit is to identify potential risks; therefore, the most proactive approach would be to identify and evaluate the existing security practices being followed by the organization. IS auditors should not prepare documentation, as doing so could jeopardize their independence. Terminating the audit may prevent achieving one of the basic audit objectives, i.e., identification of potential risks. Since there are no documented procedures, there is no basis against which to test compliance.

NEW QUESTION 371

- (Topic 2)

When evaluating the collective effect of preventive, detective or corrective controls within a process, an IS auditor should be aware of which of the following?

- A. The point at which controls are exercised as data flow through the system
- B. Only preventive and detective controls are relevant
- C. Corrective controls can only be regarded as compensating
- D. Classification allows an IS auditor to determine which controls are missing

Answer: A

Explanation:

An IS auditor should focus on when controls are exercised as data flow through a computer system. Choice B is incorrect since corrective controls may also be relevant. Choice C is incorrect, since corrective controls remove or reduce the effects of errors or irregularities and are exclusively regarded as compensating controls. Choice D is incorrect and irrelevant since the existence and function of controls is important, not the classification.

NEW QUESTION 374

- (Topic 2)

Which of the following would be the BEST population to take a sample from when testing program changes?

- A. Test library listings
- B. Source program listings
- C. Program change requests
- D. Production library listings

Answer: D

Explanation:

The best source from which to draw any sample or test of system information is the automated system. The production libraries represent executables that are approved and authorized to process organizational data. Source program listings would be time-intensive. Program change requests are the documents used to initiate change; there is no guarantee that the request has been completed for all changes. Test library listings do not represent the approved and authorized executables.

NEW QUESTION 379

- (Topic 2)

Data flow diagrams are used by IS auditors to:

- A. order data hierarchically
- B. highlight high-level data definition
- C. graphically summarize data paths and storage
- D. portray step-by-step details of data generation

Answer: C

Explanation:

Data flow diagrams are used as aids to graph or chart data flow and storage. They trace the data from its origination to destination, highlighting the paths and storage of data. They do not order data in any hierarchy. The flow of the data will not necessarily match any hierarchy or data generation order.

NEW QUESTION 384

- (Topic 2)

Which of the following forms of evidence for the auditor would be considered the MOST reliable?

- A. An oral statement from the auditee
- B. The results of a test performed by an IS auditor
- C. An internally generated computer accounting report
- D. A confirmation letter received from an outside source

Answer: D

Explanation:

Evidence obtained from outside sources is usually more reliable than that obtained from within the organization. Confirmation letters received from outside parties, such as those used to verify accounts receivable balances, are usually highly reliable. Testing performed by an auditor may not be reliable, if the auditor did not have a good understanding of the technical area under review.

NEW QUESTION 389

- (Topic 2)

An IS auditor is performing an audit of a network operating system. Which of the following is a user feature the IS auditor should review?

- A. Availability of online network documentation
- B. Support of terminal access to remote hosts
- C. Handling file transfer between hosts and interuser communications
- D. Performance management, audit and control

Answer: A

Explanation:

Network operating system user features include online availability of network documentation. Other features would be user access to various resources of network hosts, user authorization to access particular resources, and the network and host computers used without special user actions or commands. Choices B, C and D are examples of network operating systems functions.

NEW QUESTION 392

- (Topic 2)

An IS auditor evaluates the test results of a modification to a system that deals with payment computation. The auditor finds that 50 percent of the calculations do not match predetermined totals. Which of the following would MOST likely be the next step in the audit?

- A. Design further tests of the calculations that are in error
- B. Identify variables that may have caused the test results to be inaccurate
- C. Examine some of the test cases to confirm the result
- D. Document the results and prepare a report of findings, conclusions and recommendation

Answer: C

Explanation:

An IS auditor should next examine cases where incorrect calculations occurred and confirm the results. After the calculations have been confirmed, further tests can be conducted and reviewed. Report preparation, findings and recommendations would not be made until all results are confirmed.

NEW QUESTION 393

- (Topic 2)

The BEST method of proving the accuracy of a system tax calculation is by:

- A. detailed visual review and analysis of the source code of the calculation programs
- B. recreating program logic using generalized audit software to calculate monthly total
- C. preparing simulated transactions for processing and comparing the results to predetermined result
- D. automatic flowcharting and analysis of the source code of the calculation program

Answer: C

Explanation:

Preparing simulated transactions for processing and comparing the results to predetermined results is the best method for proving accuracy of a tax calculation. Detailed visual review, flowcharting and analysis of source code are not effective methods, and monthly totals would not address the accuracy of individual tax calculations.

NEW QUESTION 398

- (Topic 2)

In an audit of an inventory application, which approach would provide the BEST evidence that purchase orders are valid?

- A. Testing whether inappropriate personnel can change application parameters
- B. Tracing purchase orders to a computer listing
- C. Comparing receiving reports to purchase order details
- D. Reviewing the application documentation

Answer: A

Explanation:

To determine purchase order validity, testing access controls will provide the best evidence. Choices B and C are based on after-the-fact approaches, while choice D does not serve the purpose because what is in the system documentation may not be the same as what is happening.

NEW QUESTION 403

- (Topic 2)

While conducting an audit, an IS auditor detects the presence of a virus. What should be the IS auditor's next step?

- A. Observe the response mechanism
- B. Clear the virus from the network
- C. Inform appropriate personnel immediately
- D. Ensure deletion of the virus

Answer: C

Explanation:

The first thing an IS auditor should do after detecting the virus is to alert the organization to its presence, then wait for their response. Choice A should be taken after choice C. This will enable an IS auditor to examine the actual workability and effectiveness of the response system. An IS auditor should not make changes to the system being audited, and ensuring the deletion of the virus is a management responsibility.

NEW QUESTION 408

- (Topic 2)

The PRIMARY reason an IS auditor performs a functional walkthrough during the preliminary phase of an audit assignment is to:

- A. understand the business proces
- B. comply with auditing standard
- C. identify control weaknes
- D. plan substantive testin

Answer: A

Explanation:

Understanding the business process is the first step an IS auditor needs to perform. Standards do not require an IS auditor to perform a process walkthrough. Identifying control weaknesses is not the primary reason for the walkthrough and typically occurs at a later stage in the audit, while planning for substantive testing is performed at a later stage in the audit.

NEW QUESTION 412

- (Topic 2)

The PRIMARY purpose for meeting with auditees prior to formally closing a review is to:

- A. confirm that the auditors did not overlook any important issue
- B. gain agreement on the finding
- C. receive feedback on the adequacy of the audit procedure
- D. test the structure of the final presentatio

Answer: B

Explanation:

The primary purpose for meeting with auditees prior to formally closing a review is to gain agreement on the findings. The other choices, though related to the formal closure of an audit, are of secondary importance.

NEW QUESTION 414

- (Topic 2)

Which of the following audit techniques would BEST aid an auditor in determining whether there have been unauthorized program changes since the last authorized program update?

- A. Test data run
- B. Code review
- C. Automated code comparison
- D. Review of code migration procedures

Answer: C

Explanation:

An automated code comparison is the process of comparing two versions of the same program to determine whether the two correspond. It is an efficient technique because it is an automated procedure. Test data runs permit the auditor to verify the processing of preselected transactions, but provide no evidence about unexercised portions of a program. Code review is the process of reading program source code listings to determine whether the code contains potential errors or inefficient statements. A code review can be used as a means of code comparison but it is inefficient. The review of code migration procedures would not detect program changes.

NEW QUESTION 418

- (Topic 2)

Though management has stated otherwise, an IS auditor has reasons to believe that the organization is using software that is not licensed. In this situation, the IS auditor should:

- A. include the statement of management in the audit repor
- B. identify whether such software is, indeed, being used by the organizatio
- C. reconfirm with management the usage of the softwar
- D. discuss the issue with senior management since reporting this could have a negative impact on the organizatio

Answer: B

Explanation:

When there is an indication that an organization might be using unlicensed software, the IS auditor should obtain sufficient evidence before including it in the report. With respect to this matter, representations obtained from management cannot be independently verified. If the organization is using software that is not licensed, the auditor, to maintain objectivity and independence, must include this in the report.

NEW QUESTION 419

- (Topic 2)

While reviewing sensitive electronic work papers, the IS auditor noticed that they were not encrypted. This could compromise the:

- A. audit trail of the versioning of the work paper
- B. approval of the audit phase
- C. access rights to the work paper
- D. confidentiality of the work paper

Answer: D

Explanation:

Encryption provides confidentiality for the electronic work papers. Audit trails, audit phase approvals and access to the work papers do not, of themselves, affect the confidentiality but are part of the reason for requiring encryption.

NEW QUESTION 420

- (Topic 2)

After initial investigation, an IS auditor has reasons to believe that fraud may be present. The IS auditor should:

- A. expand activities to determine whether an investigation is warranted
- B. report the matter to the audit committee
- C. report the possibility of fraud to top management and ask how they would like to proceed
- D. consult with external legal counsel to determine the course of action to be taken

Answer: A

Explanation:

An IS auditor's responsibilities for detecting fraud include evaluating fraud indicators and deciding whether any additional action is necessary or whether an investigation should be recommended. The IS auditor should notify the appropriate authorities within the organization only if it has determined that the indicators of fraud are sufficient to recommend an investigation. Normally, the IS auditor does not have authority to consult with external legal counsel.

NEW QUESTION 424

- (Topic 2)

During a change control audit of a production system, an IS auditor finds that the change management process is not formally documented and that some migration procedures failed. What should the IS auditor do next?

- A. Recommend redesigning the change management process
- B. Gain more assurance on the findings through root cause analysis
- C. Recommend that program migration be stopped until the change process is documented
- D. Document the finding and present it to management

Answer: B

Explanation:

A change management process is critical to IT production systems. Before recommending that the organization take any other action (e.g., stopping migrations, redesigning the change management process), the IS auditor should gain assurance that the incidents reported are related to deficiencies in the change management process and not caused by some process other than change management.

NEW QUESTION 427

- (Topic 2)

An IS auditor conducting a review of software usage and licensing discovers that numerous PCs contain unauthorized software. Which of the following actions should the IS auditor take?

- A. Personally delete all copies of the unauthorized software
- B. Inform the auditee of the unauthorized software, and follow up to confirm deletion
- C. Report the use of the unauthorized software and the need to prevent recurrence to auditee management
- D. Take no action, as it is a commonly accepted practice and operations management is responsible for monitoring such use

Answer: C

Explanation:

The use of unauthorized or illegal software should be prohibited by an organization. Software piracy results in inherent exposure and can result in severe fines. An IS auditor must convince the user and user management of the risk and the need to eliminate the risk. An IS auditor should not assume the role of the enforcing officer and take on any personal involvement in removing or deleting the unauthorized software.

NEW QUESTION 428

- (Topic 2)

Corrective action has been taken by an auditee immediately after the identification of a reportable finding. The auditor should:

- A. include the finding in the final report, because the IS auditor is responsible for an accurate report of all findings
- B. not include the finding in the final report, because the audit report should include only unresolved findings
- C. not include the finding in the final report, because corrective action can be verified by the IS auditor during the audit
- D. include the finding in the closing meeting for discussion purposes only

Answer: A

Explanation:

Including the finding in the final report is a generally accepted audit practice. If an action is taken after the audit started and before it ended, the audit report should identify the finding and describe the corrective action taken. An audit report should reflect the situation, as it existed at the start of the audit. All corrective actions taken by the auditee should be reported in writing.

NEW QUESTION 433

- (Topic 2)

During an exit interview, in cases where there is disagreement regarding the impact of a finding, an IS auditor should:

- A. ask the auditee to sign a release form accepting full legal responsibility
- B. elaborate on the significance of the finding and the risks of not correcting it
- C. report the disagreement to the audit committee for resolution
- D. accept the auditee's position since they are the process owner

Answer: B

Explanation:

If the auditee disagrees with the impact of a finding, it is important for an IS auditor to elaborate and clarify the risks and exposures, as the auditee may not fully appreciate the magnitude of the exposure. The goal should be to enlighten the auditee or uncover new information of which an IS auditor may not have been aware. Anything that appears to threaten the auditee will lessen effective communications and set up an adversarial relationship. By the same token, an IS auditor should not automatically agree just because the auditee expresses an alternate point of view.

NEW QUESTION 436

- (Topic 2)

The final decision to include a material finding in an audit report should be made by the:

- A. audit committee
- B. auditee's management
- C. IS auditor
- D. CEO of the organization

Answer: C

Explanation:

The IS auditor should make the final decision about what to include or exclude from the audit report. The other choices would limit the independence of the auditor.

NEW QUESTION 440

- (Topic 2)

A PRIMARY benefit derived from an organization employing control self-assessment (CSA) techniques is that it:

- A. can identify high-risk areas that might need a detailed review later
- B. allows IS auditors to independently assess risks
- C. can be used as a replacement for traditional audit
- D. allows management to relinquish responsibility for controls

Answer: A

Explanation:

CSA is predicated on the review of high-risk areas that either need immediate attention or a more thorough review at a later date. Choice B is incorrect, because CSA requires the involvement of auditors and line management. What occurs is that the internal audit function shifts some of the control monitoring responsibilities to the functional areas. Choice C is incorrect because CSA is not a replacement for traditional audits. CSA is not intended to replace audit's responsibilities, but to enhance them. Choice D is incorrect, because CSA does not allow management to relinquish its responsibility for controls.

NEW QUESTION 443

- (Topic 2)

The success of control self-assessment (CSA) highly depends on:

- A. having line managers assume a portion of the responsibility for control monitoring
- B. assigning staff managers the responsibility for building, but not monitoring, controls
- C. the implementation of a stringent control policy and rule-driven controls
- D. the implementation of supervision and the monitoring of controls of assigned duties

Answer: A

Explanation:

The primary objective of a CSA program is to leverage the internal audit function by shifting some of the control monitoring responsibilities to the functional area line managers. The success of a control self-assessment (CSA) program depends on the degree to which line managers assume responsibility for controls. Choices B, C and D are characteristics of a traditional audit approach, not a CSA approach.

NEW QUESTION 446

- (Topic 2)

Which of the following is an attribute of the control self-assessment (CSA) approach?

- A. Broad stakeholder involvement

- B. Auditors are the primary control analysts
- C. Limited employee participation
- D. Policy driven

Answer: A

Explanation:

The control self-assessment (CSA) approach emphasizes management of and accountability for developing and monitoring the controls of an organization's business processes. The attributes of CSA include empowered employees, continuous improvement, extensive employee participation and training, all of which are representations of broad stakeholder involvement. Choices B, C and D are attributes of a traditional audit approach.

NEW QUESTION 450

- (Topic 2)

Which of the following is the key benefit of control self-assessment (CSA)?

- A. Management ownership of the internal controls supporting business objectives is reinforced
- B. Audit expenses are reduced when the assessment results are an input to external audit work
- C. Improved fraud detection since internal business staff are engaged in testing controls
- D. Internal auditors can shift to a consultative approach by using the results of the assessment

Answer: A

Explanation:

The objective of control self-assessment is to have business management become more aware of the importance of internal control and their responsibility in terms of corporate governance. Reducing audit expenses is not a key benefit of control self-assessment (CSA). Improved fraud detection is important, but not as important as ownership, and is not a principal objective of CSA. CSA may give more insights to internal auditors, allowing them to take a more consultative role; however, this is an additional benefit, not the key benefit.

NEW QUESTION 455

- (Topic 3)

Which of the following is a function of an IS steering committee?

- A. Monitoring vendor-controlled change control and testing
- B. Ensuring a separation of duties within the information's processing environment
- C. Approving and monitoring major projects, the status of IS plans and budgets
- D. Liaising between the IS department and the end users

Answer: C

Explanation:

The IS steering committee typically serves as a general review board for major IS projects and should not become involved in routine operations; therefore, one of its functions is to approve and monitor major projects, the status of IS plans and budgets. Vendor change control is an outsourcing issue and should be monitored by IS management. Ensuring a separation of duties within the information's processing environment is an IS management responsibility. Liaising between the IS department and the end users is a function of the individual parties and not a committee.

NEW QUESTION 459

- (Topic 3)

An IS steering committee should:

- A. include a mix of members from different departments and staff level
- B. ensure that IS security policies and procedures have been executed properly
- C. have formal terms of reference and maintain minutes of its meeting
- D. be briefed about new trends and products at each meeting by a vendor

Answer: C

Explanation:

It is important to keep detailed steering committee minutes to document the decisions and activities of the IS steering committee, and the board of directors should be informed about those decisions on a timely basis. Choice A is incorrect because only senior management or high-level staff members should be on this committee because of its strategic mission. Choice B is not a responsibility of this committee, but the responsibility of the security administrator. Choice D is incorrect because a vendor should be invited to meetings only when appropriate.

NEW QUESTION 464

- (Topic 3)

Effective IT governance will ensure that the IT plan is consistent with the organization's:

- A. business plan
- B. audit plan
- C. security plan
- D. investment plan

Answer: A

Explanation:

To govern IT effectively, IT and business should be moving in the same direction, requiring that the IT plans are aligned with an organization's business plans. The audit and investment plans are not part of the IT plan, while the security plan should be at a corporate level.

NEW QUESTION 466

- (Topic 3)

Establishing the level of acceptable risk is the responsibility of:

- A. quality assurance management
- B. senior business management
- C. the chief information office
- D. the chief security office

Answer: B

Explanation:

Senior management should establish the acceptable risk level, since they have the ultimate or final responsibility for the effective and efficient operation of the organization. Choices A, C and D should act as advisors to senior management in determining an acceptable risk level.

NEW QUESTION 468

- (Topic 3)

Effective IT governance requires organizational structures and processes to ensure that:

- A. the organization's strategies and objectives extend the IT strategy
- B. the business strategy is derived from an IT strategy
- C. IT governance is separate and distinct from the overall governance
- D. the IT strategy extends the organization's strategies and objectives

Answer: D

Explanation:

Effective IT governance requires that board and executive management extend governance to IT and provide the leadership, organizational structures and processes that ensure that the organization's IT sustains and extends the organization's strategies and objectives, and that the strategy is aligned with business strategy. Choice A is incorrect because it is the IT strategy that extends the organizational objectives, not the opposite. IT governance is not an isolated discipline; it must become an integral part of the overall enterprise governance.

NEW QUESTION 473

- (Topic 3)

When implementing an IT governance framework in an organization the MOST important objective is:

- A. IT alignment with the business
- B. accountability
- C. value realization with IT
- D. enhancing the return on IT investment

Answer: A

Explanation:

The goals of IT governance are to improve IT performance, to deliver optimum business value and to ensure regulatory compliance. The key practice in support of these goals is the strategic alignment of IT with the business (choice A). To achieve alignment, all other choices need to be tied to business practices and strategies.

NEW QUESTION 477

- (Topic 3)

Responsibility for the governance of IT should rest with the:

- A. IT strategy committee
- B. chief information officer (CIO).
- C. audit committee
- D. board of directors

Answer: D

Explanation:

Governance is the set of responsibilities and practices exercised by the board and executive management with the goal of providing strategic direction, ensuring that objectives are achieved, ascertaining that risks are managed appropriately and verifying that the enterprise's resources are used responsibly. The audit committee, the chief information officer (CIO) and the IT strategy committee all play a significant role in the successful implementation of IT governance within an organization, but the ultimate accountability resides with the board of directors.

NEW QUESTION 481

- (Topic 3)

From a control perspective, the key element in job descriptions is that they:

- A. provide instructions on how to do the job and define authority

- B. are current, documented and readily available to the employee
- C. communicate management's specific job performance expectation
- D. establish responsibility and accountability for the employee's action

Answer: D

Explanation:

From a control perspective, a job description should establish responsibility and accountability. This will aid in ensuring that users are given system access in accordance with their defined job responsibilities. The other choices are not directly related to controls. Providing instructions on how to do the job and defining authority addresses the managerial and procedural aspects of the job. It is important that job descriptions are current, documented and readily available to the employee, but this in itself is not a control. Communication of management's specific expectations for job performance outlines the standard of performance and would not necessarily include controls.

NEW QUESTION 485

- (Topic 3)

When an employee is terminated from service, the MOST important action is to:

- A. hand over all of the employee's files to another designated employee
- B. complete a backup of the employee's work
- C. notify other employees of the termination
- D. disable the employee's logical access

Answer: D

Explanation:

There is a probability that a terminated employee may misuse access rights; therefore, disabling the terminated employee's logical access is the most important action to take. All the work of the terminated employee needs to be handed over to a designated employee; however, this should be performed after implementing choice D. All the work of the terminated employee needs to be backed up and the employees need to be notified of the termination of the employee, but this should not precede the action in choice D.

NEW QUESTION 488

- (Topic 3)

Many organizations require an employee to take a mandatory vacation (holiday) of a week or more to:

- A. ensure the employee maintains a good quality of life, which will lead to greater productivity
- B. reduce the opportunity for an employee to commit an improper or illegal act
- C. provide proper cross-training for another employee
- D. eliminate the potential disruption caused when an employee takes vacation one day at a time

Answer: B

Explanation:

Required vacations/holidays of a week or more in duration in which someone other than the regular employee performs the job function is often mandatory for sensitive positions, as this reduces the opportunity to commit improper or illegal acts. During this time it may be possible to discover any fraudulent activity that was taking place. Choices A, C and D could all be organizational benefits from a mandatory vacation policy, but they are not the reason why the policy is established.

NEW QUESTION 492

- (Topic 3)

A local area network (LAN) administrator normally would be restricted from:

- A. having end-user responsibilities
- B. reporting to the end-user manager
- C. having programming responsibilities
- D. being responsible for LAN security administration

Answer: C

Explanation:

A LAN administrator should not have programming responsibilities but may have end-user responsibilities. The LAN administrator may report to the director of the IPF or, in a decentralized operation, to the end-user manager. In small organizations, the LAN administrator may also be responsible for security administration over the LAN.

NEW QUESTION 493

- (Topic 3)

A long-term IS employee with a strong technical background and broad managerial experience has applied for a vacant position in the IS audit department. Determining whether to hire this individual for this position should be based on the individual's experience and:

- A. length of service, since this will help ensure technical competence
- B. age, as training in audit techniques may be impractical
- C. IS knowledge, since this will bring enhanced credibility to the audit function
- D. ability, as an IS auditor, to be independent of existing IS relationships

Answer: D

Explanation:

Independence should be continually assessed by the auditor and management. This assessment should consider such factors as changes in personal relationships, financial interests, and prior job assignments and responsibilities. The fact that the employee has worked in IS for many years may not in itself ensure credibility. The audit department's needs should be defined and any candidate should be evaluated against those requirements. The length of service will not ensure technical competency. Evaluating an individual's qualifications based on the age of the individual is not a good criterion and is illegal in many parts of the world.

NEW QUESTION 496

- (Topic 3)

An IS auditor should be concerned when a telecommunication analyst:

- A. monitors systems performance and tracks problems resulting from program change
- B. reviews network load requirements in terms of current and future transaction volume
- C. assesses the impact of the network load on terminal response times and network data transfer rate
- D. recommends network balancing procedures and improvement

Answer: A

Explanation:

The responsibilities of a telecommunications analyst include reviewing network load requirements in terms of current and future transaction volumes (choice B), assessing the impact of network load or terminal response times and network data transferrates (choice C), and recommending network balancing procedures and improvements (choice D). Monitoring systems performance and tracking problems as a result of program changes (choice A) would put the analyst in a self-monitoring role.

NEW QUESTION 501

- (Topic 3)

Which of the following controls would an IS auditor look for in an environment where duties cannot be appropriately segregated?

- A. Overlapping controls
- B. Boundary controls
- C. Access controls
- D. Compensating controls

Answer: D

Explanation:

Compensating controls are internal controls that are intended to reduce the risk of an existing or potential control weakness that may arise when duties cannot be appropriately segregated. Overlapping controls are two controls addressing the same control objective or exposure. Since primary controls cannot be achieved when duties cannot or are not appropriately segregated, it is difficult to install overlapping controls. Boundary controls establish the interface between the would-be user of a computer system and the computer system itself, and are individual-based, not role-based, controls. Access controls for resources are based on individuals and not on roles.

NEW QUESTION 504

- (Topic 3)

Which of the following activities performed by a database administrator (DBA) should be performed by a different person?

- A. Deleting database activity logs
- B. Implementing database optimization tools
- C. Monitoring database usage
- D. Defining backup and recovery procedures

Answer: A

Explanation:

Since database activity logs record activities performed by the database administrator (DBA), deleting them should be performed by an individual other than the DBA. This is a compensating control to aid in ensuring an appropriate segregation of duties and is associated with the DBA's role. A DBA should perform the other activities as part of the normal operations.

NEW QUESTION 507

- (Topic 3)

To gain an understanding of the effectiveness of an organization's planning and management of investments in IT assets, an IS auditor should review the:

- A. enterprise data mode
- B. IT balanced scorecard (BSC).
- C. IT organizational structur
- D. historical financial statement

Answer: B

Explanation:

The IT balanced scorecard (BSC) is a tool that provides the bridge between IT objectives and business objectives by supplementing the traditional financial evaluation with measures to evaluate customer satisfaction, internal processes and the ability to innovate. An enterprise data model is a document defining the data structure of an organization and how data interrelate. It is useful, but it does not provide information on investments. The IT organizational structure provides an overview of the functional and reporting relationships in an IT entity. Historical financial statements do not provide information about planning and lack sufficient

detail to enable one to fully understand management's activities regarding IT assets. Past costs do not necessarily reflect value, and assets such as data are not represented on the books of accounts.

NEW QUESTION 510

- (Topic 3)

Which of the following is the BEST performance criterion for evaluating the adequacy of an organization's security awareness training?

- A. Senior management is aware of critical information assets and demonstrates an adequate concern for their protection
- B. Job descriptions contain clear statements of accountability for information security
- C. In accordance with the degree of risk and business impact, there is adequate funding for security effort
- D. No actual incidents have occurred that have caused a loss or a public embarrassment

Answer: B

Explanation:

Inclusion in job descriptions of security responsibilities is a form of security training and helps ensure that staff and management are aware of their roles with respect to information security. The other three choices are not criterion for evaluating security awareness training. Awareness is a criterion for evaluating the importance that senior management attaches to information assets and their protection. Funding is a criterion that aids in evaluating whether security vulnerabilities are being addressed, while the number of incidents that have occurred is a criterion for evaluating the adequacy of the risk management program.

NEW QUESTION 514

- (Topic 3)

Which of the following is a risk of cross-training?

- A. Increases the dependence on one employee
- B. Does not assist in succession planning
- C. One employee may know all parts of a system
- D. Does not help in achieving a continuity of operations

Answer: C

Explanation:

When cross-training, it would be prudent to first assess the risk of any person knowing all parts of a system and what exposures this may cause. Cross-training has the advantage of decreasing dependence on one employee and, hence, can be part of succession planning. It also provides backup for personnel in the event of absence for any reason and thereby facilitates the continuity of operations.

NEW QUESTION 517

- (Topic 3)

In reviewing the IS short-range (tactical) plan, an IS auditor should determine whether:

- A. there is an integration of IS and business staffs within project
- B. there is a clear definition of the IS mission and vision
- C. a strategic information technology planning methodology is in place
- D. the plan correlates business objectives to IS goals and objectives

Answer: A

Explanation:

The integration of IS and business staff in projects is an operational issue and should be considered while reviewing the short-range plan. A strategic plan would provide a framework for the IS short-range plan. Choices B, C and D are areas covered by a strategic plan.

NEW QUESTION 519

- (Topic 3)

Which of the following would an IS auditor consider the MOST relevant to short-term planning for an IS department?

- A. Allocating resources
- B. Keeping current with technology advances
- C. Conducting control self-assessment
- D. Evaluating hardware needs

Answer: A

Explanation:

The IS department should specifically consider the manner in which resources are allocated in the short term. Investments in IT need to be aligned with top management strategies, rather than focusing on technology for technology's sake. Conducting control self-assessments and evaluating hardware needs are not as critical as allocating resources during short-term planning for the IS department.

NEW QUESTION 522

- (Topic 3)

Which of the following would an IS auditor consider to be the MOST important when evaluating an organization's IS strategy? That it:

- A. has been approved by line management
- B. does not vary from the IS department's preliminary budget

- C. complies with procurement procedure
- D. supports the business objectives of the organization

Answer: D

Explanation:

Strategic planning sets corporate or department objectives into motion. Both long-term and short-term strategic plans should be consistent with the organization's broader plans and business objectives for attaining these goals. Choice A is incorrect since line management prepared the plans.

NEW QUESTION 526

- (Topic 3)

An IS auditor reviewing an organization's IT strategic plan should FIRST review:

- A. the existing IT environment
- B. the business plan
- C. the present IT budget
- D. current technology trend

Answer: B

Explanation:

The IT strategic plan exists to support the organization's business plan. To evaluate the IT strategic plan, an IS auditor would first need to familiarize themselves with the business plan.

NEW QUESTION 528

- (Topic 3)

To aid management in achieving IT and business alignment, an IS auditor should recommend the use of:

- A. control self-assessment
- B. a business impact analysis
- C. an IT balanced scorecard
- D. business process reengineering

Answer: C

Explanation:

An IT balanced scorecard (BSC) provides the bridge between IT objectives and business objectives by supplementing the traditional financial evaluation with measures to evaluate customer satisfaction, internal processes and the ability to innovate. Control self-assessment (CSA), business impact analysis (BIA) and business process reengineering (BPR) are insufficient to align IT with organizational objectives.

NEW QUESTION 532

- (Topic 3)

When reviewing the IT strategic planning process, an IS auditor should ensure that the plan:

- A. incorporates state of the art technology
- B. addresses the required operational control
- C. articulates the IT mission and vision
- D. specifies project management practice

Answer: C

Explanation:

The IT strategic plan must include a clear articulation of the IT mission and vision. The plan need not address the technology, operational controls or project management practices.

NEW QUESTION 533

- (Topic 3)

The advantage of a bottom-up approach to the development of organizational policies is that the policies:

- A. are developed for the organization as a whole
- B. are more likely to be derived as a result of a risk assessment
- C. will not conflict with overall corporate policy
- D. ensure consistency across the organization

Answer: B

Explanation:

A bottom-up approach begins by defining operational-level requirements and policies, which are derived and implemented as the result of risk assessments. Enterprise-level policies are subsequently developed based on a synthesis of existing operational policies. Choices A, C and D are advantages of a top-down approach for developing organizational policies. This approach ensures that the policies will not be in conflict with overall corporate policy and ensure consistency across the organization.

NEW QUESTION 537

- (Topic 3)

Which of the following is the GREATEST risk of an inadequate policy definition for ownership of data and systems?

- A. User management coordination does not exist
- B. Specific user accountability cannot be established
- C. Unauthorized users may have access to originate, modify or delete data
- D. Audit recommendations may not be implemented

Answer: C

Explanation:

Without a policy defining who has the responsibility for granting access to specific systems, there is an increased risk that one could gain (be given) system access when they should not have authorization. By assigning authority to grant access to specific users, there is a better chance that business objectives will be properly supported.

NEW QUESTION 540

- (Topic 3)

The rate of change in technology increases the importance of:

- A. outsourcing the IS function
- B. implementing and enforcing good processes
- C. hiring personnel willing to make a career within the organization
- D. meeting user requirements

Answer: B

Explanation:

Change requires that good change management processes be implemented and enforced. Outsourcing the IS function is not directly related to the rate of technological change. Personnel in a typical IS department are highly qualified and educated; usually they do not feel their jobs are at risk and are prepared to switch jobs frequently. Although meeting user requirements is important, it is not directly related to the rate of technological change in the IS environment.

NEW QUESTION 543

- (Topic 3)

The development of an IS security policy is ultimately the responsibility of the:

- A. IS department
- B. security committee
- C. security administrator
- D. board of directors

Answer: D

Explanation:

Normally, the designing of an information systems security policy is the responsibility of top management or the board of directors. The IS department is responsible for the execution of the policy, having no authority in framing the policy. The security committee also functions within the broad security policy framed by the board of directors. The security administrator is responsible for implementing, monitoring and enforcing the security rules that management has established and authorized.

NEW QUESTION 547

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