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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 a dynamic analysis tool for the purpose of testing software modules?

- A. Blackbox test
- B. Desk checking
- C. Structured walk-through
- D. Design and code

Answer: A

Explanation:

A blackbox test is a dynamic analysis tool for testing software modules. During the testing of software modules a blackbox test works first in a cohesive manner as one single unit/entity, consisting of numerous modules and second, with the user data that flows across software modules. In some cases, this even drives the software behavior.

NEW QUESTION 3

- (Topic 1)

Which of the following is a benefit of using callback devices?

- A. Provide an audit trail
- B. Can be used in a switchboard environment
- C. Permit unlimited user mobility
- D. Allow call forwarding

Answer: A

Explanation:

A callback feature hooks into the access control software and logs all authorized and unauthorized access attempts, permitting the follow-up and further review of potential breaches. Call forwarding (choice D) is a means of potentially bypassing callback control. By dialing through an authorized phone number from an unauthorized phone number, a perpetrator can gain computer access. This vulnerability can be controlled through callback systems that are available.

NEW QUESTION 4

- (Topic 1)

An offsite information processing facility having electrical wiring, air conditioning and flooring, but no computer or communications equipment is a:

- A. cold sit
- B. warm sit
- C. dial-up sit
- D. duplicate processing facilit

Answer: A

Explanation:

A cold site is ready to receive equipment but does not offer any components at the site in advance of the need.

NEW QUESTION 5

- (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 6

- (Topic 1)

Which of the following tests is an IS auditor performing when a sample of programs is selected to determine if the source and object versions are the same?

- A. A substantive test of program library controls
- B. A compliance test of program library controls
- C. A compliance test of the program compiler controls
- D. A substantive test of the program compiler controls

Answer: B

Explanation:

A compliance test determines if controls are operating as designed and are being applied in a manner that complies with management policies and procedures. For example, if the IS auditor is concerned whether program library controls are working properly, the IS auditor might select a sample of programs to determine if the source and object versions are the same. In other words, the broad objective of any compliance test is to provide auditors with reasonable assurance that a particular control on which the auditor plans to rely is operating as the auditor perceived it in the preliminary evaluation.

NEW QUESTION 7

- (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 8

- (Topic 1)

A sequence of bits appended to a digital document that is used to secure an e-mail sent through the Internet is called a:

- A. digest signatur
- B. electronic signatur
- C. digital signatur
- D. hash signatur

Answer: C

Explanation:

A digital signature through the private cryptographic key authenticates a transmission from a sender through the private cryptographic key. It is a string of bits that uniquely represent another string of bits, a digital document. An electronic signature refers to the string of bits that digitally represents a handwritten signature captured by a computer system when a human applies it on an electronic pen pad, connected to the system.

NEW QUESTION 9

- (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 10

- (Topic 1)

Which of the following hardware devices relieves the central computer from performing network control, format conversion and message handling tasks?

- A. Spool
- B. Cluster controller
- C. Protocol converter
- D. Front end processor

Answer: D

Explanation:

A front-end processor is a hardware device that connects all communication lines to a central computer to relieve the central computer.

NEW QUESTION 10

- (Topic 1)

Which of the following translates e-mail formats from one network to another so that the message can travel through all the networks?

- A. Gateway
- B. Protocol converter
- C. Front-end communication processor
- D. Concentrator/multiplexor

Answer: A

Explanation:

A gateway performs the job of translating e-mail formats from one network to another so messages can make their way through all the networks.

NEW QUESTION 11

- (Topic 1)

A hub is a device that connects:

- A. two LANs using different protocol
- B. a LAN with a WA
- C. a LAN with a metropolitan area network (MAN).
- D. two segments of a single LA

Answer: D

Explanation:

A hub is a device that connects two segments of a single LAN. A hub is a repeater. It provides transparent connectivity to users on all segments of the same LAN. It is a level 1 device.

NEW QUESTION 15

- (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 19

- (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 21

- (Topic 1)

A hardware control that helps to detect errors when data are communicated from one computer to another is known as a:

- A. duplicate chec
- B. table looku
- C. validity chec
- D. parity chec

Answer: D

Explanation:

A parity check will help to detect data errors when data are read from memory or communicated from one computer to another. A one-bit digit (either 0 or 1) is added to a data item to indicate whether the sum of that data item's bit is odd or even. When the parity bit disagrees with the sum of the other bits, an error report is generated.

NEW QUESTION 23

- (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 audito
- C. adoption of a corporate information security policy statemen
- D. purchase of security access control softwar

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 24

- (Topic 1)

An organization having a number of offices across a wide geographical area has developed a disaster recovery plan (DRP). Using actual resources, which of the following is the MOST costeffective test of the DRP?

- A. Full operational test
- B. Preparedness test
- C. Paper test
- D. Regression test

Answer: B

Explanation:

A preparedness test is performed by each local office/area to test the adequacy of the preparedness of local operations for the disaster recovery.

NEW QUESTION 28

- (Topic 1)

The IS auditor learns that when equipment was brought into the data center by a vendor, the emergency power shutoff switch was accidentally pressed and the UPS was engaged. Which of the following audit recommendations should the IS auditor suggest?

- A. Relocate the shut off switc
- B. Install protective cover
- C. Escort visitor
- D. Log environmental failure

Answer: B

Explanation:

A protective cover over the switch would allow it to be accessible and visible, but would prevent accidental activation.

NEW QUESTION 32

- (Topic 1)

Which of the following is a data validation edit and control?

- A. Hash totals
- B. Reasonableness checks
- C. Online access controls
- D. Before and after image reporting

Answer: B

Explanation:

A reasonableness check is a data validation edit and control, used to ensure that data conforms to predetermined criteria.

NEW QUESTION 35

- (Topic 1)

What is the primary objective of a control self-assessment (CSA) program?

- A. Enhancement of the audit responsibility
- B. Elimination of the audit responsibility
- C. Replacement of the audit responsibility
- D. Integrity of the audit responsibility

Answer: A

Explanation:

Audit responsibility enhancement is an objective of a control self-assessment (CSA) program.

NEW QUESTION 39

- (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 41

- (Topic 1)

As compared to understanding an organization's IT process from evidence directly collected, how valuable are prior audit reports as evidence?

- A. The same value
- B. Greater value
- C. Lesser value
- D. Prior audit reports are not relevant

Answer: C

Explanation:

Prior audit reports are considered of lesser value to an IS auditor attempting to gain an understanding of an organization's IT process than evidence directly collected.

NEW QUESTION 42

- (Topic 1)

After an IS auditor has identified threats and potential impacts, the auditor should:

- A. Identify and evaluate the existing controls
- B. Conduct a business impact analysis (BIA)
- C. Report on existing controls
- D. Propose new controls

Answer: A

Explanation:

After an IS auditor has identified threats and potential impacts, the auditor should then identify and evaluate the existing controls.

NEW QUESTION 43

- (Topic 1)

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

- A. Identify high-risk areas that might need a detailed review later
- B. Reduce audit costs
- C. Reduce audit time
- D. Increase audit accuracy

Answer: C

Explanation:

A primary benefit derived from an organization employing control self-assessment (CSA) techniques is that it can identify high-risk areas that might need a detailed review later.

NEW QUESTION 45

- (Topic 1)

Who is accountable for maintaining appropriate security measures over information assets?

- A. Data and systems owners
- B. Data and systems users
- C. Data and systems custodians
- D. Data and systems auditors

Answer: A

Explanation:

Data and systems owners are accountable for maintaining appropriate security measures over information assets.

NEW QUESTION 47

- (Topic 1)

Proper segregation of duties prohibits a system analyst from performing quality-assurance functions. True or false?

- A. True
- B. False

Answer: A

Explanation:

Proper segregation of duties prohibits a system analyst from performing quality-assurance functions.

NEW QUESTION 51

- (Topic 1)

What should an IS auditor do if he or she observes that project-approval procedures do not exist?

- A. Advise senior management to invest in project-management training for the staff
- B. Create project-approval procedures for future project implementations
- C. Assign project leaders
- D. Recommend to management that formal approval procedures be adopted and documented

Answer: D

Explanation:

If an IS auditor observes that project-approval procedures do not exist, the IS auditor should recommend to management that formal approval procedures be adopted and documented.

NEW QUESTION 54

- (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 55

- (Topic 1)

Batch control reconciliation is a _____ (fill in the blank) control for mitigating risk of inadequate segregation of duties.

- A. Detective
- B. Corrective
- C. Preventative
- D. Compensatory

Answer: D

Explanation:

Batch control reconciliations is a compensatory control for mitigating risk of inadequate segregation of duties.

NEW QUESTION 58

- (Topic 1)

Key verification is one of the best controls for ensuring that:

- A. Data is entered correctly
- B. Only authorized cryptographic keys are used
- C. Input is authorized
- D. Database indexing is performed properly

Answer: A

Explanation:

Key verification is one of the best controls for ensuring that data is entered correctly.

NEW QUESTION 62

- (Topic 1)

If senior management is not committed to strategic planning, how likely is it that a company's implementation of IT will be successful?

- A. IT cannot be implemented if senior management is not committed to strategic planning
- B. More likely
- C. Less likely
- D. Strategic planning does not affect the success of a company's implementation of IT

Answer: C

Explanation:

A company's implementation of IT will be less likely to succeed if senior management is not committed to strategic planning.

NEW QUESTION 63

- (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 67

- (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 70

- (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 72

- (Topic 1)

What can be very helpful to an IS auditor when determining the efficacy of a systems maintenance program? Choose the BEST answer.

- A. Network-monitoring software
- B. A system downtime log
- C. Administration activity reports
- D. Help-desk utilization trend reports

Answer: B

Explanation:

A system downtime log can be very helpful to an IS auditor when determining the efficacy of a systems maintenance program.

NEW QUESTION 77

- (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 81

- (Topic 1)

What is an initial step in creating a proper firewall policy?

- A. Assigning access to users according to the principle of least privilege
- B. Determining appropriate firewall hardware and software
- C. Identifying network applications such as mail, web, or FTP servers
- D. Configuring firewall access rules

Answer: C

Explanation:

Identifying network applications such as mail, web, or FTP servers to be externally accessed is an initial step in creating a proper firewall policy.

NEW QUESTION 83

- (Topic 1)

Which of the following are effective controls for detecting duplicate transactions such as payments made or received?

- A. Concurrency controls
- B. Reasonableness checks
- C. Time stamps
- D. Referential integrity controls

Answer: C

Explanation:

Time stamps are an effective control for detecting duplicate transactions such as payments made or received.

NEW QUESTION 88

- (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 91

- (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 94

- (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 99

- (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 101

- (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 102

- (Topic 1)

What is the key distinction between encryption and hashing algorithms?

- A. Hashing algorithms ensure data confidentialit
- B. Hashing algorithms are irreversibl
- C. Encryption algorithms ensure data integrit
- D. Encryption algorithms are not irreversibl

Answer: B

Explanation:

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

NEW QUESTION 104

- (Topic 1)

Which of the following is BEST characterized by unauthorized modification of data before or during systems data entry?

- A. Data diddling
- B. Skimming
- C. Data corruption
- D. Salami attack

Answer: A

Explanation:

Data diddling involves modifying data before or during systems data entry.

NEW QUESTION 109

- (Topic 1)

Which of the following is used to evaluate biometric access controls?

- A. FAR
- B. EER
- C. ERR
- D. FRR

Answer: B

Explanation:

When evaluating biometric access controls, a low equal error rate (EER) is preferred. EER is also called the crossover error rate (CER).

NEW QUESTION 114

- (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 116

- (Topic 1)

Which of the following is MOST critical during the business impact assessment phase of business continuity planning?

- A. End-user involvement
- B. Senior management involvement
- C. Security administration involvement
- D. IS auditing involvement

Answer: A

Explanation:

End-user involvement is critical during the business impact assessment phase of business continuity planning.

NEW QUESTION 119

- (Topic 1)

What type of BCP test uses actual resources to simulate a system crash and validate the plan's effectiveness?

- A. Paper
- B. Preparedness
- C. Walk-through
- D. Parallel

Answer: B

Explanation:

Of the three major types of BCP tests (paper, walk-through, and preparedness), only the preparedness test uses actual resources to simulate a system crash and validate the plan's effectiveness.

NEW QUESTION 121

- (Topic 1)

Which of the following typically focuses on making alternative processes and resources available for transaction processing?

- A. Cold-site facilities
- B. Disaster recovery for networks
- C. Diverse processing
- D. Disaster recovery for systems

Answer: D

Explanation:

Disaster recovery for systems typically focuses on making alternative processes and resources available for transaction processing.

NEW QUESTION 124

- (Topic 1)

With the objective of mitigating the risk and impact of a major business interruption, a disaster recovery plan should endeavor to reduce the length of recovery time necessary, as well as costs associated with recovery. Although DRP results in an increase of pre-and post-incident operational costs, the extra costs are more than offset by reduced recovery and business impact costs. True or false?

- A. True
- B. False

Answer: A

Explanation:

With the objective of mitigating the risk and impact of a major business interruption, a disaster-recovery plan should endeavor to reduce the length of recovery time necessary and the costs associated with recovery. Although DRP results in an increase of pre-and post-incident operational costs, the extra costs are more than offset by reduced recovery and business impact costs.

NEW QUESTION 125

- (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 127

- (Topic 1)

Obtaining user approval of program changes is very effective for controlling application changes and maintenance. True or false?

- A. True
- B. False

Answer: A

Explanation:

Obtaining user approval of program changes is very effective for controlling application changes and maintenance.

NEW QUESTION 131

- (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 136

- (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 139

- (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 144

- (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 146

- (Topic 1)

Run-to-run totals can verify data through which stage(s) of application processing?

- A. Initial
- B. Various
- C. Final
- D. Output

Answer: B

Explanation:

Run-to-run totals can verify data through various stages of application processing.

NEW QUESTION 150

- (Topic 1)

When storing data archives off-site, what must be done with the data to ensure data completeness?

- A. The data must be normalized
- B. The data must be validated
- C. The data must be parallel-tested
- D. The data must be synchronized

Answer: D

Explanation:

When storing data archives off-site, data must be synchronized to ensure data completeness.

NEW QUESTION 152

- (Topic 1)

A transaction journal provides the information necessary for detecting unauthorized _____ (fill in the blank) from a terminal.

- A. Deletion
- B. Input
- C. Access
- D. Duplication

Answer: B

Explanation:

A transaction journal provides the information necessary for detecting unauthorized input from a terminal.

NEW QUESTION 155

- (Topic 1)

An intentional or unintentional disclosure of a password is likely to be evident within control logs. True or false?

- A. True
- B. False

Answer: B

Explanation:

An intentional or unintentional disclosure of a password is not likely to be evident within control logs.

NEW QUESTION 156

- (Topic 1)

A check digit is an effective edit check to:

- A. Detect data-transcription errors
- B. Detect data-transposition and transcription errors
- C. Detect data-transposition, transcription, and substitution errors
- D. Detect data-transposition errors

Answer: B

Explanation:

A check digit is an effective edit check to detect data-transposition and transcription errors.

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 163

- (Topic 1)

What is the recommended initial step for an IS auditor to implement continuous-monitoring systems?

- A. Document existing internal controls
- B. Perform compliance testing on internal controls
- C. Establish a controls-monitoring steering committee
- D. Identify high-risk areas within the organization

Answer: D

Explanation:

When implementing continuous-monitoring systems, an IS auditor's first step is to identify highrisk areas within the organization.

NEW QUESTION 165

- (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 167

- (Topic 1)

When performing an IS strategy audit, an IS auditor should review both short-term (one-year) and long-term (three-to five-year) IS strategies, interview appropriate corporate management personnel, and ensure that the external environment has been considered. The auditor should especially focus on procedures in an audit of IS strategy. True or false?

- A. True
- B. False

Answer: B

Explanation:

When performing an IS strategy audit, an IS auditor should review both short-term (one-year) and long-term (three-to five-year) IS strategies, interview appropriate corporate management personnel, and ensure that the external environment has been considered.

NEW QUESTION 170

- (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 174

- (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 179

- (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 184

- (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 186

- (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 191

- (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 analog
- B. Modems encapsulate analog transmissions within digital, and digital transmissions within analog
- C. Modems convert digital transmissions to analog, and analog transmissions to digital
- D. Modems encapsulate digital transmissions within analog, and analog transmissions within digital

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 195

- (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 196

- (Topic 1)

Which of the following provide(s) near-immediate recoverability for time-sensitive systems and transaction processing?

- A. Automated electronic journaling and parallel processing
- B. Data mirroring and parallel processing
- C. Data mirroring
- D. Parallel processing

Answer: B

Explanation:

Data mirroring and parallel processing are both used to provide near-immediate recoverability for time-sensitive systems and transaction processing.

NEW QUESTION 199

- (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 201

- (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 202

- (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 203

- (Topic 1)

Which of the following fire-suppression methods is considered to be the most environmentally friendly?

- A. Halon gas
- B. Deluge sprinklers
- C. Dry-pipe sprinklers
- D. Wet-pipe sprinklers

Answer: C

Explanation:

Although many methods of fire suppression exist, dry-pipe sprinklers are considered to be the most environmentally friendly.

NEW QUESTION 207

- (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 212

- (Topic 1)

What determines the strength of a secret key within a symmetric key cryptosystem?

- A. A combination of key length, degree of permutation, and the complexity of the data-encryption algorithm that uses the key
- B. A combination of key length, initial input vectors, and the complexity of the data-encryption algorithm that uses the key
- C. A combination of key length and the complexity of the data-encryption algorithm that uses the key
- D. Initial input vectors and the complexity of the data-encryption algorithm that uses the key

Answer: B

Explanation:

The strength of a secret key within a symmetric key cryptosystem is determined by a combination of key length, initial input vectors, and the complexity of the data-encryption algorithm that uses the key.

NEW QUESTION 213

- (Topic 1)

What is often assured through table link verification and reference checks?

- A. Database integrity
- B. Database synchronization
- C. Database normalcy
- D. Database accuracy

Answer: A

Explanation:

Database integrity is most often ensured through table link verification and reference checks.

NEW QUESTION 215

- (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 220

- (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 224

- (Topic 1)

Which of the following is of greatest concern when performing an IS audit?

- A. Users' ability to directly modify the database

- B. Users' ability to submit queries to the database
- C. Users' ability to indirectly modify the database
- D. Users' ability to directly view the database

Answer: A

Explanation:

A major IS audit concern is users' ability to directly modify the database.

NEW QUESTION 229

- (Topic 1)

What are intrusion-detection systems (IDS) primarily used for?

- A. To identify AND prevent intrusion attempts to a network
- B. To prevent intrusion attempts to a network
- C. Forensic incident response
- D. To identify intrusion attempts to a network

Answer: D

Explanation:

Intrusion-detection systems (IDS) are used to identify intrusion attempts on a network.

NEW QUESTION 234

- (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 235

- (Topic 1)

Mitigating the risk and impact of a disaster or business interruption usually takes priority over transference of risk to a third party such as an insurer. True or false?

- A. True
- B. False

Answer: A

Explanation:

Mitigating the risk and impact of a disaster or business interruption usually takes priority over transferring risk to a third party such as an insurer.

NEW QUESTION 240

- (Topic 1)

Off-site data storage should be kept synchronized when preparing for recovery of time-sensitive data such as that resulting from which of the following? Choose the BEST answer.

- A. Financial reporting
- B. Sales reporting
- C. Inventory reporting
- D. Transaction processing

Answer: D

Explanation:

Off-site data storage should be kept synchronized when preparing for the recovery of timesensitive data such as that resulting from transaction processing.

NEW QUESTION 244

- (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 249

- (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 254

- (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 256

- (Topic 1)

What is used to develop strategically important systems faster, reduce development costs, and still maintain high quality? Choose the BEST answer.

- A. Rapid application development (RAD)
- B. GANTT
- C. PERT
- D. Decision trees

Answer: A

Explanation:

Rapid application development (RAD) is used to develop strategically important systems faster, reduce development costs, and still maintain high quality.

NEW QUESTION 260

- (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 265

- (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 268

- (Topic 1)

After identifying potential security vulnerabilities, what should be the IS auditor's next step?

- A. To evaluate potential countermeasures and compensatory controls
- B. To implement effective countermeasures and compensatory controls
- C. To perform a business impact analysis of the threats that would exploit the vulnerabilities
- D. To immediately advise senior management of the findings

Answer: C

Explanation:

After identifying potential security vulnerabilities, the IS auditor's next step is to perform a business impact analysis of the threats that would exploit the vulnerabilities.

NEW QUESTION 273

- (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 274

- (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 279

- (Topic 1)

Whenever business processes have been re-engineered, the IS auditor attempts to identify and quantify the impact of any controls that might have been removed, or controls that might not work as effectively after business process changes. True or false?

- A. True
- B. False

Answer: A

Explanation:

Whenever business processes have been re-engineered, the IS auditor should attempt to identify and quantify the impact of any controls that might have been removed, or controls that might not work as effectively after business process changes.

NEW QUESTION 280

- (Topic 1)

When should an application-level edit check to verify that availability of funds was completed at the electronic funds transfer (EFT) interface?

- A. Before transaction completion
- B. Immediately after an EFT is initiated
- C. During run-to-run total testing
- D. Before an EFT is initiated

Answer: D

Explanation:

An application-level edit check to verify availability of funds should be completed at the electronic funds transfer (EFT) interface before an EFT is initiated.

NEW QUESTION 282

- (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 285

- (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 289

- (Topic 1)

What is a data validation edit control that matches input data to an occurrence rate? Choose the BEST answer.

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

Answer: C

Explanation:

A reasonableness check is a data validation edit control that matches input data to an occurrence rate.

NEW QUESTION 294

- (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 296

- (Topic 2)

The decisions and actions of an IS auditor are MOST likely to affect which of the following risks?

- A. Inherent
- B. Detection
- C. Control
- D. Business

Answer: B

Explanation:

Detection risks are directly affected by the auditor's selection of audit procedures and techniques. Inherent risks are not usually affected by an IS auditor. Control risks are controlled by the actions of the company's management. Business risks are not affected by an IS auditor.

NEW QUESTION 298

- (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 300

- (Topic 2)

Which of the following is a benefit of a risk-based approach to audit planning? Audit:

- A. scheduling may be performed months in advance
- B. budgets are more likely to be met by the IS audit staff
- C. staff will be exposed to a variety of technologies
- D. resources are allocated to the areas of highest concern

Answer: D

Explanation:

The risk-based approach is designed to ensure audit time is spent on the areas of highest risk. The development of an audit schedule is not addressed by a risk-based approach. Audit schedules may be prepared months in advance using various scheduling methods. A risk approach does not have a direct correlation to the audit staff meeting time budgets on a particular audit, nor does it necessarily mean a wider variety of audits will be performed in a given year.

NEW QUESTION 304

- (Topic 2)

An audit charter should:

- A. be dynamic and change often to coincide with the changing nature of technology and the audit profession
- 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 function

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 306

- (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 310

- (Topic 2)

In planning an audit, the MOST critical step is the identification of the:

- A. areas of high risk
- B. skill sets of the audit staff
- C. test steps in the audit
- D. time allotted for the audit

Answer: A

Explanation:

When designing an audit plan, it is important to identify the areas of highest risk to determine the areas to be audited. The skill sets of the audit staff should have been considered before deciding and selecting the audit. Test steps for the audit are not as critical as identifying the areas of risk, and the time allotted for an audit is determined by the areas to be audited, which are primarily selected based on the identification of risks.

NEW QUESTION 311

- (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 314

- (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 317

- (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 functional
- 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 321

- (Topic 2)

The PRIMARY purpose of an IT forensic audit is:

- A. to participate in investigations related to corporate fraud
- B. the systematic collection of evidence after a system irregularity
- C. to assess the correctness of an organization's financial statements
- D. to determine that there has been criminal activity

Answer: B

Explanation:

Choice B describes a forensic audit. The evidence collected could then be used in judicial proceedings. Forensic audits are not limited to corporate fraud. Assessing the correctness of an organization's financial statements is not the purpose of a forensic audit. Drawing a conclusion as to criminal activity would be part of a legal process and not the objective of a forensic audit.

NEW QUESTION 322

- (Topic 2)

An IS auditor is evaluating a corporate network for a possible penetration by employees. Which of the following findings should give the IS auditor the GREATEST concern?

- A. There are a number of external modems connected to the network
- B. Users can install software on their desktop
- C. Network monitoring is very limited
- D. Many user IDs have identical passwords

Answer: D

Explanation:

Exploitation of a known user ID and password requires minimal technical knowledge and exposes the network resources to exploitation. The technical barrier is low and the impact can be very high; therefore, the fact that many user IDs have identical passwords represents the greatest threat. External modems represent a security risk, but exploitation still depends on the use of a valid user account. While the impact of users installing software on their desktops can be high {for example, due to the installation of Trojans or key-logging programs), the likelihood is not high due to the level of technical knowledge required to successfully penetrate the network. Although network monitoring can be a useful detective control, it will only detect abuse of user accounts in special circumstances and is, therefore, not a first line of defense.

NEW QUESTION 326

- (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 329

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 334

- (Topic 2)

Which audit technique provides the BEST evidence of the segregation of duties in an IS department?

- A. Discussion with management
- B. Review of the organization chart
- C. Observation and interviews
- D. Testing of user access rights

Answer: C

Explanation:

By observing the IS staff performing their tasks, an IS auditor can identify whether they are performing any incompatible operations, and by interviewing the IS staff, the auditor can get an overview of the tasks performed. Based on the observations and interviews the auditor can evaluate the segregation of duties. Management may not be aware of the detailed functions of each employee in the IS department; therefore, discussion with the management would provide only limited information regarding segregation of duties. An organization chart would not provide details of the functions of the employees. Testing of user rights would provide information about the rights they have within the IS systems, but would not provide complete information about the functions they perform.

NEW QUESTION 339

- (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 341

- (Topic 2)

Data flow diagrams are used by IS auditors to:

- A. order data hierarchicall
- B. highlight high-level data definition
- C. graphically summarize data paths and storag
- D. portray step-by-step details of data generatio

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 344

- (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 348

- (Topic 2)

An IS auditor reviews an organizational chart PRIMARILY for:

- A. an understanding of workflow
- B. investigating various communication channel
- C. understanding the responsibilities and authority of individual
- D. investigating the network connected to different employee

Answer: C

Explanation:

An organizational chart provides information about the responsibilities and authority of individuals in the organization. This helps an IS auditor to know if there is a proper segregation of functions. A workflow chart would provide information about the roles of different employees. A network diagram will provide information about the usage of various communication channels and will indicate the connection of users to the network.

NEW QUESTION 349

- (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 351

- (Topic 2)

An IS auditor attempting to determine whether access to program documentation is restricted to authorized persons would MOST likely:

- A. evaluate the record retention plans for off-premises storag
- B. interview programmers about the procedures currently being followe
- C. compare utilization records to operations schedule
- D. review data file access records to test the librarian functio

Answer: B

Explanation:

Asking programmers about the procedures currently being followed is useful in determining whether access to program documentation is restricted to authorized persons. Evaluating the record retention plans for off-premises storage tests the recovery procedures, not the access control over program documentation. Testing utilization records or data files will not address access security over program documentation.

NEW QUESTION 354

- (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 358

- (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 363

- (Topic 2)

A substantive test to verify that tape library inventory records are accurate is:

- A. determining whether bar code readers are installed
- B. determining whether the movement of tapes is authorized
- C. conducting a physical count of the tape inventory
- D. checking if receipts and issues of tapes are accurately recorded

Answer: C

Explanation:

A substantive test includes gathering evidence to evaluate the integrity of individual transactions, data or other information. Conducting a physical count of the tape inventory is a substantive test. Choices A, B and D are compliance tests.

NEW QUESTION 365

- (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 process
- B. comply with auditing standard
- C. identify control weaknesses
- D. plan substantive testing

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 369

- (Topic 2)

In the process of evaluating program change controls, an IS auditor would use source code comparison software to:

- A. examine source program changes without information from IS personnel

- B. detect a source program change made between acquiring a copy of the source and the comparison ru
- C. confirm that the control copy is the current version of the production progra
- D. ensure that all changes made in the current source copy are detecte

Answer: A

Explanation:

An IS auditor has an objective, independent and relatively complete assurance of program changes because the source code comparison will identify changes. Choice B is incorrect, because the changes made since the acquisition of the copy are not included in the copy of the software. Choice C is incorrect, as an IS auditor will have to gain this assurance separately. Choice D is incorrect, because any changes made between the time the control copy was acquired and the source code comparison is made will not be detected.

NEW QUESTION 370

- (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 373

- (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 376

- (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 377

- (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 warrante
- B. report the matter to the audit committe
- C. report the possibility of fraud to top management and ask how they would like to procee
- D. consult with external legal counsel to determine the course of action to be take

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 382

- (Topic 2)

Which of the following would an IS auditor use to determine if unauthorized modifications were made to production programs?

- A. System log analysis
- B. Compliance testing
- C. Forensic analysis
- D. Analytical review

Answer: B

Explanation:

Determining that only authorized modifications are made to production programs would require the change management process be reviewed to evaluate the existence of a trail of documentary evidence. Compliance testing would help to verify that the change management process has been applied consistently. It is unlikely that the system log analysis would provide information about the modification of programs. Forensic analysis is a specialized technique for criminal investigation. An analytical review assesses the general control environment of an organization.

NEW QUESTION 383

- (Topic 2)

An IS auditor who was involved in designing an organization's business continuity plan (BCP) has been assigned to audit the plan. The IS auditor should:

- A. decline the assignmen
- B. inform management of the possible conflict of interest after completing the audit assignmen
- C. inform the business continuity planning (BCP) team of the possible conflict of interest prior to beginning the assignmen
- D. communicate the possibility of conflict of interest to management prior to starting the assignmen

Answer: D

Explanation:

Communicating the possibility of a conflict of interest to management prior to starting the assignment is the correct answer. A possible conflict of interest, likely to affect the auditor's independence, should be brought to the attention of management prior to starting the assignment. Declining the assignment is not the correct answer because the assignment could be accepted after obtaining management approval. Informing management of the possible conflict of interest after completion of the audit assignment is not correct because approval should be obtained prior to commencement and not after the completion of the assignment. Informing the business continuity planning (BCP) team of the possible conflict of interest prior to starting of the assignment is not the correct answer since the BCP team would not have the authority to decide on this issue.

NEW QUESTION 384

- (Topic 2)

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

- A. audit committe
- B. auditee's manage
- C. IS audito
- 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 388

- (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 late
- B. allows IS auditors to independently assess ris
- C. can be used as a replacement for traditional audit
- D. allows management to relinquish responsibility for contro

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 control.

NEW QUESTION 389

- (Topic 2)

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

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

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 392

- (Topic 3)

An IT steering committee should review information systems PRIMARILY to assess:

- A. whether IT processes support business requirement
- B. if proposed system functionality is adequat
- C. the stability of existing softwar
- D. the complexity of installed technolog

Answer: A

Explanation:

The role of an IT steering committee is to ensure that the IS department is in harmony with the organization's mission and objectives. To ensure this, the committee must determine whether IS processes support the business requirements. Assessing proposed additional functionality and evaluating software stability and the complexity of technology are too narrow in scope to ensure that IT processes are, in fact, supporting the organization's goals.

NEW QUESTION 394

- (Topic 3)

Which of the following is the MOST important element for the successful implementation of IT governance?

- A. Implementing an IT scorecard
- B. Identifying organizational strategies
- C. Performing a risk assessment
- D. Creating a formal security policy

Answer: B

Explanation:

The key objective of an IT governance program is to support the business, thus the identification of organizational strategies is necessary to ensure alignment between IT and corporate governance. Without identification of organizational strategies, the remaining choices-even if implemented-would be ineffective.

NEW QUESTION 395

- (Topic 3)

The MAJOR consideration for an IS auditor reviewing an organization's IT project portfolio is the:

- A. IT budge
- B. existing IT environmen
- C. business pla
- D. investment pla

Answer: C

Explanation:

One of the most important reasons for which projects get funded is how well a project meets an organization's strategic objectives. Portfolio management takes a holistic view of a company's overall IT strategy. IT strategy should be aligned with the business strategy and, hence, reviewing the business plan should be the major consideration. Choices A, B and D are important but secondary to the importance of reviewing the business plan.

NEW QUESTION 396

- (Topic 3)

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

- A. IT alignment with the busines
- B. accountabilit
- C. value realization with I
- 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 401

- (Topic 3)

The ultimate purpose of IT governance is to:

- A. encourage optimal use of I
- B. reduce IT cost
- C. decentralize IT resources across the organizatio
- D. centralize control of I

Answer: A

Explanation:

IT governance is intended to specify the combination of decision rights and accountability that is best for the enterprise. It is different for every enterprise. Reducing IT costs may not be the best IT governance outcome for an enterprise. Decentralizing IT resources across the organization is not always desired, although it may be desired in a decentralized environment. Centralizing control of IT is not always desired. An example of where it might be desired is an enterprise desiring a single point of customer contact.

NEW QUESTION 404

- (Topic 3)

What is the lowest level of the IT governance maturity model where an IT balanced scorecard exists?

- A. Repeatable but Intuitive
- B. Defined
- C. Managed and Measurable
- D. Optimized

Answer: B

Explanation:

Defined (level 3) is the lowest level at which an IT balanced scorecard is defined.

NEW QUESTION 407

- (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 productivit
- B. reduce the opportunity for an employee to commit an improper or illegal ac
- C. provide proper cross-training for another employe
- D. eliminate the potential disruption caused when an employee takes vacation one day at a tim

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 408

- (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 412

- (Topic 3)

When segregation of duties concerns exist between IT support staff and end users, what would be a suitable compensating control?

- A. Restricting physical access to computing equipment
- B. Reviewing transaction and application logs
- C. Performing background checks prior to hiring IT staff

D. Locking user sessions after a specified period of inactivity

Answer: B

Explanation:

Only reviewing transaction and application logs directly addresses the threat posed by poor segregation of duties. The review is a means of detecting inappropriate behavior and also discourages abuse, because people who may otherwise be tempted to exploit the situation are aware of the likelihood of being caught. Inadequate segregation of duties is more likely to be exploited via logical access to data and computing resources rather than physical access. Choice C is a useful control to ensure IT staff are trustworthy and competent but does not directly address the lack of an optimal segregation of duties. Choice D acts to prevent unauthorized users from gaining system access, but the issue of a lack of segregation of duties is more the misuse (deliberately or inadvertently) of access privileges that have officially been granted.

NEW QUESTION 413

- (Topic 3)

Which of the following reduces the potential impact of social engineering attacks?

- A. Compliance with regulatory requirements
- B. Promoting ethical understanding
- C. Security awareness programs
- D. Effective performance incentives

Answer: C

Explanation:

Because social engineering is based on deception of the user, the best countermeasure or defense is a security awareness program. The other choices are not user-focused.

NEW QUESTION 414

- (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 415

- (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 416

- (Topic 3)

To support an organization's goals, an IS department should have:

- A. a low-cost philosophy
- B. long- and short-range plan
- C. leading-edge technology
- D. plans to acquire new hardware and software

Answer: B

Explanation:

To ensure its contribution to the realization of an organization's overall goals, the IS department should have long- and short-range plans that are consistent with the organization's broader plans for attaining its goals. Choices A and C are objectives, and plans would be needed to delineate how each of the objectives would

be achieved. Choice D could be a part of the overall plan but would be required only if hardware or software is needed to achieve the organizational goals.

NEW QUESTION 419

- (Topic 3)

Which of the following goals would you expect to find in an organization's strategic plan?

- A. Test a new accounting packag
- B. Perform an evaluation of information technology need
- C. Implement a new project planning system within the next 12 month
- D. Become the supplier of choice for the product offere

Answer: D

Explanation:

Strategic planning sets corporate or departmental objectives into motion. Comprehensive planning helps ensure an effective and efficient organization. Strategic planning is time-and project-oriented, but also must address and help determine priorities to meet business needs. Long- and short-range plans should be consistent with the organization's broader plans for attaining their goals. Choice D represents a business objective that is intended to focus the overall direction of the business and would thus be a part of the organization's strategic plan. The other choices are project-oriented and do not address business objectives.

NEW QUESTION 424

- (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 managemen
- B. does not vary from the IS department's preliminary budge
- C. complies with procurement procedure
- D. supports the business objectives of the organizatio

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 427

- (Topic 3)

When reviewing IS strategies, an IS auditor can BEST assess whether IS strategy supports the organizations' business objectives by determining if IS:

- A. has all the personnel and equipment it need
- B. plans are consistent with management strateg
- C. uses its equipment and personnel efficiently and effective
- D. has sufficient excess capacity to respond to changing direction

Answer: B

Explanation:

Determining if the IS plan is consistent with management strategy relates IS/IT planning to business plans. Choices A, C and D are effective methods for determining the alignment of IS plans with business objectives and the organization's strategies.

NEW QUESTION 428

- (Topic 3)

In an organization, the responsibilities for IT security are clearly assigned and enforced and an IT security risk and impact analysis is consistently performed. This represents which level of ranking in the information security governance maturity model?

- A. Optimized
- B. Managed
- C. Defined
- D. Repeatable

Answer: B

Explanation:

Boards of directors and executive management can use the information security governance maturity model to establish rankings for security in their organizations. The ranks are nonexistent, initial, repeatable, defined, managed and optimized. When the responsibilities for IT security in an organization are clearly assigned and enforced and an IT security risk and impact analysis is consistently performed, it is said to be 'managed and measurable.'

NEW QUESTION 432

- (Topic 3)

When developing a formal enterprise security program, the MOST critical success factor (CSF) would be the:

- A. establishment of a review boar
- B. creation of a security uni
- C. effective support of an executive sponso
- D. selection of a security process owne

Answer: C

Explanation:

The executive sponsor would be in charge of supporting the organization's strategic security program, and would aid in directing the organization's overall security management activities. Therefore, support by the executive level of management is the most critical success factor (CSF). None of the other choices are effective without visible sponsorship of top management.

NEW QUESTION 435

- (Topic 3)

The PRIMARY objective of an audit of IT security policies is to ensure that:

- A. they are distributed and available to all staff
- B. security and control policies support business and IT objective
- C. there is a published organizational chart with functional description
- D. duties are appropriately segregate

Answer: B

Explanation:

Business orientation should be the main theme in implementing security. Hence, an IS audit of IT security policies should primarily focus on whether the IT and related security and control policies support business and IT objectives. Reviewing whether policies are available to all is an objective, but distribution does not ensure compliance. Availability of organizational charts with functional descriptions and segregation of duties might be included in the review, but are not the primary objective of an audit of security policies.

NEW QUESTION 436

- (Topic 3)

An IS auditor finds that not all employees are aware of the enterprise's information security policy. The IS auditor should conclude that:

- A. this lack of knowledge may lead to unintentional disclosure of sensitive information
- B. information security is not critical to all function
- C. IS audit should provide security training to the employee
- D. the audit finding will cause management to provide continuous training to staff

Answer: A

Explanation:

All employees should be aware of the enterprise's information security policy to prevent unintentional disclosure of sensitive information. Training is a preventive control. Security awareness programs for employees can prevent unintentional disclosure of sensitive information to outsiders.

NEW QUESTION 438

- (Topic 3)

Which of the following programs would a sound information security policy MOST likely include to handle suspected intrusions?

- A. Response
- B. Correction
- C. Detection
- D. Monitoring

Answer: A

Explanation:

A sound IS security policy will most likely outline a response program to handle suspected intrusions. Correction, detection and monitoring programs are all aspects of information security, but will not likely be included in an IS security policy statement.

NEW QUESTION 443

- (Topic 3)

Which of the following should be included in an organization's IS security policy?

- A. A list of key IT resources to be secured
- B. The basis for access authorization
- C. Identity of sensitive security features
- D. Relevant software security features

Answer: B

Explanation:

The security policy provides the broad framework of security, as laid down and approved by senior management. It includes a definition of those authorized to grant access and the basis for granting the access. Choices A, B and C are more detailed than that which should be included in a policy.

NEW QUESTION 445

- (Topic 3)

A comprehensive and effective e-mail policy should address the issues of e-mail structure, policy enforcement, monitoring and:

- A. recover
- B. retentio
- C. rebuildin
- D. reus

Answer: B

Explanation:

Besides being a good practice, laws and regulations may require that an organization keep information that has an impact on the financial statements. The prevalence of lawsuits in which e-mail communication is held in the same regard as the official form of classic 'paper*' makes the retention of corporate e-mail a necessity. All e-mail generated on an organization's hardware is the property of the organization, and an e-mail policy should address the retention of messages, considering both known and unforeseen litigation. The policy should also address the destruction of e-mails after a specified time to protect the nature and confidentiality of the messages themselves. Addressing the retention issue in the e-mail policy would facilitate recovery, rebuilding and reuse.

NEW QUESTION 449

- (Topic 3)

A top-down approach to the development of operational policies will help ensure:

- A. that they are consistent across the organizatio
- B. that they are implemented as a part of risk assessmen
- C. compliance with all policie
- D. that they are reviewed periodical

Answer: A

Explanation:

Deriving lower level policies from corporate policies (a top-down approach) aids in ensuring consistency across the organization and consistency with other policies. The bottom-up approach to the development of operational policies is derived as a result of risk assessment. A top-down approach of itself does not ensure compliance and development does not ensure that policies are reviewed.

NEW QUESTION 451

- (Topic 3)

Which of the following would MOST likely indicate that a customer data warehouse should remain in-house rather than be outsourced to an offshore operation?

- A. Time zone differences could impede communications between IT team
- B. Telecommunications cost could be much higher in the first yea
- C. Privacy laws could prevent cross-border flow of informatio
- D. Software development may require more detailed specification

Answer: C

Explanation:

Privacy laws prohibiting the cross-border flow of personally identifiable information would make it impossible to locate a data warehouse containing customer information in another country. Time zone differences and higher telecommunications costs are more manageable. Software development typically requires more detailed specifications when dealing with offshore operations.

NEW QUESTION 455

- (Topic 3)

A retail outlet has introduced radio frequency identification (RFID) tags to create unique serial numbers for all products. Which of the following is the PRIMARY concern associated with this initiative?

- A. Issues of privacy
- B. Wavelength can be absorbed by the human body
- C. RFID tags may not be removable
- D. RFID eliminates line-of-sight reading

Answer: A

Explanation:

The purchaser of an item will not necessarily be aware of the presence of the tag. If a tagged item is paid for by credit card, it would be possible to tie the unique ID of that item to the identity of the purchaser. Privacy violations are a significant concern because RFID can carry unique identifier numbers. If desired it would be possible for a firm to track individuals who purchase an item containing an RFID. Choices B and C are concerns of less importance. Choice D is not a concern.

NEW QUESTION 460

- (Topic 3)

When developing a security architecture, which of the following steps should be executed FIRST?

- A. Developing security procedures
- B. Defining a security policy
- C. Specifying an access control methodology
- D. Defining roles and responsibilities

Answer: B

Explanation:

Defining a security policy for information and related technology is the first step toward building a security architecture. A security policy communicates a coherent security standard to users, management and technical staff. Security policies will often set the stage in terms of what tools and procedures are needed for an organization. The other choices should be executed only after defining a security policy.

NEW QUESTION 462

- (Topic 3)

IT control objectives are useful to IS auditors, as they provide the basis for understanding the:

- A. desired result or purpose of implementing specific control procedure
- B. best IT security control practices relevant to a specific entity
- C. techniques for securing information
- D. security policies

Answer: A

Explanation:

An IT control objective is defined as the statement of the desired result or purpose to be achieved by implementing control procedures in a particular IT activity. They provide the actual objectives for implementing controls and may or may not be the best practices. Techniques are the means of achieving an objective, and a security policy is a subset of IT control objectives.

NEW QUESTION 467

- (Topic 3)

Which of the following provides the best evidence of the adequacy of a security awareness program?

- A. The number of stakeholders including employees trained at various levels
- B. Coverage of training at all locations across the enterprise
- C. The implementation of security devices from different vendors
- D. Periodic reviews and comparison with best practices

Answer: D

Explanation:

The adequacy of security awareness content can best be assessed by determining whether it is periodically reviewed and compared to industry best practices. Choices A, B and C provide metrics for measuring various aspects of a security awareness program, but do not help assess the content.

NEW QUESTION 470

- (Topic 3)

Which of the following should an IS auditor recommend to BEST enforce alignment of an IT project portfolio with strategic organizational priorities?

- A. Define a balanced scorecard (BSC) for measuring performance
- B. Consider user satisfaction in the key performance indicators (KPIs)
- C. Select projects according to business benefits and risks
- D. Modify the yearly process of defining the project portfolio

Answer: C

Explanation:

Prioritization of projects on the basis of their expected benefit(s) to business, and the related risks, is the best measure for achieving alignment of the project portfolio to an organization's strategic priorities. Modifying the yearly process of the projects portfolio definition might improve the situation, but only if the portfolio definition process is currently not tied to the definition of corporate strategies; however, this is unlikely since the difficulties are in maintaining the alignment, and not in setting it up initially. Measures such as balanced scorecard (BSC) and key performance indicators (KPIs) are helpful, but they do not guarantee that the projects are aligned with business strategy.

NEW QUESTION 473

- (Topic 3)

To assist an organization in planning for IT investments, an IS auditor should recommend the use of:

- A. project management tool
- B. an object-oriented architecture
- C. tactical planning
- D. enterprise architecture (EA).

Answer: D

Explanation:

Enterprise architecture (EA) involves documenting the organization's IT assets and processes in a structured manner to facilitate understanding, management and planning for IT investments. It involves both a current state and a representation of an optimized future state. In attempting to complete an EA, organizations can address the problem either from a technology perspective or a business process perspective. Project management does not consider IT investment aspects; it is a tool to aid in delivering projects. Object-oriented architecture is a software development methodology and does not assist in planning for IT investment, while tactical planning is relevant only after high-level IT investment decisions have been made.

NEW QUESTION 475

- (Topic 3)

In the context of effective information security governance, the primary objective of value delivery is to:

- A. optimize security investments in support of business objective
- B. implement a standard set of security practice
- C. institute a standards-based solutio
- D. implement a continuous improvement cultur

Answer: A

Explanation:

In the context of effective information security governance, value delivery is implemented to ensure optimization of security investments in support of business objectives. The tools and techniques for implementing value delivery include implementation of a standard set of security practices, institutionalization and commoditization of standards-based solutions, and implementation of a continuous improvement culture considering security as a process, not an event.

NEW QUESTION 480

- (Topic 3)

When performing a review of the structure of an electronic funds transfer (EFT) system, an IS auditor observes that the technological infrastructure is based on a centralized processing scheme that has been outsourced to a provider in another country. Based on this information, which of the following conclusions should be the main concern of the IS auditor?

- A. There could be a question regarding the legal jurisdictio
- B. Having a provider abroad will cause excessive costs in future audit
- C. The auditing process will be difficult because of the distanc
- D. There could be different auditing norm

Answer: A

Explanation:

In the funds transfer process, when the processing scheme is centralized in a different country, there could be legal issues of jurisdiction that might affect the right to perform a review in the other country. The other choices, though possible, are not as relevant as the issue of legal jurisdiction.

NEW QUESTION 481

- (Topic 3)

An IS auditor should expect which of the following items to be included in the request for proposal (RFP) when IS is procuring services from an independent service provider (ISP)?

- A. References from other customers
- B. Service level agreement (SLA) template
- C. Maintenance agreement
- D. Conversion plan

Answer: A

Explanation:

An IS auditor should look for an independent verification that the ISP can perform the tasks being contracted for. References from other customers would provide an independent, external review and verification of procedures and processes the ISP follows-issues which would be of concern to an IS auditor. Checking references is a means of obtaining an independent verification that the vendor can perform the services it says it can. A maintenance agreement relates more to equipment than to services, and a conversion plan, while important, is less important than verification that the ISP can provide the services they propose.

NEW QUESTION 485

- (Topic 3)

Which of the following is the MOST important IS audit consideration when an organization outsources a customer credit review system to a third-party service provider? The provider:

- A. meets or exceeds industry security standard
- B. agrees to be subject to external security review
- C. has a good market reputation for service and experienc
- D. complies with security policies of the organizatio

Answer: B

Explanation:

It is critical that an independent security review of an outsourcing vendor be obtained because customer credit information will be kept there. Compliance with security standards or organization policies is important, but there is no way to verify or prove that that is the case without an independent review. Though long experience in business and good reputation is an important factor to assess service quality, the business cannot outsource to a provider whose security control is weak.

NEW QUESTION 490

- (Topic 3)

Which of the following is a mechanism for mitigating risks?

- A. Security and control practices
- B. Property and liability insurance
- C. Audit and certification
- D. Contracts and service level agreements (SLAs)

Answer: A

Explanation:

Risks are mitigated by implementing appropriate security and control practices. Insurance is a mechanism for transferring risk. Audit and certification are mechanisms of risk assurance, while contracts and SLAs are mechanisms of risk allocation.

NEW QUESTION 495

- (Topic 3)

When developing a risk management program, what is the FIRST activity to be performed?

- A. Threat assessment
- B. Classification of data
- C. Inventory of assets
- D. Criticality analysis

Answer: C

Explanation:

Identification of the assets to be protected is the first step in the development of a risk management program. A listing of the threats that can affect the performance of these assets and criticality analysis are later steps in the process. Data classification is required for defining access controls and in criticality analysis.

NEW QUESTION 499

- (Topic 3)

Which of the following does a lack of adequate security controls represent?

- A. Threat
- B. Asset
- C. Impact
- D. Vulnerability

Answer: D

Explanation:

The lack of adequate security controls represents a vulnerability, exposing sensitive information and data to the risk of malicious damage, attack or unauthorized access by hackers. This could result in a loss of sensitive information and lead to the loss of goodwill for the organization. A succinct definition of risk is provided by the Guidelines for the Management of IT Security published by the International Organization for Standardization (ISO), which defines risk as the 'potential that a given threat will exploit the vulnerability of an asset or group of assets to cause loss or damage to the assets.' The various elements of the definition are vulnerability, threat, asset and impact. Lack of adequate security functionality in this context is a vulnerability.

NEW QUESTION 502

- (Topic 3)

Assessing IT risks is BEST achieved by:

- A. evaluating threats associated with existing IT assets and IT project
- B. using the firm's past actual loss experience to determine current exposure
- C. reviewing published loss statistics from comparable organization
- D. reviewing IT control weaknesses identified in audit report

Answer: A

Explanation:

To assess IT risks, threats and vulnerabilities need to be evaluated using qualitative or quantitative risk assessment approaches. Choices B, C and D are potentially useful inputs to the risk assessment process, but by themselves are not sufficient. Basing an assessment on past losses will not adequately reflect inevitable changes to the firm's IT assets, projects, controls and strategic environment. There are also likely to be problems with the scope and quality of the loss data available to be assessed. Comparable organizations will have differences in their IT assets, control environment and strategic circumstances. Therefore, their loss experience cannot be used to directly assess organizational IT risk. Control weaknesses identified during audits will be relevant in assessing threat exposure and further analysis may be needed to assess threat probability. Depending on the scope of the audit coverage, it is possible that not all of the critical IT assets and projects will have recently been audited, and there may not be a sufficient assessment of strategic IT risks.

NEW QUESTION 507

- (Topic 3)

To address the risk of operations staff's failure to perform the daily backup, management requires that the systems administrator sign off on the daily backup. This is an example of risk:

- A. avoidance
- B. transference
- C. mitigation
- D. acceptance

Answer: C

Explanation:

Mitigation is the strategy that provides for the definition and implementation of controls to address the risk described. Avoidance is a strategy that provides for not implementing certain activities or processes that would incur risk. Transference is the strategy that provides for sharing risk with partners or taking insurance coverage. Acceptance is a strategy that provides for formal acknowledgement of the existence of a risk and the monitoring of that risk.

NEW QUESTION 510

- (Topic 3)

An IS auditor reviewing the risk assessment process of an organization should FIRST:

- A. identify the reasonable threats to the information asset
- B. analyze the technical and organizational vulnerabilitie
- C. identify and rank the information asset
- D. evaluate the effect of a potential security breac

Answer: C

Explanation:

Identification and ranking of information assets-e.g., data criticality, locations of assets-will set the tone or scope of how to assess risk in relation to the organizational value of the asset. Second, the threats facing each of the organization's assets should be analyzed according to their value to the organization. Third, weaknesses should be identified so that controls can be evaluated to determine if they mitigate the weaknesses. Fourth, analyze how these weaknesses, in absence of given controls, would impact the organization information assets.

NEW QUESTION 511

- (Topic 3)

As a driver of IT governance, transparency of IT's cost, value and risks is primarily achieved through:

- A. performance measuremen
- B. strategic alignmen
- C. value deliver
- D. resource managemen

Answer: A

Explanation:

Performance measurement includes setting and monitoring measurable objectives of what the IT processes need to deliver (process outcome) and how they deliver it (process capability and performance). Strategic alignment primarily focuses on ensuring linkage of business and IT plans. Value delivery is about executing the value proposition throughout the delivery cycle. Resource management is about the optimal investment in and proper management of critical IT resources. Transparency is primarily achieved through performance measurement as it provides information to the stakeholders on how well the enterprise is performing when compared to objectives.

NEW QUESTION 513

- (Topic 3)

Which of the following should be the MOST important consideration when deciding areas of priority for IT governance implementation?

- A. Process maturity
- B. Performance indicators
- C. Business risk
- D. Assurance reports

Answer: C

Explanation:

Priority should be given to those areas which represent a known risk to the enterprise's operations. The level of process maturity, process performance and audit reports will feed into the decision making process. Those areas that represent real risk to the business should be given priority.

NEW QUESTION 518

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