Information Systems Audit and Control Association

SAN FRANCISCO CHAPTER LOCAL AREA NETWORK

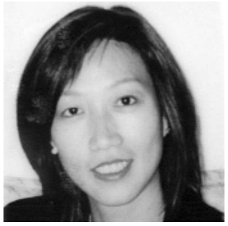
FOURTH QUARTER 2003

Winner of the 2000 Wayne K. Snipes Award –
Best ISACA Chapter in the USA and the World

Winner of the 1999 and 2000 Newsletter Contest –
Best Newsletter for Large Chapters in North America

Winner of the 2002 Outstanding Web Site – Silver Level Award

PRESIDENT'S MESSAGE



Christina Cheng
President

Let's Celebrate!

Our 2003 Fall Conference in September was a major success and it is time to celebrate! There were over twenty exhibitors and the feedback from both members and non-members was positive. Please make sure you check out pictures of the Fall Conference on pages 10, 12, and 13 capturing some of the memorable moments. As you know, there were a lot of people who contributed to the success of this event but the first person I would like to express gratitude and thanks is the Fall Conference Chair, **Miguel O. Villegas**. Mike started planning the conference months before the chapter changed its leadership. He organized the conference strategy taking it to another level where we had truly taken a leap to *Step Ahead*!

Mike's leadership was complimented by the excellent Fall Conference team. We would not have had such an outstanding accomplishment without the following team members' great work and leadership:

Mike Villegas (Fall Conference Chair)
Todd Weinman (Fall Conference Co-Chair)
Renel Alford
Conny Cheng
Beverly Davis
Kevin Fried
Bob Grill
Maryam Malek
Dave McCandless
Tim Stapleton

Special thanks to each of them because they dedicated many hours and energy in making this conference seamless. **Renel Alford** deserves special mentioning since she took care of the many administrative matters both before, during and after the conference! Also many thanks to Wells Fargo for supporting us with the human and material resources.

Thanks to the chapter officers as well as volunteers who participated in the conference as proctors and staff support:

Renel Alford
Lisa Corpuz
Joli Chu
Sumit Kalra
Colin Lau
Daniel Lee
David McKenzie
Gabe Medina
Hector Rivera
Stephen Tin
Mark Valade
Dema Vidal
Anne Woodbury
Jimmy Yip

Special recognition to our wonderful keynote speaker, Howard Schmidt, and all the other exceptional speakers who shared their ideas, insights and time to provide us with valuable information that we could put to use back at our office.

Last but not least is my salute to all the sponsors who supported us financially allowing us to provide quality education programs at very reasonable rates. Your support is very important to us and I would like to thank you in advance for your continued support of future educational offerings as well as our next year's Fall Conference!

I was very happy to see that a lot of the attendees responded to our survey and expressed an interest in volunteering for the chapter. We have lined up a series of exciting educational and social events and your participation will definitely add value to our programs. Our committee chairs will be contacting you and I look forward to meeting you in future chapter meetings and functions.

I would also like to welcome the new

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ISACA members who took advantage of our special conference discount and joined ISACA during the Fall Conference. Our membership is now at an all time high. Please continue to spread the word and take advantage of our *Member Referral Program* (see page 14 for details).

We have yet another event to celebrate! Our October joint luncheon presentation with the Institute of Internal Audit on Sarbanes Oxley Implementation updates was timely and well received. We had over seventy attendees and the session was both informative and interactive.

Other exciting events in the work include the Best Paper Contest and our Awards/Recognition banquet. We will be initiating two award winning Best Paper Contests – one for students and one for Professionals. We hope this opportunity will uncover good materials and new talents in our professions. Contest rules and application will be announced soon. Check the Web site for regular updates. Let's find out who will be our first student and professional writing stars!

To recognize the services tendered by chapter volunteers and the merit of the San Francisco Chapter CISA passers; we are planning a fun-filled appreciation banquet in December. This is our chapter's way to say thank you and celebrate the holidays with those who had taken precious time from their busy lives to contribute to our chapter. Besides the great learning experience and networking opportunities, volunteers also build priceless life long friendships. So I encourage you to seriously consider active participation in the chapter. Let's start with at least participating in all of our educational offerings!

Since our next issue will not be published until March 2004, please allow me to take this opportunity to wish you an early Merry Christmas and a happy New Year. Until next time!

Sincerely,

Christina Cheng
President

CALENDAR OF UPCOMING EVENTS

Date	Event	Place	More information
November 17, 2003	SF ISACA Full Day Seminar Web Application and Vulnerability Testing	The Palace, San Francisco	details to be posted at www.sfisaca.org
December 10, 2003	SF ISACA Networking Session	The Palace, San Francisco	details to be posted at www.sfisaca.org
January 15, 2004	SF ISACA Full Day Seminar Active Directory	The Palace, San Francisco	details to be posted at www.sfisaca.org
February 19, 2004	SF ISACA Luncheon Security and IS Audit: Leveraging Information	The Palace, San Francisco	details to be posted at www.sfisaca.org
March, 2004	SF ISACA Full Day Seminar Securing UNIX	The Palace, San Francisco	details to be posted at www.sfisaca.org
April, 2004	Auditing and Managing 3rd Party Relationships	The Palace, San Francisco	details to be posted at www.sfisaca.org
May, 2004	Implementing COSO	The Palace, San Francisco	details to be posted at www.sfisaca.org
June, 2004	Wine and Cheese Reception	The Palace, San Francisco	details to be posted at www.sfisaca.org
July, 2004	Communication Skills	The Palace, San Francisco	details to be posted at www.sfisaca.org
September, 2004	SF ISACA Fall Conference	TBD	details to be posted at www.sfisaca.org
National events			
May 19-13, 2004	North American CACS	Chicago, Illinois	details to be posted at www.sfisaca.org
June 27-30, 2004	ISACA International Conference	Cambridge, MA	details to be posted at www.sfisaca.org

2003/04 EDUCATION EVENTS SCHEDULE

By Beverly G. Davis
Education Committee Co-Chair

The Education Committee is pleased to announce the chapter's upcoming annual events calendar. Although, the logistics have not been finalized, the calendar of educational events is representative of member input from our year-end survey. We are working diligently to ensure that each scheduled event provides a rewarding educational experience. Our presenters are industry leaders, experienced in their fields, who provide quality training as their contribution to the betterment of the information systems audit profession. These contributions allow our chapter to extend our product offerings at an economical cost. We appreciate the commitment from our presenters and look forward to a very rewarding year.

Welcome to our new Education Committee volunteers:

- Christina Cheng
- Robert Grill, Co-Chair
- Terri Lowe
- Tim Stapleton
- Dema Vidal
- Jimmy Yip

Educational Events Summaries Fiscal Year 2003-2004

January 15, 2004: Active Directory
This one-day seminar introduces the tools and techniques for evaluating controls requirements deployed in Active Directory. The participants will acquire the basic tools (working audit program) to implement a control evaluation.

February 19, 2004: Joint Session: ISSA Leveraging Information Security and IS Audit
The identification, testing, and management of valuable information assets and associated IT resources has increased significantly. The audit and security profession is interested in how to leverage resources, tools, and techniques to effectively perform efficient security audits.

March 2004: Securing UNIX
This one-day hands-on seminar introduces tools and techniques used to analyze the security of an existing Unix server. The participant will explore how to evaluate user controls, examine standard system logs, analyze the effect of file and directory permissions, and evaluate the risks of system processes.

April 2004: Auditing and Managing 3rd Party Relationships
The implementation of Sarbanes-Oxley has instituted a multitude of changes within IT operations. Audit responsibility and accountability increases with 3rd party relationship performing business processing. We will discuss the impact on IT Audit and our role in auditing and managing 3rd party vendor relationships.

May 2004: Implementing COSO
A critical role facing management in implementing Sarbanes-Oxley is conducting an internal control assessment that can be measured against some established criteria. COSO is a well-established benchmark for evaluating internal controls. We will discuss the COSO framework as a tool for management of assertion if the effectiveness of internal controls.

June 2004: Wine and Cheese Reception
Chapter's Annual Membership Meeting

July 2004: Communication Skills Seminar
Communication is a soft skill that has a great amount of relevancy in today's business world. We will discuss how to conduct professional meetings and get the desired results.

DECEMBER EVENT ANNOUNCEMENT

Networking Session • December 10, 2003 • 5:30 p.m. – 9:00 p.m.

The ISACA Board of Directors has organized this event as a member networking activity. We will honor those chapter members and sponsors who have contributed time and talents towards enhancing the chapter's goals and the IS Audit profession.

The evening will be filled with opportunities to meet our business sponsors and recognize the new Certified Information Systems Auditors. We look forward to introducing this dynamic group of people to the membership and allowing our members to mix and mingle with some of industry's outstanding audit professionals.

Location/Venue

The Palace Hotel
2 New Montgomery Street
http://www.sfpalace.com/
Corner of Market and New Montgomery Streets
Montgomery BART Station
San Francisco

Time/Duration/Schedule

No-host Bar: 5:30 p.m. to 6:30 p.m.
Dinner and Networking: 6:30 p.m. to 9:00 p.m.

Pricing

$40 Member of IIA or ISACA
$50 Non-members
$20 Students

TECHNOLOGY CRITICAL TO SARBANES-OXLEY EFFORTS

By
Steve Stanek and Jeff Barrett

KnowledgeLeader
contributing writers
www.knowledgeleader.com

This article was first published by Protiviti Inc. on www.knowledgeleader.com.

The KnowledgeLeader Internal Audit and Risk Management Community is a resource for tools, best practices, white papers, risk models, and other materials that you can use on a daily basis to help you manage risk or improve your internal audit function.

You are welcome to sign up online for a free 30-day trial. The purpose of the Web site is to help you save time and stay abreast of business and technology risks and other internal audit and IT audit issues.

The Sarbanes-Oxley Act (SOA) raises the stakes for Chief Information Officers and information technology departments by requiring certification on the performance of systemic internal controls that contribute to the accuracy and integrity of financial reporting. The proverbial 'IT curtain' is now being pulled back to drive executives' accountability toward their ongoing design and operation.

Henceforth, CIOs must consider the evolution of the control environment as it pertains to the IT infrastructure and the systems that impact the financial reporting process.

"Technology executives need to ensure that business processes are honed and well-controlled before launching IT initiatives. They must make sure that controls are built into applications and that ownership of controls is assigned," says Jon Rydberg, a Protiviti Associate Director. Now, cooperation with business process owners is critical since many controls are technology driven.

Ownership of controls existed to some extent at most companies, but Sarbanes-Oxley formalizes verification of effective controls operation.

The first step is to identify key processes and assign explicit ownership of related controls and monitoring. Once this baseline is established, then the components and sub-processes of the internal controls structure, including IT application and systems infrastructure, are delineated.

Accountability for the proper operation of controls should be extended down into the organization to the individuals who operate underlying processes and manage the associated IT components. Coordination is essential to ensure the correct operation of internal control elements that roll up into the more comprehensive compliance verifications.

Sarbanes-Oxley requires any significant changes or deficiencies in the control environment to be reported in SEC filings. Therefore, IT management and process owners should work together to integrate compliance efforts not only as a best business practice but as a collaboration critical to ongoing SEC compliance efforts.

Application and Infrastructure Considerations

"The increase in the implementation of large-scale ERP platforms such as SAP and PeopleSoft increases the number of automated processes and the reliance on controls," according to Rydberg. "Although having sound processes irrespective of technology is important, having controls built into systems can be even more important. Without integrity, a broken process can go wrong even faster."

Financial reporting and internal control compliance considerations should include the financial applications being supported and the underlying IT change and maintenance processes such as:

- Application & network access
- Application & reporting interfaces/integration
- Physical & logical system security, Database integrity
- Contingency planning & safeguarding IT assets

"Making sure that controls are built in prior to automation and further technological advancements should be a priority. Information Technology management becomes even more significant when you consider its impact on data and process integrity," Rydberg concludes.

One approach to evaluating the IT controls related to financial reporting processes is to apply the standard methodology for assessing overall enterprise-wide internal controls. The COSO framework for internal control reporting is based on a set of financial statement assertions that form the objectives for the controls evaluation. COSO, adopted by most industry organizations, supports control evaluations at the entity level and at the activity (or process) level.

The entity level IT controls should focus on the COSO elements of the overall control environment, risk assessment, information (data integrity) and communications (financial reporting tools/networks/interfaces) and monitoring (management reports/control reports).

The process level involves IT control considerations related to applications and access control that again assure financial reporting health within identified business processes.

According to Ed Hau, a Protiviti managing director, the SEC decision to give companies more time to comply is a recognition that this will be a bigger chore than most people first thought.

IT and Governance

Convincing CIOs of this has not been easy, according to Hau. "I'm finding that CIOs have been late to the game," he says. "It's getting tough to engage them in a conversation. Every day they are bombarded by vendors trying to pitch things to them. It's not going to be easy for internal audit or outside consultants to suggest things."

In Hau's view, though, the Sarbanes-Oxley requirements make this a great time to do so, even though the SOA compliance deadline recently was pushed back 10 months or more, depending on a company's year-end date.

"Why not decompose processes, look at the IT infrastructure, and leverage corporate governance into the IT arena?" Hau suggests. "Put in risk-management and performance tools so that they're ready once the auditors come around. Go to the root of the issue and deploy solutions around risk management and control management."

Hau says companies that certify compliance later in the game will probably have more expected of them than companies that certify early, which should serve as a further incentive for companies to set to work now.

"Getting involved early is the best prescription," he says. "Corporate governance applies to IT. It entails more uniformity, things like business process automation and management – workflow automation, metrics, control mechanisms, business rule engines to know what standards are and are not. What better way to leverage that than to suggest this is part of a corporate compliance and governance program?"

Software tools

He gets no argument from Rich Lanza, a leading authority on the use of data extraction/analysis technology and a frequent speaker and author on data analysis and project management. Lanza says he believes many companies will find the documentation and validation of internal controls to be an entirely new experience that will take many months to complete. And he warns against the temptation to put off action just because the deadline for compliance has been pushed back.

"I think it's become less of a focal point because the deadline's been pushed off a year," Lanza says. "I'm afraid there will be a flurry of activity later, and I think that's a mistake."

Lanza says the process could be speeded up by using transaction analysis audit software to assist in validating any documented controls. A leader in this arena is ACL Services Ltd. Such software enables a company to look at 100 percent of the data in less time than taking a sample. Other products include Wizsoft and SPSS among other data analysis tools.

Management should consider adopting these transaction analysis tools that can query data on transactions compiled in financial reports. Although tools such as ACL, SAS, and other data manipulation tools are traditionally used by auditors, these programs can contribute to management's compliance efforts to:

- substantiate management's assertions that controls are operating effectively,
- identify control issues and operational improvements, and
- establish an integrated test of controls for future certification efforts.

Lanza recommends stand-alone products rather than ones built into ERP systems, which he says are good transaction-based processors but weak in business analytics. Their strength lies in helping companies manage important parts of their business, including product planning, parts purchasing, inventory maintenance and order tracking.

However, most ERP applications such as SAP, Oracle, Peoplesoft, and JD Edwards all come with specific audit tools that can be utilized to maintain or evaluate internal controls.

"Much can be done through inquiry and observation, just talking it through," Lanza says. "But you have to download data and analyze it to validate controls. SAS 94 requires that if data sets or process flows are big enough, you need to do parallel simulations," he says.

Current validation methods are usually based on manual and automated procedures working in tandem. This has an inherent risk of human error, a risk that compounds as data volumes and regulatory requirements increase, Lanza says. The more automation that can be built into the system the better, because it reduces the chances of human error and increases the amount of data that gets reviewed.

Lanza suggests companies establish a baseline of internal control gaps, key risk areas and issues within the information channels for use in future monitoring. Business process owners need to be asked several questions to better understand application processing controls and potential concerns, including:

- What are the highest risk areas within the process?
- What process will be in place to continue an appropriate level of evaluation of internal control, especially control gaps?
- How is the quality and timeliness

of critical information validated?

- How are you notified of control issues in your process?
- Should you be notified of process issues more quickly than you are now?
- How will monitoring processes be made more efficient?

By answering similar questions, business process owners will be able to identify opportunities to improve internal controls, Lanza says.

Lanza is a strong supporter of continuous monitoring of controls, but he acknowledges that many people see this as "pie in the sky. It's seen as nice to have versus something we need now."

He disputes that view, pointing out that continuous monitoring quickly catches errors, as well as frauds, so that money is saved.

"Through all these control reviews, you find a lot of money," Lanza says. "You find reconciliations not being done, customers not being charged enough, overpayments to vendors, all kinds of things."

He gave the example of a company with a high risk in its revenue recognition. With automated monitoring, process owners could receive daily or even hourly transaction flow information, making the reports themselves a control activity.

ACL products, which are used by most of the Fortune 100 companies and other firms around the world, feature controls compliance technologies capable of continuous monitoring as they run alongside operational application systems.

Companies do have to spend money for this kind of control and monitoring.

"Security, privacy, controls in the system...these things are not cheap to do," Lanza says. "When you build the requirements for your system, security and controls and reports and exception reports are the last things that get implemented because they are viewed as less important. I'm trying to push financial management people to focus more in the early stages of the IT project so such requirements are built in rather than bolted on later. You can also build in continuous monitoring capabilities such as reports to assist manage controls or through creating data streams into other tools like ACL for later analysis."

Lanza has several Web sites with articles, free tools and other useful information related to this topic. See www.auditsoftware.net/community or www.richlanza.com.

Other reference links:

ACL Services Web site www.acl.com
SPSS www.spss.com
Wizsoft data and text mining product www.wizsoft.com
The SAS Institute, Inc. www.sas.com

MEMBERSHIP REPORT

By Bill Davidson
Director,
Membership Committee Chair

The membership count for the San Francisco Chapter as of October 1, 2003, stands at 403 members.

Please join me and the San Francisco ISACA Board of Directors in welcoming the following new Chapter members:

Charles Au, CISSP
Visa International

Patrice J. Auyong, CISSP, MCP
Federal Reserve Bank of SF

Stephen R. Banks, CISA, MBA
San Francisco

James C. Chiu, CISA
KPMG

Gary Christy, CISSP
Wells Fargo Bank

Darryl E. Dodson-Edgars, CISM, CISSP
Dodson-Edgars Associates

Troy Edington, CISSP, MCSE
Ingenuity Systems

Jim Farmer, CISSP
Inovant

Adam Frankl
Addamark Technologies

Frances Gabaldon
Deloitte & Touche

Lawrence Grabowski
Legacy Marketing Group

Karen W. Griffiths
SBC Services, Inc.

Kenneth R. Hanna
Alamo

Matthew Hawley
PricewaterhouseCoopers

James Henaghan
Silicon Valley Bank

Sylvester Johnny, FCCA
Deloitte & Touche

Kapil Mandawewala
Deloitte & Touche

Shawn Mattar
Fremont

Roger G. Ono, CISA, CPA
Mills College

Todd A. Pierce
Genentech

Dean N. Renna
Comptroller of the Currency

Steven A. Romero, CISSP, CCP
Pro3 Consulting

Irfan I. Saif, CISSP
Deloitte & Touche

Matt B. Schmuecker, CISA, CPA
San Francisco

Jeremy A. Sucharski
Deloitte & Touche

Jackye R. Thompson
Stockton

Dema L. Vidal
Wells Fargo Audit Services

Craig Williams
Morgan Hill

Paul Worthing
Federal Deposit Insurance Corporation

MEMBER MILESTONES

Members for over 25 Years

Douglas P. Feil 1973
Robert P. Abbott 1976
Douglas A. Webb 1976
Charles A. Dormann 1977
Gary W. Riske 1978
David L. Lowe 1978
Hector L. Massa 1978

Members for over 20 Years

Charles C. Wood 1979
Arnold Dito 1979
Dale A. Smith 1979
Carol J. Muller 1980
Robert M. Gligorea 1980
William M. Helton 1980
Mark H. Wuotila 1980
William Z. Davidson 1980
William G. Martin 1981
Kathleen W. Williams 1981
Joel L. Lesser 1981
Bruce L. Reid 1981
Judith H. Wall 1982
Peter K. Hsieh 1982
Kathryn M. Dodds 1983
Robyn W. Graves 1983

Members for over 15 Years

Katherine M. Ullman 1984
Jerry K. Hill 1984
Richard J. Tuck 1985
Frank B. Wong 1985
David A. Gilliam 1985
Nancy D. Wiesbrook 1985
Kelvin R. Patterson 1986
Eugene W. Menning Jr. 1986
Mary J. Bean 1986
Vickie P. Smith 1986
Raymond W. Cheung 1986
Carrie M. Jensen-Badaa 1986
Paley Y. Pang 1986
Stephen R. Banks 1986
Ronald P. Gid 1987
Guy T. Anderson 1988
Jeffrey Mazik 1988

Members for over 10 Years

Ralph G. Nefdt 1989
David M. Lufkin 1989
Joan M. McBride 1990
James H. Tanner IV 1990
Robert W. Hiday 1990
William Grant 1990
Carol S. Ching 1990
Wing K. Yeung 1990
Jack B. Cooper Jr. 1990
Melody Jean J. Pereira 1990
Domenico Tallerico 1990
Kathleen E. Arnold 1990
Beatrice K. Ashburn 1990
Lawrence A. Jewik 1990
Juan I. Lorenzo 1990
Mark A. Valade 1991
Lawrence B. de Berry 1991
Thomas Kaminek 1991
Douglas K. Walsh 1991
Julie E. Kendall 1991
John W. Totulis 1992
Leah J. McKern 1992
J. Michael Samuel 1992
Neville R. Morcom 1992
Foong Meng Wong 1992
Myoung Andy Kim 1992
Scott W. Van Tyle 1992
Ron Y. Chen 1992
Alan B. Kiel 1992
David K. Fong 1992
Kevin W. Fried 1992
Richard M. Buford 1992
Jeffrey A. Nigh 1992
Alec J. DeSimone 1992
Carol A. Tanner 1992
Katherine L. Griffin 1993
Stephen A. Money 1993
Frederick C. Chan 1993
Steven M. Calbi 1993
Walter Y. Dea 1993
Jay C. Frantz 1993
Lionel Yee 1993
Sherry W. Chou 1993
Theresa H. Lowe 1993
Clifford A. Nalls 1993
Robert L. Grill 1993

2003 SAN FRANCISCO ISACA FALL CONFERENCE

By Miguel (Mike) O. Villegas
2003 ISACA Fall Conference Chair

The 2003 San Francisco ISACA Fall Conference held on September 22-24 was an outstanding success! This year we had an attendance of approximately 80 paid registrants, 32 instructors, and 23 exhibit booths with an average of 3 exhibitor's per booth. We also had sponsors that were very generous with their donations, time, and money to provide participants a complete conference offering. When you consider the conference committee, ISACA board members, students, and proctors, we had a great turnout! And, frankly, we owe it all to you. We want to thank you for your participation and support, and based on the speaker evaluations turned in, we understand that the value and quality of the instruction was also a great hit!

I personally would like to thank all those on the conference committee, the Board, and all those that worked behind the scenes. It is hard work to put a conference together of this caliber. We could not have pulled it off without everyone's assistance.

Your responses also expressed a desire for next year to extend the Exhibitor's Fair a bit more to provide ample time to meet the exhibit booths. We also were especially pleased with the exhibitor give-aways!

The last and probably more important fact is the quality of training. The 2003 Fall Conference had four tracks with sessions running from introductory to advanced security and audit training. From the keynote, two luncheon speakers, and each instructor in the break out sessions were all exceptional. All the instructors and exhibitors asked to return next year, so those who were not able to attend may do so in 2004. We will begin planning for the 2004 Fall Conference in January. We welcome your assistance. Thanks again!

Fall Conference Committee members and Chapter Officers

From left to right:
Mike Villegas, Maryam Malek, Lisa Corpuz, Conny Cheng, Bob Grill, Christina Cheng, Todd Weinman, Rene Alford, Tim Stapleton

OBSERVATIONS AND COMMENTS OF THE 2003 FALL CONFERENCE

By Douglas Feil
IS Auditor, Federal Reserve Bank

Upon walking into the Sheraton Palace Hotel, a large building of classic architecture and spaciousness of another era, I thought – this is definitely a top location in San Francisco for our seminar. The "Palace" has always been good to our chapter and the profession – the meals and service are always first rate.

I walked up to the hotel lobby marquee, which displayed all the necessary room locations and the daily agenda for the ISACA conference. On the second floor at the registration desk I was welcomed with warm greetings and familiar faces. I had my registration packet, a smart carrying bag provided by a faithful sponsor, and my credentials for all of the events in just minutes. The coffee buffet was a nice opening treat, and the atmosphere was ready for the events to begin.

Comment: The hotels' second floor central atrium, in the meeting rooms lounge area, is a delight with the magnificent glass that reflects the natural sunlight into the area.

Opening address

The keynote speaker for the opening session was Howard Schmidt, eBay Vice President and Chief Information Security Officer. He covered the impact of recent technology trends on the general controls environment. A diverse audience, both old and new faces, of approximately seventy attendees at the Keynote Address which started at 8:30 a.m. In my opinion, the room was comfortable, spacious, and the audio and visuals were great, even from the back of the room.

It was a grand opening session and a good start to the many tracks to come. The conference was coordinated well, with presentations for the four tracks held in different rooms all relatively close to one another.

My first session was from the Emerging Technologies track. The session started very upbeat and stayed that way till the end. The course content was good, a follow along hardcopy of the visual presentation was at the table, and everything else you needed was there. Each meeting room had at least one chapter volunteer in the room – a lot of planning and preparation time went into this conference. All the bases were covered and the timing was on schedule. This technical session content was comprehensive and covered the current state of the art technology. The speaker's presentation was clear, concise, and understandable. The handouts included the presentation materials, reference Web sites were also part of the presentation materials, as was an evaluation form for the session. The speaker was polished and relaxed, and he eased the audience into this emerging technology session at a reasonable technical comfort level. Overall, it was an excellent morning session and well worth the time for the technical knowledge update.

Observation: Finally a conference that started at a reasonable time and considered local commuters time. The schedule worked well and had the right balance for keeping the attention levels at maximum throughout the conference. The networking breaks were just right – from the refreshments to the warm conversations. There was adequate time to return calls, catch up with the office, and still have conversations with friends and business associates.

The afternoon sessions revealed again how technical things can get when you just start to understand them. Back in emerging technologies and the IQ level went up a few notches in content and presentation – good stuff to consider for new risk assessment areas. However, I will need to re-read the presentation on these sessions – many good audit points presented, and a bit more on the complex theory side. Both of the speakers were professional, well prepared, and knew their audience. Facilities again were comfortable, and you had everything you needed to focus your attention on only the presentation. This wasn't hard given the interest level of the topic and questions posed by the audience. These sessions were a nice combination of lecture and hands-on via the screen. It was good to see the sessions risk based oriented, with sound mitigating control alternatives, both practical and technology based, presented as encountered in the field.

Tuesday September 23, 2003

I spent the second day of the conference in the in-depth technical track learning about Windows security. The morning session covered Windows 2000 and its security features. The knowledgeable speaker discussed the importance of not only understanding how security controls in Windows 2000 work, but also the kinds of settings that lead to the appropriate level of security. The presentation identified the most critical issues in securing and auditing Windows 2000 systems. The same knowledgeable speaker presented the afternoon session on Windows XP security. He provided the audience with an overview of security issues including vulnerabilities, authentication, and policy considerations, privilege and access security, network security, and event logging.

The lunch time vendor exhibition booths and special lunch went well with all the attendees. There were prizes everywhere, and more than one lucky attendee went home with a gift certificate. This was a great way to mix technology products and services for the profession, with a fun lunch and many good giveaways.

Wednesday September 24, 2003

The conference was well attended even during the final sessions. On this last day of the conference I attended the presentation on Unix security. This experienced and knowledgeable auditor/presenter gave a great overview of the UNIX file system, commands and files; and shared his vast UNIX audit experience with the audience. He explained a list of 20 key issues to look for when auditing a UNIX environment; and demonstrated tools to help audit and hack into UNIX boxes.

The luncheon speaker talked about new vulnerabilities that are discovered every day. He spoke about the fact that high profile worms are exploiting vulnerabilities and are becoming more and more common. These trends demonstrate that current security controls are insufficient. Since threats are becoming automated, automated processes are now necessary to control and track this daunting corporate risk.

We don't get very many three day conference opportunities for less than $500. The caliber of the speakers was excellent, the handouts way above average, the take home CD a tool to use in the field. Also, there were a lot of gifts and information at the vendor displays on Tuesday afternoon. The meals were consistently good and always had a salad and dessert. Overall, the conference went very smoothly, a lot of good information was presented, and I can't wait till the next chapter conference!

Keynote Speaker,
Howard Schmidt,
CISO e-Bay

Renel Alford during the Vendor Exhibit Luncheon

From left to right: Beverly Davis (Education Co-chair), Janice Hom (Grand Prize winner of a Palm Pilot), and Christina Cheng (Chapter President)

ANNOUNCEMENTS

Best Paper Contest

We have two exciting contests coming your way. Beginning early 2004, we will launch our Student and Professional Paper Contest. Students and Professionals will each have an opportunity to write a paper on a topic related to IS auditing, which can be technical or non-technical. Cash prizes will be awarded to the winners of the contest and the winners will also be invited to the next Fall conference luncheon for recognition. Selected papers will be published on ISACA San Francisco Chapter's Web site as well as our newsletter. Stay tune as more details will be posted on the Web site in the upcoming weeks.

Buy a saver pass and save on training $$$

We would like to encourage members and non-members to participate in all Chapter Events and Seminars. As a way of encouraging participation, we are offering discounted rates for the advanced purchase of multiple education sessions. Saver Passes can be purchased in lots of ten for $300 and can be shared and are transferable. Please check our Web site for more details.

Refer a new member – receive a free gift

Take advantage of the Chapter's New Member Referral Program. Chapter members who refer an individual who joins ISACA-San Francisco Chapter will receive a free gift (gift will be delivered to the referring member after payment for the new membership has been received and processed by ISACA International). Don't miss an opportunity to help your colleagues keep abreast of developments in IS audit, security and control. Encourage your colleagues and friends to join ISACA today! For more information or to submit your referral to the New Member Referral Program, please send our Membership Committee Chairperson, William Davidson (wdavids@bart.gov), the name, address, phone number, and e-mail address for the individual being referred.

Your e-mail address

If you have not sent your current e-mail address to ISACA International, then please send your address to wdavids@bart.gov to ensure that you receive important information electronically.

You may also access our Web site at www.sfisaca.org to update your contact information.

ISACA international

847-253-1545 voice • 847-253-1443 fax • www.isaca.org

membership@isaca.org • certification@isaca.org • education@isaca.org • bookstore@isaca.org • conference@isaca.org • research@isaca.org • marketing@isaca.org

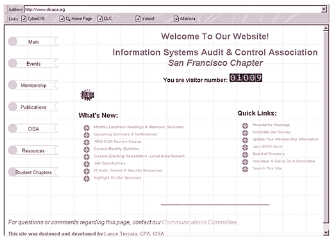
CISA item writing program

In order to continue to offer an examination that measures a candidate's knowledge of current audit, security and control practices, new questions are regularly required for the CISA Examination. Questions are sought from experienced practitioners who can develop items that relate to the application of sound audit principles and practices. Continuing education hours and cash payments are offered as participating in the CISA Item Writing Program, please request information about the program from ISACA International, Certification Department (certification@isaca.org).

Contribute to this newsletter

To submit an article or to contribute other items of interest for inclusion in future newsletters, please contact our Communications Committee Chair, Lisa Corpuz at (415) 278-8713, or Lisa_Corpuz@Providian.com.

www.sfisaca.org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Welcome To Our Website!

Information Systems Audit & Control Association
San Francisco Chapter

You are visitor number: 01009

What's New:

- Monthly Luncheon Meetings & Afternoon Seminars
- Upcoming Seminars & Conferences
- 1999 CISA Review Course
- Current *Monthly Bulletins*
- Current *Quarterly Newsletters - Local Area Network*
- Job Opportunities
- IS Audit, Control & Security Resources
- Highlight On Our Sponsors

Quick Links:

- President's Message
- Complete Our Survey
- Update Your Membership Information
- Join ISACA Now!
- Board of Directors
- Volunteer & Serve On A Committee
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For questions or comments regarding this page, contact our Communications Committee.

This site was designed and developed by Lance Turcato, CPA, CISA

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Learn about the CISA certification

Test your skills with our CISA sample test questions

Complete our member survey

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Access information regarding our Student Chapters

Register for monthly meetings

Register for seminars

Access information regarding ISACA conferences

Register for the CISA review course

Access our Chapter newsletters and monthly bulletins

Update your membership information (address, phone, E-mail)

Access IS audit, control and security resources

Research employment opportunities

Join a Chapter committee

Learn how you can join ISACA – understand the benefits

Contact Chapter Officers and Directors

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