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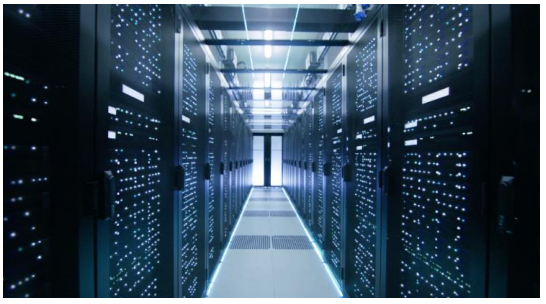
Internal Controls over Telework and Remote Access Security



Dr. Al Chen, Ph.D., CPA, CISA, CGMA, CMA, CFM
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Agenda

By the end of this session, you will be able to

- Describe trends and impacts
- Explain the roles of internal controls
- Identify the remote access security issues
- Explain approaches to help your entity prevent and reduce risks of telework

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Practice Polling Question

Hand on heart – are you wearing pajamas right now?

(Multiple choice)

A. Nooo

B. 100% Yes

C. Business on top, PJs on the bottom

D. I literally took them off a minute ago

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Teleworking: A Flexible Work Strategy

- Build business process resilience in the face of crises
- Maintain well-being and self-care

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Teleworking: A Win-Win

For Managers

- Helps attract and retain qualified and motivated employees.
- Provides my team with more flexibility, allowing them to achieve their best work on our projects.

For Employees

- Improves morale and reduces stress
- Improves performance

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Polling Questions #1

Identify the trends and impacts of remote working below.

A. Remote work can reduce unscheduled absenteeism.
B. The U.S. productivity spiked in 2020 because of the telework migration
C. Over 1/3 telework jobs contribute to almost half of all worker earnings.
D. All of these provided.

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Why Is Control Needed?

Any potential adverse occurrence or unwanted event that could be injurious to either the accounting information system or the organization is referred to as a **threat** or an event.

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The Telework Enhancement Act of 2010

Congress has encouraged federal agencies to expand staff participation in telework,

The act established requirements for executive agencies' telework policies and programs, among other things.

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Teleworking Data Security

Telework Technology Approval for

- Communication requirements
- Equipment and software requirements
- Network access
- Technical support

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Primary Objectives of an IS

An information system

- Collects and stores data
- Transform that data into information
- Provides adequate controls

An IS provides adequate controls for the organization to enable it to achieve its objectives

- Management expects to:
  - Take a proactive approach to eliminating system threats.
  - Detect, correct, and recover from threats when they occur.

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Internal Controls

Internal controls are processes implemented to provide reasonable assurance that the following objectives are achieved:

- Safeguard assets
- Maintain sufficient records
- Provide accurate and reliable information
- Prepare financial reports according to established criteria
- Promote and improve operational efficiency
- Encourage adherence with management policies
- Comply with laws and regulation

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Polling Questions #2

How many hours per week do you work as a remote employee?

A. Less than 40 hours
B. About 40 hours
C. Much more than 40 hours
D. Unsure

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Functions of Internal Controls

- Deter problems from occurring
  - Take a proactive approach to eliminate threats
- Discover problems that are not prevented
  - Detect threats that do occur
- Identify and correct problems; correct and recover from the problems
  - Correct and recover from threats that do occur

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Control Environment

- Management's philosophy, operating style, and risk appetite
- Commitment to integrity, ethical values, and competence
- Internal control oversight by Board of Directors
- Organizing structure
- Methods of assigning authority and responsibility to hold individuals accountable for their internal control responsibilities in pursuit of objectives
- Human resource standards + Training

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Control Environment: Zero Tolerance

SEPTEMBER 22

Apple chipmaker TSMC fired seven employees for reportedly leaking confidential information

Ben Lovejoy - Sep. 22nd 2021 7:18 am PT @benlovejoy

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Strong Control Environment: Fraud Hotline (Whistle Blowing) & Ethics

- Whistle blowing represents a person's understanding, at a deep level, that an action his or her organization is taking is harmful—that it interferes with people's rights or is unfair or detracts from the common good.
  - Whistle blowing also calls upon the virtues, especially courage, as standing up for principles can be a punishing experience.
- Most frauds are detected by whistleblowing tip from employees, vendors, customers, or other 3rd parties
- Fraud hotline is a most effective way to comply with the law and resolve whistle-blower conflict

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Telework using Corporate Computer

- Use VPN to connect to corporate servers.
- Adopt dual factor authentication.
- Use only the applications installed by the company.
- Use the device only for work purposes.
- Do not allow access to other people.
- Use only the solutions provided by the company to collaborate with colleagues.
- Use only the organization's mailbox.

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Polling Questions #3

What is your number one reason to work from home?

A. Save money and reduce stress
B. Avoid commute
C. Be more productive
D. Unsure

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Strong Environment: Training

- Use strong password
- Enforce the two-factor authentication
- Lock computer when they are not present
- Understand fraud schemes

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Defense in Depth

- Employ multiple layers of controls in order to avoid having a single point of failure.
  - The use of overlapping, complementary, and redundant controls increases overall effectiveness because if one control fails or gets circumvented, another may function as planned.
- Defense-in-depth typically involves the use of a combination of
  - Preventive controls
  - Detective controls, and
  - Corrective controls.

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Polling Questions #4

Which of the following challenges have you faced MOST often when auditing IT controls?

A. Changing technology
B. Poor documentation
C. Lack of critical application inventory
D. Unsure

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Identify Risk Events

Identifying incidents both external and internal to the organization that could affect the achievement of the organizations objectives

Key Management Questions:

- What could go wrong?
- How can it go wrong?
- What is the potential harm?
- What can be done about it?

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Polling Questions #5

Would employees become more loyal to employers if provided with flexible work options?

A. Yes

B. No

C. Unsure

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Teleworking with Collaborative Tools

Opportunities:

- Interact by writing/text, call, videoconference, with the possibility to create chains of discussions with one or more people
- Collaborate with people in real time on the same document/file
- Share, preserve and store files/documents

Risks

- Weak access management to resources that can be exploited to share with the wrong people
- Online document collaboration may compromise the integrity of the official version
- Videoconference without proper controls regarding the attendance

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Adopt Good Habits while Teleworking

- Make sure you are the only person who sees the screen display.
- Confirm any transaction by phone or other means.
- Be vigilant with handling company data in all forms, digital, on paper, in conversation, conferencing
- Take special care with emails, attachments and websites that can compromise device or network security.
- Use strong passwords.
- Print only if necessary, and shred paper versions after use.
- Avoid doing things while teleworking what you would not do on company premises.

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Establish Remote Access Security

- Identify phishing emails
- Prevent infiltrating the wireless internet when working remotely
- Work with confidential information
- Practice good information technology hygiene

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Points of Contact

Al Chen

Phone: 919-515-4437

Email: alchen@ncsu.edu

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Questions

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