

Control Bits & Audit Bytes

Western Michigan *INFORMATION SYSTEMS AUDIT AND CONTROL ASSOCIATION* Newsletter

OCTOBER 2001 NEWSLETTER

OFFICERS

PRESIDENT

Leslie Dalzell, CPA
Steelcase, Inc. CH-3E-18
P.O. Box 1967
Grand Rapids, MI 49501-1967
616 / 246-4764
FAX: 616 / 248-7550
ldalzell@steelcase.com

VICE PRESIDENT

Terry Brown, CISA
Meijer, Inc.
2929 Walker N.W.
Grand Rapids, Michigan 49544
(616) 735-7934
terry.brown@meijer.com

SECRETARY

Jamie Depuydt, CISA
Steelcase, Inc. CH-3E-18
P.O. Box 1967
Grand Rapids, MI 49501-1967
616 / 248-7426
FAX: 616 / 248-7550
jdepuydt@steelcase.com

TREASURER

Pam Bradford, CISA
National City, K-A16-C7
One National City Pkwy
Kalamazoo, MI 49009-8002
616 / 376-7523
FAX: 616 / 376-4408
pam.bradford@nationalcity.com

BOARD OF DIRECTORS

CISA COORDINATOR

Michael Sekoni, CISA
Accident Fund of Michigan
P.O. Box 40790
Lansing, MI 48901-7998
517 / 342-4200 ext. 721
FAX: 517 / 342-4299
michaels@accidentfund.com

NEWSLETTER EDITOR

Leslie Dalzell, CPA
Steelcase, Inc. CH-3E-18
P.O. Box 1967
Grand Rapids, MI 49501-1967
616 / 246-4764
FAX: 616 / 248-7550
ldalzell@steelcase.com

PAST PRESIDENT

Rick Cummings, CISA
Jackson National Life Insurance Co.
5901 Executive Drive S52
Lansing, MI 48911-5389
517 / 367-4301
FAX: 517 / 394-1795
rick.cummings@jnli.com

DIRECTOR AT LARGE

Kim Coyer
Independent Bank Corporation
623 Washington Ave
Bay City, MI 48708
(517) 892-3511
kcoyer@ibcp.com

WEB MASTER

John Blair, CISA
Foremost Insurance
5600 Beech Tree Lane
Caledonia, MI 49316-9482
Location Code: 1260
616 / 956-3568
FAX: 616 / 956-4450
john.blair@foremost.com

October 17th Dinner Meeting *Duba's Restaurant* 420 E Beltline NE, GR

Internet Security from a Risk- Based Auditing Perspective

The main emphasis will be on auditing firewall administration from a risk-based perspective. What a great follow-up to our September meeting!

PROFESSIONAL BIOGRAPHY OF JENNIFER THOMPSON

Jennifer has worked for Meijer, Inc. since 1994. During the past 7-ye ars, she has he ld positions as a financial/ope rations auditor, Information Syste ms Se curity Analyst II, and Advance d Information Systems Auditor.

Be fore joining the auditing te am at Me ije r, Inc., she re ce ive d he r Paralegal Certificate from Davenport College and her Bachelor's degree in English from Hope College.

Please make your reservation and meal selection (see below) by October 16th! Call Jamie Depuydt and make your reservation today!! **(616) 248-7426** OR e-mail Jamie at jdepuydt@steelcase.com

Costs - \$27 Non Members / \$24 Members

Dinner menu:
1 – Chicken Alfredo or
2 – NY Strip Steak
Salad
Dessert

5:00-5:30 Social Hour / Registration
5:30-6:30 Presentation
6:30-7:30 Dinner

Message from the President

By Leslie Dalzell

Instead of focusing on the tragic events that have occurred in our country a few weeks ago, I'd like to focus on the positive spirit that has cropped up in the weeks following the events on September 11th. We've heard miraculous stories of those that were able to escape the falling buildings, the never-ending dedication of the police, firemen, and rescue workers in the disaster areas, and we've seen our nation embrace as a unit with a feeling of solidarity never felt before by most Americans. For the weeks since the tragic events occurred, I have been receiving numerous e-mails from ISACA chapters around the world. I'd like to take this moment to share some of the heartfelt letters we, as a collective group, have received.

May God Bless You and Your Family,
Leslie Dalzell
President, Western Michigan Chapter

On behalf of Indonesia Chapter we would like to extend our deepest sympathy to American. God always bless you. Amen

*Pollie Harahap
Vice President*

On behalf of all members of the Denmark Chapter we would like to express our deepest thoughts and concerns to all members of ISACA in the US and to all people in the US. We pray for the victims of this tragic and meaningless attack and also we pray for their family.

*Bent Poulsen
President, Denmark Chapter*

As mentioned in my previous mail we pray for the victims and their family! In Europe today, Friday 14 September 2001, has been declared as day of sorrow. In sympathy with the victims from the terrorist attack in the US we will have 2 minutes of silence in our company at noon today.

*Bent Poulsen
President, Denmark Chapter*

On behalf of the ISACA Warsaw Chapter (Poland) we would like to tell the American ISACA colleagues and friends and all the American people that our deepest sympathies are with you all in these days. It was a shock for all of us. In fact it is still unbelievable. Nothing can justify this absurd malice. We send you our good thoughts and best wishes.

*May as many as possible people survive.
On behalf of the Board and members of ISACA Warsaw Chapter
Jerzy Korytowski, President*

As the rest of the world, we in Norway are totally shocked by the horrible terror actions in US. All our feelings and thoughts are with you. On behalf of Norway Chapter, I send my warmest regards to all US Chapters and HQ.

*Sissel Kravdal Gjessing
President, Norway Chapter*

On behalf of the Mumbai Chapter, We wish to convey our deepest thoughts and concerns to all ISACA members in America. We share the grief and our prayers are with you. May God help the affected to recover from the injuries and the loss.

Regards

*S.Anantha Sayana
President*

Dear Friends In America

Our hearts go out to you as the tragedy of the World Trade Center attack endures. This is an attack, not on America, but on the world. The WTC is a world center. Every nation is represented there. Therefore an attack on it is an attack on the world, an attack on human civilization. No aggravation should warrant such an evil that seeks to cancel the entire gains of humanity on earth.

We hope that as the only authority divinely allowed to carry the weapon, the government will seek justice and retribution to ensure that the perpetrators are brought to an accounting at the appropriate time. The world should send out a message that this type of behavior is not acceptable. We share your grief, we pour out emotions, we feel your heart bleed, we want to wipe out your tears. We are with you in spirit, be sure of that, and pray that God grants you the fortitude to bear the loss, and the courage to take a resolute action to reward the terrorist in a way that will discourage others. People should engage in dialogue, not in indiscriminate attacks on indeterminate population.

Once again, have our sympathy.

*Christian Ekeigwe
Lagos Chapter President*

Members in Muscat_Oman Chapter wish to express our sincere sorrow and sympathy to all those who have suffered this tragedy. We pray God to give enough courage and peace to all those affected. Convey our best wishes to our colleagues at all US Chapters and ISACA Head Quarters.

K.Venkata Narayanan

President

Muscat_Oman Chapter

On behalf of all of the members of the Toronto Chapter I would like to extend our heart felt prayers and sympathies to not only our colleagues within ISACA but everyone who has been affected by this terrible tragedy.

Bob Darlington

President, ISACA Toronto Chapter

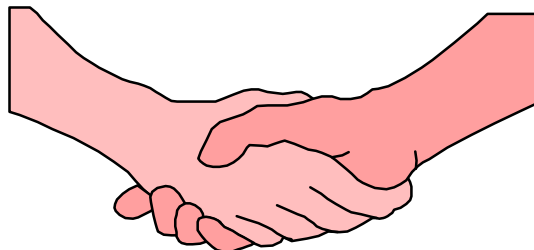
On behalf of the Panama Chapter, we would like to extend our solidarity and deepest sympathies to the people of the United States, friends and families in New York City and Washington DC. We keep praying for the victims affected by these tragedies. And for all the rescue people and volunteers who worked hard to find for more survivors.

Sincerely,

Lilia Liu

President

Panama Chapter





As seen in the media . . .

A very UN–scientific approach to gathering meaningful information from the “gigatons” of electronic and printed material that intrudes into our lives . . . and is occasionally actually worthwhile! Here are some of the latest “discoveries” . . .

This contributor wishes to express his most heartfelt condolences to the families and friends of the victims of the terrible attacks on the World Trade Center, the Pentagon, and the hijacked airliners. As the nation strives to recover from this terrible tragedy, we in the Audit and Security community must “step up” to the call to ensure the security and integrity of our organizations against all potential perils from forces unseen but ever present.

24-HOUR BUG . . . ?

★★★★

Security Wire Digest — Oct. 1, 2001

There was a lead-in to a song from a 1970’s group LP that goes something like, “We have a faaaaaabulous song here for you folks – it was brand new this morning, top ten this afternoon, and tonight, it’s a golden oldie!” That’s about the speed at which the Nimda (or “admin” backwards, as the media *loves* to note) worm virus came and went. Arriving as an e-mail attachment, Nimda exploits an internal flaw in Microsoft’s Internet Information Server (“IIS”). Worse yet, anti–virus researchers were convinced that Nimda’s coding was designed to ramp up for a new outbreak ten days after the initial infection. Fortunately for the rest of us, that wasn’t quite the case. Microsoft’s patch to IIS removed the flaw, so Nimda’s “resurrection” is short-lived, at best. Roger Thompson, director of malicious code research at TruSecure, says his WormCatcher network is showing a small increase in Nimda probes, but nothing like the initial hit.

<http://www.infosecuritymag.com>

e–BUSINESS vs. The U.S.

★★★★

eWeek — Vol. 18, No. 38, October 1, 2001, pp. 11–12

It is quite unfortunate that one of the first casualties of events like the terrorist attack of September 11th is *common sense*. Exhibit A: Washington D.C., where federal lawmakers are lining up support for a new key escrow system for encryption software as part of the Bush administration’s efforts to tighten physical and electronic security. The main proposal of the bill drafted by Senator Judd Gregg, R–N.H., “seeks to essentially build a back door into all encryption software by requiring users to submit a copy of their private keys to the government or other so–called trusted third party. Such keys would be readily available to law enforcement and intelligence officials during investigations and would allow them to decrypt messages at will.” The cryptographic and security communities are concerned that such a measure would not only weaken the country’s defenses, but hamstringing its e–commerce and banking systems as well., since the backbone of e–commerce IS encryption. One security specialist for a large investment company (who asked to remain anonymous) asked, “How will they (the government/”trusted” third party) handle the private keys of each individual [public–key infrastructure]? What happens at key recovery? I doubt it will happen. You’d have to send an updated private key each time. [That’s] massive amounts of data and storage.” - *This one ain’t even begun to come to a boil yet folks, so you will want to keep an eye on this topic!*

www.eweek.com

OPEN SOURCE “PASSPORT” SYSTEM TO BE CREATED

★★★★

Security Wire Digest Financial News — Oct. 1, 2001

More than 30 companies last week unveiled a new business coalition that aims to create a personal

identification system that includes user-identified privacy stipulations to smooth e-commerce that will rival Microsoft's Passport system. Similar to the Passport system, the new Liberty Alliance plans to develop an open technology that isn't controlled by a single company and can be used to authenticate users through a single login. Both systems aim to give users secure, private identities to streamline business on the Internet.

The proposed system will provide single sign-on authentication compatible with any type of Internet-connected device — personal computer, cellphone, television or credit card machine--and would offer a decentralized approach that allows consumers and businesses to keep personal data securely. Interestingly enough, Microsoft recently announced it would open Passport to other companies to create a "trusted network."

Liberty Alliance Project members include ActivCard SA, American Airlines, the Apache Software Foundation, Bank of America Corp., Bell Canada Enterprises, Cingular Wireless, Cisco Systems Inc., CollabNet, Dun and Bradstreet Corp., eBay, Entrust Inc., Fidelity Investments, Gemplus International, General Motors, Global Crossing, i2 Technologies Inc., Intuit Inc., Liberate Technologies Inc., Nokia, NTT DoCoMo Inc., Openwave Systems Inc., O'Reilly and Associates, RealNetworks, RSA Security Inc., Sabre Holdings Corp., Schlumberger Ltd., Sony Corp., Sprint Corp., Travelocity.com Inc., United Airlines, VeriSign Inc. and Vodafone Group Plc. <http://www.projectliberty.org>

FLIGHT FEAR SHIFTS TECH PLANNING

★★★

Computerworld, Vol. 35, No. 40 — October 1, 2001

The hijacking of four airliners on September 11th provided air travel with quite a wake-up call. Prior to "the Second Day of Infamy", the biggest IT imperative for airlines was the quicker processing of passengers to their respective flights. Since then, one key project has been put on hold and the rest are under reconsideration. United, who announced in April that they would install over 1,000 IBM self-serve kiosks for e-ticketing in 250 airports over the next 2 years has put that project on hold. Concurrently, The Boeing Co. announced that it plans to use broadband technology to beef up security on aircraft. "Connexion", Boeing's broadband satellite connection service was initially aimed at providing passengers with Internet and video access. It can also be used to send images from the aircraft to monitoring ground stations. Already deployed in 11 private business and government 737 jets, Boeing maintains a separate 737 for continuing development. No wonder Boeing IT is the only place where no one is worried about lay-offs . . .

<http://www.computerworld.com>

The "STAR" guide:	★★★★ = Too good not to pass on!	★★ = Good stuff — it helps
	★★★ = Better than expected!	★ = Worth noting

[Cntl][Alt]
[Del]

Taking a hint from "Men in Black", it's somewhat surprising what truthful tidbits can be obtained from the "gossip columns" of the IT world (and other "questionable" sources). Here's some of the latest "fluff" . . .

- ☺ In light of the recent terrible tragedy in New York City, it was somewhat ironic that down-on-their-luck dot-coms may have been a saving grace for businesses needing technology space for recovery. Within days, a "grass-roots" e-mail campaign was underway asking for donations of office space and computer equipment to aid in the cause.

- ☺ This contributor found it most interesting to learn that one company located in one tower of the World

Trade Center had actually located its recovery site in the opposite tower of the WTC.

- ☺ PC Tech asks perplexed worker what he was doing when his PC refused to reboot. “Deleting some files,” the worker replied. “I had run out of disk space.” “Which ones?” asked the Tech. “The ones in the Windows directory.” “Why?” “Because Windows was already installed and working fine!”
 - ☹ How many of you have received a copy of the hoax photograph of the person allegedly standing atop one of the World Trade Center towers with an approaching American Airlines 757 flying toward it behind him. It’s amazing how quickly the “less appropriate behavior” of human nature comes out. If there is anything redeeming about this situation, it’s the immediacy at which experienced graphic artists cry “FAKE!” upon seeing the image.
-



Privacy, Privacy, Privacy....ok, What’s Next?

By Steve Hummer

As an Internal Auditor, I have found that every year when the external auditors come in they champion some hot-topic in the Information Systems portion of the audit. Rightfully so. Maybe you have noticed the same thing. After the Year 2000 date passed, the last topic was Privacy. This was also a topic that was getting a lot of attention from the ISACA and IIA. Heck, our own chapter even had a spring seminar in 2001 titled “Privacy – Audit Strategies”.

It is sad that a single event can change the course of what is important from one day to the next. Tragically, the events of September 11, 2001 affect all of America. Indirectly, it will affect the Audit world this year too.

Privacy. This word has not been mentioned much in the press lately. Suddenly, we are all a little less concerned about privacy. In hindsight, would I have given up some of my privacy rights as a citizen if I knew this forfeiture would have stopped the terrorist attacks? You bet I would and I bet you would too. After all, on a personal level, the only people who really need privacy are the ones breaking the law. Do I really care if the government reads an e-mail I sent to my Uncle that details the fun we had on our last vacation? Have at it.

Sure, privacy in the business setting is still important. Trade secrets, acquisition plans, etc. are still vital to the success of your employer. Hacking risk still lurks. But I would think that when our external auditors come in this year, privacy will no longer be a hot-topic. Wanna bet \$20 that it is business resumption planning? Better dust off your plans and make your updates before they get to your place of employment.

ABOUT THE AUTHOR

Steve Hummer is the Assistant Audit Manager for Michigan Farm Bureau, the parent company of Farm Bureau Insurance of Michigan in Lansing and has been auditing as long as he can remember. He can be reached at shummer@mail.michfb.com.

If you have an article you would like to share with the Western Michigan Chapter members, please submit it to Leslie Dalzell at ldalzell@steelcase.com. Thanks!

Coming Attractions...

November's Meeting: November 29th, "Software Licensing" by a yet-to-be-named Jefferson Wells associate from Southfield. Meeting will be held at Duba's. Speaker bio will be published in the next newsletter. This will be a shared meeting with the IIA.

Final Words

United we stand... as a country... as an organization!

Control Bits and Audit Bytes is a publication of the Western Michigan Chapter of the *Information Systems Audit and Control Association (ISACA)*. The purpose of this publication is to disseminate useful and timely information on automated systems control and security issues to Chapter members and selected practitioners of computer systems audit and security. Articles, submissions, and advertisements are the responsibility of the submitter, and do not reflect the opinions, beliefs, or practices of the Western Michigan Chapter.

Materials submitted for publication in *Control Bits and Audit Bytes* must be received by the Newsletter Editor no later than the submission deadline published in the newsletter. If no submission deadline is published, the default deadline is approximately three weeks prior to the next scheduled meeting of the Western Michigan Chapter of the *Information Systems Audit and Control Association*.



*Information Systems
Audit and Control
Association*