

Unit Title: Systems Management and Internal Financial Controls	Unit Code: SMFC
Level: 5	Learning Hours: 160
Learning Outcomes and Indicative Content:	
Candidates will be able to:	
<ol style="list-style-type: none"> 1. Understand the purpose and scope of information systems within organisations <ol style="list-style-type: none"> 1.1 Evaluate the need for and use of information in organisations 1.2 Discuss the contribution and limitations of a Management Information System (MIS) as an aid to improving decision-making and performance 1.3 Evaluate the potential impacts of developments in telecommunications, expert systems, database technologies and decision support tools on MIS and organisational performance 2. Understand ways in which information systems are managed <ol style="list-style-type: none"> 2.1 Explain techniques and procedures for the effective planning, implementation and management of an information systems project 2.2 Appreciate ways in which end-user computing and an information systems department are managed 3. Understand how information systems are developed and controlled <ol style="list-style-type: none"> 3.1 Evaluate soft approaches to systems development 3.2 Determine areas of concern for the security and control of information and how the level of risk can be assessed and reduced 3.3 Describe the nature and types of management and application controls, and evaluate their strengths and limitations 4. Understand the organisational context and importance of internal auditing <ol style="list-style-type: none"> 4.1 Explain the duties and functions of the internal auditor and the relationship between internal and external audit 4.2 Discuss the role of internal auditing as part of management, control and governance 4.3 Provide an overview of current internal auditing principles and practices 4.4 Analyse internal auditing practices and procedures in relation to the organisational structure of the business and its accounting and administrative systems 4.5 Explain the effect of any weaknesses in internal control on the external audit 	

5. Understand the techniques used in an internal assignment

- 5.1 Explain how an audit assignment is planned and the preparation involved
- 5.2 Describe the stages, activities and key techniques used in the conduct of an audit assignment

6. Understand how audit findings are reported and progressed

- 6.1 Describe the objectives and types of internal audit report
- 6.2 Describe the interface of the internal audit with the audit committee and the external audit

7. Understand actual and potential impacts of information technology (IT) on internal auditing

- 7.1 Describe the stages of a systems audit and the specialised techniques applicable to computer audits
- 7.2 Explain the use of IT to improve the audit service and the role of the internal auditor in performing audit tests for IT facilities and individual IT applications
- 7.3 Identify and discuss potential audit problems associated with IT systems

Assessment Criteria:

- Assessment method: written examination
- Length of examination: three hours
- Candidates should answer four questions from a choice of eight, each question carrying equal marks.

Recommended Reading

Helpful texts and useful websites:

Alter S, *The Work System Method*, Work System Press, Larkspur, CA 2006
ISBN: 0-9778497-0-8

Parker GW, *The Internal Auditing of Management Systems: A PARSEC Guide* (1995), Gower Publishing
ISBN: 0566075849
ISBN 13: 9780566075841

Websites

<http://www.bestpricecomputers.co.uk/glossary/management-information-system.htm>

http://www-users.cs.york.ac.uk/~kimble/teaching/mis/mis_links.html

http://en.wikipedia.org/wiki/Systems_theory

http://en.wikipedia.org/wiki/Management_information_systems

www.smartdraw.com

www.referenceforbusiness.com

www.treasury.gov.uk/documents/public_spending_reporting/governance_risk/psr_governance_gia_guidance.cfm

www.cipfa.org.uk/panels/audit/download/internal_audit_draftcop.pdf

www.cipfa.org.uk/international/download/paper_nh_may2002.doc

www.qualityclinics.com/ams.htm

www.investorsinpeople.co.uk/Standard

www.iso.org/tc176/ISO9001AuditingPracticesGroup