



This Month's Meeting

Auditing in an ERP World

Although a variety of Enterprise Resource Planning (ERP) packages exist, the role of Internal Audit in the implementation and review of these applications is package-independent. Because of the tight integration of these systems, auditors can no longer separate the business process audit from the technology audit. The auditor must be both process-knowledgeable as well as technology-aware. This session will focus on the common risks of the various ERP packages, and what role internal audit should play in the implementation process. We will also discuss a method for reviewing these systems, and review ways to increase ERP audit efficiency. Be prepared to discuss experiences and share ideas as we look at the evolution of audit in an integrated-systems environment.

Steven W. Biskie is the National Director of Enterprise Systems Services for AuditForce. Steven has over 7 years of IT audit experience. Prior to joining AuditForce in 1997, Steven was a Manager in the Enterprise Risk Services group of Deloitte & Touche. He holds a Master of Business Administration with a concentration in Accounting Information Systems from the Eli Broad Graduate School of Management at Michigan State University. He is both a Certified Public Accountant as well as a Certified Information Systems Auditor. He has also been an instructor for AuditForce University for Professional Development, the IIA and ISACA.

Steve has been working with various Enterprise Resource Planning systems

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President's Message

Shortly, we will be asking our chapter membership to approve the candidates for the board for the next chapter year (which starts in July 1999). I'd like to take this opportunity to thank the current board members for all of the effort and support they've provided to the chapter this year. We've seen improvement and successes in the meeting formats. Also, we have added a job opportunity page to our website. On this website, companies can advertise their open positions so

members/non-members can view the various opportunities.

Each board member has contributed to this success and I'd like to thank each of them for their efforts. I believe that we've had an outstanding year and hope that this success continues into the next chapter year.

I'd also like to wish the best of luck to our new board members, and to those who will continue serving on

Meeting Details

When: Wednesday, May 12
 2:30PM Registration
 3:00PM Session
 4:00PM Cookie Break
 5:00PM Session Ends
 5:05PM Social Hour-Bar

Where: Country Inn Hotel
 2810 Golf Road
 Pewaukee, Wisconsin

Cost: \$15 Chapter Members
 \$20 Nonmember

For Reservations Contact:
 Brian Treinen
 Johnson Controls, Inc.
 P.O. Box 3050
 5757 N. Green Bay Ave.
 Glendale, WI 53209
 (414)228-2680
 E-mail: brian.m.treinen@jci.com

When registering, indicate your name, company name, and member/nonmember status. Reservations must be received by 12:00PM Monday, May 10. No cancellations will be accepted after the reservation deadline.

No shows will be billed!

the board. The next chapter year should prove to be very beneficial to all of us.

On a personal note, while I will not be returning to the board, I hope to be able to provide assistance to the new board as necessary. I encourage all of you to give our new board as much support as you can. Thanks again and good luck to the new board!

Mary Luebke, President

KETTLE MORaine CHAPTER OF ISACA
CHARTERED 1981

Find us on the Web at:
<http://www.execpc.com/~isaca-km>

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Last Month's Meeting

Control and Security of the Internet

Jeff Conner, CISSP, of Canaudit Inc. presented a fascinating and challenging seminar entitled "Control and Security of the Internet" on April 6th and 7th, 1999.

The seminar addressed the following topics: the Internet and Security Basics, Network Communications – TCP/IP, DNS, and Risks, Securing Communications – Encryption Basics, Securing Communications – Encryption Implementations, Firewalls, Recent Break-ins and Attacks, Tools of the Hacking Trade, Vulnerabilities and Exploits, Controlling Internet Connections, and Security Resources.

The Internet is rapidly growing. With the increase of Electronic Commerce and reliance on technology, it is mandatory for systems to be secure. Security planning, implementation, administration, comprehensive countermeasures, and constant monitoring and auditing will mitigate the risk of an exploited system vulnerability. Jeff stressed the use of strong passwords and continual use of virus detection software throughout the seminar.

Jeff explained the technical process behind TCP/IP, ports, and DNS and the associated risks. He also discussed the different levels of cryptography according to the OSI model. There are three types of cryptography including symmetric or secret key, asymmetric or public key, and message digests. Digital signatures are a corollary to secret key cryptography. He talked in detail about DES and RSA as well as PEM, PGP, Kerberos, S-HTTP, and SSL.

A properly configured firewall is key to securing your systems. Firewalls have limitations, such as lack of virus protection, potential denial of service, and single point of system failure. In order for firewalls to be effective, they must be configured to be immune to denial of service attacks, immune to penetration, permit only authorized traffic, and all traffic must pass through the firewall. There are three types of firewalls: packet filtering or screening routers, application-level gateways, and circuit-level gateways.

There have been many recent break-ins and attacks using denial of service, IP spoofing, TCP sequence number prediction, session hijacking, and remote control programs. Break-ins and attacks most frequently occur with government agencies, communications corporations, universities and other well-known corporations.

Jeff has been auditing system security for over fifteen years. He has an extensive toolbox including network mappers, ISS, SATAN, Portscan, Strobe, Newscan, Nfsbug, TCPDump, XWatchWin, and Xkey. He asked attendees to volunteer their corporate website to see if he could penetrate them. He then demonstrated his tools with two volunteered websites. He was able to

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ISACA BOARD MEETING

March 31, 1999

Attendees: Mary Luebke, Tim McWilliams, Roger Naegeli, Jacqueline Jordan, and Dan Buckley.

1. The Board discussed ideas to fill the two open Board positions, Vice President and Program Director. Jacqueline will follow-up on some of these ideas discussed at May's meeting.
2. Dan Buckley gave an update on the April Seminar. As of today, there were 18 people signed up for the seminar. Dan has received and reviewed the course material, and finalized the facility and meeting arrangements. Dan and also Meredith Connor of Arthur Andersen will be in attendance on both days to coordinate seminar activities.
3. The Board approved the proposal to add a job opportunity database on the chapter's web page. April's *ByteLine* will contain additional information about the fee structure and guidelines for posting jobs on the database.
4. The May *ByteLine* will contain a ballot for chapter members to elect members to serve on the 1999-2000 Board. Chapter members will be able to vote via email or return the ballot by mail.
5. Mary will follow-up with Paul Rozek to finalize the May meeting topic.
6. The Board discussed tentative dates in June and July for the Board Turnover meeting. A final date will be determined at the May meeting. The Board turnover meeting is an annual meeting for outgoing and in-coming Board members to discuss Board activities and responsibilities.
7. Roger will mail out the membership listing and a listing of the current Board members to all chapter members.
8. The next meeting will be held on May 13th from 10:00 to 11:00 via conference call.
- submitted by Tim McWilliams, (608)664-8884

Noteworthy News

The formation of a new chapter, Slovensko Chapter #160, was approved in March of 1999. In addition to this new chapter in the Slovak Republic, ISACA approved Phase I documents for two chapters-in-information in March; one in Cochabamba, Bolivia, and one in Central Mississippi, USA.

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quickly perform a denial of service attack on one system, and gather significant information about the other site.

He explained the common vulnerabilities and exploits on today's systems and informed attendees how to gather information about the latest vulnerabilities and exploits. He mentioned how to gain access to a UNIX or Microsoft Windows NT system utilizing trust, anonymous FTP, TFTP, X-windows, rpcinfo, rexd, and NIS. Sendmail also has significant vulnerabilities for system access and attack. Using the "Root Kit" and "Bind Toolkit" tools, he demonstrated the ability to take control of ROOT on the UNIX operating system. The use of password sniffers and exploits on web servers were also mentioned.

With regard to controlling Internet connections, he stressed the enforcement of a detailed Internet policy, the use of correctly configured hardware and software, and knowledgeable personnel. Jeff provided a comprehensive list of security resources as well as an Internet Audit checklist.

Overall, the four most critical controls to secure your systems are noted below.

Restrict the use of external modems.

Require the use of strong passwords that are changed every thirty days, at least eight characters in length, and retained for five generations.

Require the continual use of virus detection software on all servers and PCs.

Require the installation of the latest patches for all software.

We want to thank Jeff for giving an informative and noteworthy seminar. All 24 evaluations received rated the seminar as "Good" to "Excellent".

- submitted by Meredith Connor

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since 1995. He has been involved in implementations for SAP, PeopleSoft, Oracle Financials, QAD, and GEAC SmartStream. He has worked in all areas of the systems implementation process, from initial requirement analysis and application selection through post-implementation troubleshooting and review. Steve also has extensive experience with interrogating detailed ERP data files to enhance audit efficiency.

- submitted by Paul Rozek, Program Director

Why Am I With Arthur Andersen?

"I felt it was time to gain exposure to a wider variety of industries and businesses. Arthur Andersen has made a big investment in me, constantly developing my skills and giving me all the tools I need to exceed my own expectations. In retrospect, my move to Arthur Andersen was more a confident step forward rather than a leap of faith – and definitely a change for the better."

Real people. All with real reasons that brought them to Arthur Andersen and all discovering new challenges. Our mission to achieve measurable performance improvement and positive, lasting change for our clients provides unprecedented opportunities for career growth and diverse challenges.

Computer Risk Management Assurance and Business Advisory Services

Computer Risk Management (CRM) at Arthur Andersen Milwaukee helps organizations maximize the benefits of their information technology investment by managing the growing number of risks to system quality and integrity. Our clients are looking for professionals who offer both business and technology skills to help protect and enhance their information assets.

Candidates would be responsible for directing multiple engagements simultaneously, typically supervising professional staff on each engagement. They are responsible for delivering superior client service as well as maintaining existing client relationships.

Qualifications and Experience Profile: CRM seeks individuals with at least two years of professional experience in areas such as:

- System and Network Security (NT, UNIX, TCP/IP, midrange)
- Electronic Commerce and Internet (firewalls, capacity planning, operations, wireless, revenue assurance, billing) as well as Enterprise Resource Planning products (SAP, PeopleSoft, Oracle, BaaN, JD Edwards) are preferred.

People who succeed in CRM are achievement-oriented, have strong interpersonal and communication skills and have the ability to work both independently and in teams. They have the ability to solve problems quickly and completely and to bring creativity to the problem-solving process. Candidates must be focused on a career in consulting and have a strong desire to learn and work with technology. Arthur Andersen invests strongly in its employees, providing the latest tools, training and outstanding hands-on experience.

Qualified candidates should send their resume to: Arthur Andersen LLP, MMM/MJCRM/4-3, 100 E. Wisconsin Ave., Milwaukee, WI 53202 or fax resume to: (414) 283-3108. Arthur Andersen is an equal opportunity employer.

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Board Voting

An important administrative task remains outstanding: the voting for our 1999-2000 Chapter Board of Directors. We will hold this vote at our May meeting. If you cannot make the meeting, you may vote via phone, e-mail, or mail. Please complete the following ballot and return via the medium of your choice by May 10th.

The candidates for the Kettle Moraine Chapter of ISACA 1999-2000 Board of Directors are as follows:

- President Jacqueline Jordan, Arthur Andersen
- Vice President Carol Pokrandt, AuditForce
- Treasurer Randy Augsburger, Ernst & Young
- Secretary Tim McWilliams, TDS
- Publication Director Roger Naegeli, MGIC
- Membership Director Clint Laskowski, Arthur Andersen
- Program Director [position open]
- Seminar Director Dan Buckley, Arthur Andersen
- Arrangements Director . Brian Treinen, Johnson Controls
- CISA Director Kathy Porth, AuditForce
- Past President Mary Luebke, Ernst & Young

Vote:

- I am in favor of all candidates.
- I am in favor of all candidates, with the exception(s) of:

- I oppose all candidates.

Please communicate your vote to Mary Luebke *by May 10th* via either:

- E-mail to: Mary.luebke@ey.com
- Phone to: Mary Luebke at (414) 274-8106
- Mail to: Mary Luebke
Ernst & Young LLP
111 East Kilbourn Avenue
Milwaukee, WI 53202-6611

New Y2K Alert: Apps With Time Triggers

By Tim Wilson

If you think your Year 2000 problems will be over by the end of January, it may be time to rethink your contingency plans.

Some major business applications may not suffer the effects of the Y2K bug until well into the year, according to analysts and other experts. As a result, newly developed contingency plans for handling the millennium bug may already be out of date.

According to Gartner Group's recently published first-quarter Year 2000 progress report, only about 10 percent of computer software problems will occur in the two weeks surrounding Jan. 1. Although embedded chips and process controllers remain a central concern for New Year's Day, many business applications won't recognize the problem until later in the year.

"Many companies use special applications to process quarter-end or year-end data, and companies won't recognize Y2K problems in those applications until they run them the first time," said Jim Duggan, research director for the Gartner Group's Year 2000 service. "In addition, a lot of companies operate on a different fiscal year, so they will have some applications that don't register the

Year 2000 until the second half."

Depending on the applications they use, companies could experience Year 2000 problems on month-end, quarter-end or year-end dates, confirmed Kate Kaiser, senior adviser for Giga Information Group's Year 2000 IT practice. And because 2000 is a leap year, many systems will also have difficulty processing the Feb. 29 date, she said.

These recent observations could have a profound effect on corporate Y2K contingency plans, which describe alternate methods of doing business during date-related system blackouts. Some contingency plans focus on handling failures in January, but go no further into the year, experts said.

"We think the impact of some Y2K failures could be felt well beyond January," said Jane Erickson, Year 2000 project manager at Northwest Airlines. Even if a company does not have backward-looking applications, it needs a plan for handling ongoing problems that may not have been fixed properly during the remediation phase, she said.

Web Brief on Computer Hacking

On June 1, 1999, ISACA is offering access to a two-part web briefing on computer hacking and intrusion detection. There is no fee for this additional benefit of ISACA membership slated for 10:00 a.m. to 1:00 p.m. Eastern Standard Time (US).

Part 1 is "What the Hackers Know about You: Anatomy of A Christmas '98 Attack". Enter the mind, see the processes, skills and thinking of a sophisticated hacker.

The SANS ToolTalk session focuses on how to maximize the value of TripWire, the tool that helps users determine whether or not they have been attacked; If so, what needs to be reloaded is indicated.

To register, go to <http://www.sans.org/jun1.htm>. Information can be accessed live or listened to three hours after the briefing.

Web-based access to a 300-question CISA examination sample database will soon be available

This database of questions comes from existing ISACA review manuals and will be announced to current exam registrants with known e-mail addresses by May 1st. Additional details will also be provided to CISA coordinators and chapter presidents via respective listservs. This new service will allow subscribers to access the sample question database numerous times and to determine the number of questions for each review. Automated scoring is also included by domain.

The views and opinions contained in this newsletter are solely those of its author, and do not necessarily represent or reflect the views or opinions of the Kettle Moraine Chapter of ISACA. In the event you have any questions concerning this newsletter, you may wish to contact the author directly.

Event Calendar

ISACA Kettle Moraine Chapter

September 9, 1998	Audit, Security and Control of UNIX	Patrick Hynes, Ernst & Young
October 14, 1998	What makes a Successful Disaster Recovery Plan?	Mr. Daniels, M&I Data Services
November 11, 1998	eCommerce / CISA Recognition Lunch	Ernst & Young
December 9, 1998	Today's Security Technologies: Using the Right Tool	Ruth Page Jones, Athena Consulting
January 11, 1999	Protecting Your Network for Internet Access and From Internet to E-Commerce: How Business, Education & Government Will Evolve a 21st Century Network - Joint meeting with WASM	Craig Anderson, Grant Thornton LLP Shaun Abshere, WiscNet
February 10, 1999	COBIT	Daniel Buckley and Meredith Connor, Arthur Andersen
March 10, 1999	(To Be Announced)	
April 14, 1999	Seminar: Control and Security of the Internet	CanAudit
May 12, 1999	Auditing in an ERP World	Steven W. Biskie, AuditForce
September 8, 1999	(To Be Announced)	

1998 - 1999 ISACA Dates

May 4-7, 1999	CACS	Orlando, Florida
June 12, 1999	CISA Exam	Various Locations
July 11-14, 1999	The International Conference	Denver, Colorado

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