



## Save the Dates.....

### October 27<sup>th</sup> 10-11:30 Business Ethics and Controls Workshop

"Ethics is a "hot" topic in today's business world. How can we be proactive to prevent theft or fraud? In this interactive session, you will learn (1) ways to identify risks, (2) how to implement procedures to improve your controls, and (3) appropriate actions to resolve ethical issues and maintain the University's integrity.

To register, email [employee.development@bc.edu](mailto:employee.development@bc.edu) or call x28532.

**Security Awareness Day at BC – October 29<sup>th</sup>** – more details at:  
<http://www.bc.edu/security>

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*The purpose of this newsletter is to provide the BC community with articles on good business practices, internal controls and responsibilities. Each issue will provide insights to internal control techniques. We have also included an "Ask the Auditor" section to give you an opportunity to obtain answers to specific questions. Additionally, we will provide information on*

*recent items in the news.*

*We hope that by providing this array of information, we can help you implement effective controls in your area of operations.*



## OCTOBER is National Cyber Security Awareness Month

### TOP TEN CYBER SECURITY TIPS

For full text go to: <http://staysafeonline.info/e-tips.html>

#### Be a secure and responsible cyber citizen.

Keep yourself safe. Do not give out personal information such as your address, telephone number, address or telephone number to unknown or suspicious requestors.

#### Use "anti-virus software" and keep it up to date.

Be sure to update your anti-virus software regularly! The more often you keep it updated, the better.

#### Don't open email attachments or click on links in emails from someone you do not know or trust.

If you don't know the person who is sending you an email, the best thing to do is to delete the entire message, including any attachment.

#### Protect your computer from Internet intruders – use "firewalls".

Firewalls create a protective wall between your computer and the outside world.

#### Regularly download security updates and "patches" for operating systems and other software.

Check your software vendors' web sites regularly for new security patches or use the automated patching features that some companies offer.

#### Use hard-to-guess passwords. Mix upper case, lower case, numbers, or other characters not easy to find in a dictionary, and make sure they are at least eight characters long.

Passwords will only keep outsiders out if they are difficult to guess! Don't share your password.

#### Back up your computer data.

Be prepared! Back up data on floppy disks, CDs, or other storage devices.

#### Don't share access to your computers with strangers. Learn about file sharing risks.

Unless you really need file sharing, make sure you turn it off.

#### Disconnect from the Internet when not in use.

Disconnecting your computer from the Internet when you're not online lessens the chance that someone will be able to access your computer.

#### Check your security on a regular basis. When you change your clocks for daylight-savings time, reevaluate your computer security.

Look at the settings on applications that you have on your computer. Your browser software, for example, typically has a security setting in its preferences area. Check what settings you have and make sure you have the security level appropriate for you.



## What Is Internal Control?



Internal control is a process designed to provide reasonable assurance regarding the achievement of the following objectives:

- Effectiveness and efficiency of operations.
- Reliability of financial reporting.
- Compliance with laws and regulations.

Internal controls are put in place to keep the organization on course toward its goals

and achievement of its mission, and to minimize surprises along the way.

### **WHAT INTERNAL CONTROL CAN DO**

- Prevent loss of resources.
- Ensure reliable financial reporting.
- Ensure compliance with laws and regulations.
- Avoid damage to reputation.

### **WHAT INTERNAL CONTROL CANNOT DO**

- Change inherently poor management into good management.
- Ensure success.
- Provide absolute assurance to management regarding achievement of an entity's objectives.

For more information on internal control, visit Internal Audit's web site at:

<http://www.bc.edu/offices/audit/controls/>

*Who is responsible for maintaining security in Boston College's IT environment?*

## Information Technology Controls

Information Technology controls are a combination of people, processes and tools that prevent, detect or correct events within the University's network environment.

Who is responsible for maintaining security in Boston College's IT environment? Any individual who accesses the University's computer systems is responsible for the safe use of the University's IT systems.

The hacker's most effective tool isn't technological at all--it's the manipulation of humans. Be suspicious of unfamiliar requests, whether over the phone or via e-mail. Never disclose your password or details of your computer system to strangers whose identity you cannot verify.

Be aware that you can be taken advantage of by con artists over the Internet just as easily as through the mail. Cheaters may try to sell you defective or misrepresented

merchandise or fail to deliver advertised commodities. Scams are promoted via e-mail, web sites or phony "testimonials" in chat rooms and on bulletin boards.

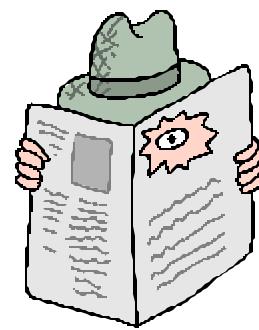
Marketers and others include graphics, including very small, almost invisible ones, in formatted e-mail messages containing web HTML codes, to determine information about your e-mail and your computer. You don't even have to visit a web site to reveal information to the operator of the site -- it can be obtained from your e-mail program. Therefore you may want to block graphical images in e-mail if you can. If your e-mail program supports it, configure all e-mail as text, and not use HTML e-mail. For Mozilla, you can do this with an advanced setting. Details at:

<http://www.bucksch.com/1/projects/mozilla/108153/>.

For Outlook, you can do this with a registry setting documented at: <http://ntbugtraq.ntadvice.com/default.asp?sid=1&pid=55&did=38>

For more information on safe computing, go to BC Info Tech computing & communications web site at: <http://www.bc.edu/offices/help/>





## In the News: SPYWARE

On September 28, 2004, California Governor Arnold Schwarzenegger signed an anti-spyware bill banning unauthorized installation of deceptive software that hides in personal computers and secretly monitors user activity. The bill clears the way for consumers to sue responsible parties for actual damages. The new bill prohibits the use of keystroke logging to collect personally identifiable information and the collection of Web browsing histories. Additionally, on October 6, 2004, The U.S. House of Representatives voted to crack down on deceptive spyware.

Spyware is any technology that aids in gathering information about a person or organization without their knowledge. On the Internet (where it is sometimes called

a *spybot* or *tracking software*), spyware is programming that is put in someone's computer to secretly gather information about the user and relay it to advertisers or other interested parties. Other spyware may have a more malicious intent, such as stealing passwords or credit card information. Spyware can get in a computer as a software virus or as the result of installing a new program. Simply clicking on a banner ad can also install spyware.

Web sites that offer something for free should be viewed suspiciously. The old saying "you can't get something for nothing" is actually valid. If a web site offers free games, or software, or news, you should

give some thought to HOW they can offer this for free. The site has to pay for computers, and disk space, and for its Internet connection, which if it's popular can be quite expensive. If they're giving YOU stuff for free, who's paying the bills? Advertisers?

If you can, block popup windows in web browsers. Some browsers, such as the latest in the Mozilla/Netscape series, can do this as part of the browser. Internet Explorer version 6 cannot, although the IE to be included with XP SP2 can. Blocking popup windows makes the screen less cluttered and presents you with fewer advertisements, many from "dubious" sites.

**"If you can, block  
popup windows in web  
browsers."**

## Ask the Auditor!



### How are Audits Selected?

The Internal Audit Department has performed a risk-based analysis of all processes and systems at Boston College. The purpose of the analysis is to prioritize all audit areas for review based on a risk assessment. Five criteria are used to evaluate each Boston College process or system that includes:

- Risk of Fraud or Loss
- Materiality
- University Reputation
- Quality of Controls
- Date and Results from Last Audit

Risk criteria are updated as each audit is performed to provide a continuous

assessment. The audit plan also provides for special management requests and investigation of possible irregularities.

### What Can be Expected When an audit is Scheduled?

The department head/director or senior management of the area to be audited will be notified when an audit is scheduled. A representative of the Internal Audit Office will make contact with the appropriate administrators to schedule a meeting to discuss the audit. At this meeting, the scope and objectives of the audit will be discussed. The audit process will be explained and any concerns or questions

regarding the audit will also be discussed.

### How Long Does it Usually Take to do an Audit?

Audits can take from a few days to several weeks depending upon the complexity of the operation and the condition of the records. During the pre-audit meeting, the estimated length of the audit will be discussed. As the audit staff become more familiar with the operation and the records, it becomes easier to estimate the length of time an audit will take. Throughout the audit you will be kept informed of the progress of the review.

### Who audits the auditors?

Everyone audits the auditors - there is no single person or group with that responsibility. For example, the Board of Trustees evaluates Internal Audit's performance and receives reports on the progress and results of the Audit Plan. The University's external auditors assess the effectiveness and adequacy of audit operations during their annual examination of the financial statements. Our clients evaluate us and provide feedback on our performance by completing surveys at the conclusion of the audit.



## Fraud Prevention Measures



### **WHO SHOULD I CALL ABOUT AN ALLEGED FRAUD?**

An anonymous Business Ethics Hotline (2-3194) has been established for employees to convey their concerns to the Director of Internal Audit.

<http://www.bc.edu/offices/audit/hotline/>

It is important to understand that as a Boston College employee, you have stewardship responsibilities for University assets under your purview. By this we mean that you are responsible for ensuring departmental assets are safeguarded from loss. The following procedures should be instituted to help reduce the risk of impropriety at the University:

- Identify assets for which you have responsibility.

- Establish a positive control environment in your department.
- Ensure that an adequate system of internal control exists in your department.
- Ensure that all staff members are familiar with the University Professional Standards and Business Conduct policies.

## Development Planned Giving Office Receives Boston College 2004 Internal Control Best Practices Award

The Planned Giving Office is responsible for managing life-income gifts of annuities and trusts, gifts from deceased donors, and gifts of securities and other property such as art and antiques. In October 2003, Internal Audit reviewed Planned Giving Operations. Under the direction of Thomas Lockerby, Associate Vice President, Planned Giving, financial controls are in place and effectively

managed. The cooperation of the entire staff made for a very smooth audit of this area.



**P. Jerskey**, Director, Internal Audit, **J. Reilly**, Administrator, Planned Giving, **T. Lockerby**, Associate Vice President, Planned Giving