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MINUTES OF THE 10TH MEETING OF INTOSAI STANDING COMMITTEE ON EDP AUDIT HELD AT LJUBLJANA, SLOVENIA ON 17TH AND 18TH MAY 2001

The 10th Meeting of the INTOSAI Standing Committee on EDP Audit was held at Ljubljana, Slovenia on 17th and 18th May 2001. The meeting was presided over by Mr. V. K. Shunglu, Comptroller and Auditor General of India and Chairman of the Committee. The following delegates attended the meeting:

SAIs	
Austria	Mr. Bruno Walter
Brazil	Mr. Guilherme Palmeira
Brazil	Mr. Claudio Silva da Cruz
Canada	Ms. Nancy Y. Cheng
India	Mr. V. K. Shunglu
India	Mr. Narendra Singh
India	Mr. N. Mathivanan
India	Mr. Hem Raj Sharma
IDI (Observer)	Mr. Magnus Borge
IDI (Observer)	Ms. Else Karin Kristensen
Israel	Mr. Moti Nativ
Israel	Mr. David Doron Ball
Japan	Mr. Atsushi Takayanagi
Kuwait	Mr. Abdulaziz Abdullatif Al-Holy
Kuwait	Mr. Osama Abdullah Al-Faris
Netherlands	Mr. Thomas Wijsman
Netherlands	Mr. Paul Mantelaers
Norway	Mr. Thor Kristian Svendsen
Norway	Mr. Bernt Nordmark
Norway	Mr. Kjetil Kvernflaten
Oman	Mr. Nasser H. Al Rawahi
Oman	Mr. K. Srinivasan
Poland	Mr. Jacek Uczkeiwicz
Poland	Ms. Maria Pikulska-Neumann
Republic of Slovenia	Ms. Silva Jamnik
Republic of Slovenia	Ms. Anica Bratanic Grandovec
Slovakia	Ms. Viera Eiselova
Sweden	Mr. Bengt E W Andersson
Sweden	Ms. Lena Ellwerth-Stein
Sweden	Mr. Frank Lantz
United Kingdom	Mr. Martin Sinclair
United Kingdom	Mr. Steve Doughty
United States of America	Mr. Keith Rhodes
United States of America	Mr. Madhav Panwar
Zimbabwe	Mr. Eric Abdulman Harid
Zimbabwe	Ms. Josephine Mukomba

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2. The Chairman welcomed the members and thanked Dr. Vjoko A Antoncic, President, Court of Audit of Republic of Slovenia and his team for hosting the 3rd Seminar on Performance Auditing and the meeting. In particular, he welcomed representatives from IDI. He outlined the agenda for the meeting, which had been circulated to member SAIs.

intoIT

3. SAI-UK reported that Edition 12 with "Government on the Web" theme could not be published in time due to difficulty in obtaining contributions and it was eventually published in March 2001. The edition, apart from the contributions from the members, also included a reprint of a survey undertaken by "The Economist" newspaper (with their permission for which a fee was paid).

4. SAI, UK invited members to

- Comment on whether inclusion of material such as the Economist survey is worthwhile;
- Endorse the themes proposed for future editions

▪ Edition 13 (Spring 2001)	Intranets instead of "IT and Communications Security" as SAI Oman circulated the final version of the project on Intranet and due to the topical nature of the work.
▪ Edition 14 (Autumn 2001)	Report on the Performance Audit Seminar in Slovenia
▪ Edition 15 (Spring 2002)	IT related fraud
▪ Edition 16 (Autumn 2002)	IT and Communications Security
▪ Edition 17 (Spring 2003)	Organisation of IT audit based on a survey to be carried out in 2002.

- Commit to contributing at least one article a year to support the themes agreed, or a news article, from within their own SAI (or gain a commitment from another SAI to do so).

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5. The Committee after discussion agreed to the proposed themes for future editions. Members agreed to make all out efforts to contribute articles from their own SAI and other SAIs in their region. For Edition 13, SAI, Oman agreed to contribute an article on the experience of using Intranet.
6. The Committee decided that the journal will consist of three parts
- Part I – Contributions from SAIs on the selected theme
 - Part II – Short News item / Digest of activities of SAIs / Short abstract of results of Audit with special emphasis on methodology.
 - Part III – Relevant Articles from reputed journals with proper permission from the publisher. The Articles along with a copy of the permission of the publisher to be sent to SAI, UK.

IT Audit Courseware

7. SAI Zimbabwe reported that updating of various modules was still in progress and for IT Security module there were no volunteers. It expected that the initial draft would be ready by end of September.
8. SAI, Israel/Netherlands volunteered to update IT Security module. The Committee discussed and decided that each updated module should be reviewed by another SAI. The updating including review is to be completed before 30th September. Accordingly it was agreed that various modules would be updated and reviewed by different SAIs as given below:

Modules	Updating by SAI	Expected date of completion	Reviewing by SAI
IT Awareness	UK	Beginning of August	Netherlands
IT Method Awareness	USA	30 th June	India

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IT Controls	Russia.		Oman
Business Continuity Planning	U.K.	Draft in 6 weeks	Netherlands
Audit of Developing IT Systems	India	30 th June	USA
IT Security	Israel/ Netherlands		Austria
Value for Money Audit	Zimbabwe		Poland
IT Audit Organisation and Management	Zimbabwe		USA
Computer Assisted Audit Techniques	Oman	31 st July	Kuwait
Data Downloading and Conversion	Oman	31 st July	Kuwait

9. SAI Oman agreed that to the extent possible it would put the Arabic version of the courseware on CD for distribution.
10. About the use of Internet in SAIs with specific reference to training and senior management, SAI Canada presented a report about the practices prevalent in a few SAIs and a few private firms and concluded that the Committee could explore the possibility of having an "Acceptable Use Policy for Internet" in SAIs. The Committee recognised several practices in using Internet within SAIs and between SAI and auditee, such as email, web questionnaire, discussion group and on-line

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- IT audit of security
 - IT security best practices

17. After discussion the Committee agreed that the materials should include both documents and web links. The Committee emphasised that it should not contain the basic courseware and there should be no duplication of effort. The materials should be of practical use. The materials would be hosted on the website and regularly updated. The possibility of distribution of the material through printed matter and through CD should be explored.

3rd Performance Auditing Seminar

18. SAIs, Slovenia, Sweden and UK reported outcome of Third Performance Auditing Seminar held at Ljubljana, 14 - 16 May 2001. :

- 44 delegates from 29 countries participated in the seminar.
- The Seminar was popular, successful and effective.
- Despite a slight overlap of themes, the themes were good.
- A proper and detailed discussion became difficult because of the multiplicity of themes and a large number of participants.
- New SAIs who participated in the seminar for the first time and a few other SAIs also gave presentations.
- Follow up of the seminar
 - Seminar materials will be published on the website
 - One page leaflet highlighting specific areas will be produced
- Issues to be addressed for future seminars
 - Theme for next seminar

- Number of themes and how to address them?
- Time schedule for lead and country papers
- Atmosphere for detailed discussion
- Distribution of knowledge gained among various agencies

19. The Committee placed on record its appreciation of the good work done by all concerned in making the Seminar successful. The following decisions were taken:

- The present Editorial Board will continue the work of the follow up of the 3rd Seminar
- The next Seminar will also be on Performance Auditing in 2004
- Though various themes emerged during discussion, the theme on e-governance in taxation department appeared promising. Themes will be discussed and finalised during the next meeting.
- The Editorial Board can consult other SAIs by email and propose themes, number of themes and methodology for detailed discussion etc. in the next meeting.

Communications Security

20. SAI, Sweden presented the final draft report on "Communications Security on the Internet". The final draft report was circulated among members. An audit model for communications security in the public sector was created. This is based on security aspects in three existing information security standards and is represented by a question database after testing on three governmental agencies. SAI, Sweden stated that greater emphasis was placed on management issues and based on the suggestion of SAI, UK, they are planning to bring out a guide format.

21. There was a detailed discussion regarding various issues pertaining to the standards of certification, levels of certification, certifying authorities, cross certification etc. The

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conclusion was that any validation of certification should be considered very cautiously.

22. The Committee noted the progress and decided that members can send their comments to SAI, Sweden at the earliest so as to enable them to bring out their final report faster.

IT related Fraud

23. SAI, UK presented a status report on the project. The main components of the project are:

- An introduction to the topic;
- A review of existing material covering the scale and nature of the problem, fraud detection and prevention;
- A survey of SAIs to gather material on experiences, approach and good practices;
- Good practice guidance;
- New training material for updated courseware or advanced training;
A glossary of terms and a bibliography.

24. The two first components of the project – introduction and a review of existing material is complete. An initial draft, together with the draft survey questionnaire was circulated to SAIs involved in the project.

25. The agreed questionnaire was issued to all (170) SAIs in February, with responses due by the end of March. By end April, most responses had been received, with the promise of a few others. To encourage further responses a brief progress report based on those received so far is planned to be issued shortly.

26. The timetable planned for future work by SAI, UK is given below:

- Collate the results and draw conclusions by end July 2001;
- Draft good practice guidelines and issue draft for comment, prepare a glossary and bibliography by end August 2001;

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- Circulate the final report by end October 2001;
 - Devise an approach for an advanced training module or expert seminar by end December 2001.
 - 1st training course, or expert seminar in 2002.

27. The Committee noted the progress and the timetable for future work.

IT Infrastructure Management

28. SAI, Norway presented its report on IT Infrastructure Management. The final draft report was circulated among members. To comply with the objective to provide an effective and efficient process for auditing IT infrastructure management, the project has developed guidelines built on a model for auditing IT Service Management. The IT Service Management Model was explained.
29. SAI, Norway stated that finalisation of the report, web solution, training programme and continuous updating based upon audit experience are the further works to be carried out in this project.
30. The Committee discussed and agreed that members will provide comments before 31st July 2001 to enable SAI, Norway to finalise the report. Web solution will be developed in co-ordination with SAI, UK.

Committee Website

31. SAI, UK presented its report on Committee Website. The look and feel of the web site was revised again in March 2001 to ensure that while maintaining a modern appearance material should be easy to access.
32. SAI, UK stated that the background material on the web site needs updating to reflect the current organisation of the Committee and its current work programme and suggested that SAI India can undertake this work. Since November 2000, Edition 12 of intoIT, an index of Committee member's web sites, password protected facilities

for document repository and discussion groups for the Performance Audit Seminar and the IT Audit Expert Group were added and the feedback facilities were expanded

33. SAI UK also informed the Committee that usage of the site continued to grow. Information for a more detailed breakdown of hits on key pages shall continue to be collected to provide a meaningful analysis. The domain names www.intosaiedp.org and www.intosaiitaudit.org have been registered for future use by the Committee.
34. The Committee noted the improvements and additions to the web site.
35. SAI, Oman reported on the Arabic version of the Website. The Committee discussed and decided that SAI, Oman should explore the possibility of translating the products of research projects of the Committee in Arabic for hosting in the Arabic version of website.
36. The Committee was also of the view that hosting the website in one more language should be explored for making the products of the Committee accessible to more SAIs.

Intranet for SAIs

37. SAI, Oman reported that taking into consideration the few responses received on the paper circulated in the last meeting, the research paper on Intranet for SAIs was finalised and circulated to all INTOSAI members. The electronic version of the final paper will also be hosted on the website.
38. The paper is intended for SAI managers with decision-making responsibilities in the field of IT and consequently has a managerial rather than technical focus.
39. The Committee appreciated the work of SAI, Oman.

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Preparations for XVII INCOSAI

40. Extensive discussions were held about the Work Plan for 2002-2005. The following decisions were taken:

- The work plan will be in three parts viz Continuing Projects, Follow up of Completed Projects and Projects in New Areas.
- Continuing Projects
 - intoIT, Journal, IT related Fraud, Advanced Training Module and Committee Website.
- Follow-up of Completed Projects - INTOSAI EDP directory, electronic compilation of SAI mandates, IT audit courseware and dissemination of outputs of IT infrastructure management, communications security, Intranet for SAIs and 3rd Performance Auditing Seminar,
- Projects in New Areas
 - 4th Performance Auditing Seminar, Computer Assisted Audit Tools, Compilation of Cyber Law and e-governance. SAI, Oman agreed to take the projects on Computer Assisted Audit Tools. SAI Canada and India will work on e-governance in taxation department. SAI, Netherlands and USA suggested a project on cross organisational/country systems.

41. It was agreed that the members will send further comments, if any, to SAI, India for finalisation of the Work Plan. Suggestions from other SAIs which have already been

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invited by SAI, India would also be taken into account while finalising the Work Plan.

Other matters

42. INTOSAI Development Initiative (IDI) Secretariat made a presentation about IDI and IDI strategic plans. As the co-operation between the Committee Working Groups and the IDI is new, it will take considerable time and resources to develop concrete cooperation projects. Members of the Committee made enquiries about IDI's support by way of funding/providing resources for various activities of the Committee such as preparation of the IT Audit Courseware on CDs, preparation of self learning packages on good Committee products and development of advanced training module etc. IDI stated that this is only an initiative from IDI but a concrete proposal can emerge after discussion with SAI, India. The Committee appreciated the initiative of IDI and look forward for cooperation in future.
43. The issue of renaming the Committee as INTOSAI Standing Committee on IT and Audit or INTOSAI Standing Committee on IT Audit will be taken up with INTOSAI Secretariat / INCOSAI depending upon the terms of reference.
44. SAI Netherlands suggested that a small seminar on "How to organise IT Audit functions?" be organised and stated that SAI, Germany and Thailand are also interested in this. The Committee discussed and decided that this should be carried forward through discussion groups on the website. SAIs, USA, Sweden, Poland and India will join in the discussion group. SAI, Netherlands will co-ordinate this.
45. SAI Netherlands made a suggestion for conducting regional seminars. The Committee decided that this does not come under the purview of this Committee.
46. The Chairman informed that the programme of INCOSAI is not yet final and on finalisation, the members will be informed of the INCOSAI agenda.
47. The next meeting will be held during May/June 2002 subject to convenience of members.

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48. The venue will be decided later after consultation.

Closing remarks

49. The chairman thanked all members for their active participation in the work of the Committee and useful contributions and declared the meeting closed.