

**MINUTES OF THE 12th MEETING OF THE
INTOSAI STANDING COMMITTEE ON IT
AUDIT HELD AT OSLO, NORWAY ON 10 AND
11 SEPTEMBER, 2003**

The 12th meeting of the INTOSAI Standing Committee on IT Audit was held at Oslo, Norway on 10 and 11 September 2003. The meeting was presided over by Mr. Vijayendra N. Kaul, Comptroller & Auditor General of India and Chairman of the Committee. The following delegates attended the meeting:

<i>SAIs</i>	<i>DELEGATES</i>
Austria	Mr. Bruno Walter
Bhutan	Mr. Kunzang Wangdi
Brazil	Mr. Adylson Motta
Brazil	Mr. Chen Lin
Canada	Mr. Richard Brisebois
China	Mr. Jiayi Liu
China	Mr. Shengxi Tan
China	Mr. Ling'en Song
China	Mr. Yunyi Yang
China	Mr. Quan Luo
China	Mr. Zhonghe Sun
India	Mr. Vijayendra N. Kaul
India	Mr. Sunil K. Bahri
India	Mr. K.S. Subramanian
India	Mr. Deepak Narain
Israel	Ms. Ella Simchoni
Japan	Mr. Ryoichi Doi
Japan	Ms. Hiroko Kimura
Kuwait	Mr. Osama Abdullah Al-Faris
Lithuania	Mr. Irmantas Aleliunas
Netherlands	Ms. Anneke Van Zanen
Netherlands	Mr. Thomas Wijsman
Norway	Mr. Bjarne Mork-Eidem
Norway	Mr. Thor Kristian Svendsen
Norway	Ms. Therese Johnsen
Norway	Ms. Erna Lea
IDI	Mr. Magnus Borge
IDI	Mr. Patrick Callaghan
Oman	Mr. Nasser H. Al-Rawahi
Oman	Mr. Younis S. Al-Tobi

Oman	Mr. K. Ramachandran Sriram
Poland	Mr. Andrzej Sowinski
Poland	Mr. Piotr Madziar
Russian Federation	Mr. Alexander N. Semikolennikh
Russian Federation	Mr. Sergey V. Klapovskiy
Russian Federation	Mr. Vladimir I. Bogachev
Russian Federation	Mr. Vladimir I. Beskrovniy
Slovakia	Mr. Marian Fabian
Slovenia	Mr. Marjan Podgorsek
Sweden	Ms. Lena Ellworth-Stein
Sweden	Mr. Bengt E. W. Andersson
Sweden	Mr. Frank Lantz
United Kingdom	Mr. Steve Doughty
USA	Mr. Madhav Panwar
USA	Ms. Karen Richey

2. At the outset the Chairman welcomed all the members and expressed his gratitude to Mr. Bjarne Mork-Eidem, the Auditor General of Norway for hosting the meeting. Mr. Bjarne Mork-Eidem then welcomed all members to Norway.

into IT

3. Mr. Steve Doughty of SAI-UK reported that since the last meeting at New Delhi in November 2002, two issues (edition 17th and 18) of the Journal had been published. The 19th edition is due for publication in January 2004 with '*hacking*' as the likely theme.

4. He expressed concern at the lack of contributions from committee members, particularly the scarcity of country focus articles. SAI-Oman volunteered to contribute an article on '*Generating Electronic Data and using it for IT Audit*'. SAI-Netherlands volunteered to contribute a country focus article for the January 2004 issue by end-November 2003, as also an article on the '*EUROSAI IT Working Group*' by May 2004. SAI-USA mentioned that it would contribute a case study on '*using IT Cost Estimation for Border Control*'. SAI-Sweden committed to contribute country focus article for the autumn 2004 issue. SAI-Norway said that it would contribute an article on '*auditing e-Government*' for the January 2004 issue. SAI-Russia also agreed to contribute an article. The Chairman commented that even short news items would be of assistance.

5. Mr. Doughty reported a steady increase in the circulation of the journal, mentioning that *intoIT* was now distributed to 180 SAIs and 120 State Audit Offices. He also reported receiving a small but steady stream of requests from individuals to be added to the mailing list.

CAATs for Non-Financial Audits:

6. Mr. Nasser H. Al-Rawahi of SAI-Oman reported that, due to various constraints and unscheduled items of work, they had been unable to assign adequate resources for this project between the last committee meeting and now. They had received comments/material for Part A (*generic guidance material*) from the SAIs of UK and Sweden. No material had, however, been received for part 'B' (*SAI-specific material*).

7. To elicit reactions from members in a structured fashion for Part B, SAI-Oman circulated a questionnaire containing a list of issues and questions relevant to the use of CAATs for non-financial audits. SAI-Netherlands made some suggestions regarding the questionnaire. SAI-Oman incorporated the suggestions and re-circulated a revised questionnaire with the request that members respond to it on or before December 2003. The Committee agreed to this.

IT Related Fraud

8. Mr. Thomas Wijsman of SAI-Netherlands reported that no real progress had been made on this project and solicited suggestions from committee members. He suggested a shift in the focus of the project from '*IT Related Fraud*' to '*Measures taken to counter fraud in IT Environments*'. SAI-UK mentioned that the Institute of Fraud Examiners in USA had carried out useful work in this area. SAI-Poland mentioned that the Institute of Internal Auditors had also developed some material in this area which could be useful. SAI-Israel mentioned that it had developed a questionnaire in this area and that it would be prepared to assist by translating this paper. SAI-USA supported the proposal of SAI-Netherlands to shift the focus of the project and mentioned that it could assist by sending more material (*congressional reports*) to SAI-Netherlands. It was then decided that SAI-Netherlands would come up with a specific time frame for this project in the next meeting.

Auditing E-Government

9. SAI-Norway, which was coordinating this project, with the SAIs of UK, Sweden, USA, Canada and Russia as project members, reported on the results of the survey it had conducted. Based on the survey findings they presented a summary of 10 proposed projects in the four areas of information and knowledge sharing in the area of e-government, developing audit methods and audit perspectives on e-government, training and education and joint international audits. They also identified the recommended priorities for this project, the resources necessary for implementation and the suggested dates of finalisation. The committee supported this framework (copy annexed).

10. It was decided that the committee could take up the following projects (*all of which were proposed for finalization in 2004*) under the coordination of SAI-Norway:

Project 1: *collecting and distributing e-Government audit reports*

Project 3: *collecting and distributing e-Government material* and

Project 7: *developing best practices in e-Government*

Members committed to support SAI-Norway by providing it information available with them relevant to these projects. Members were free to coordinate with SAI-Norway and join any of the projects.

11. It was decided that **projects 2 and 4** on (a) *collecting and distributing SAIs' e-government experiences* and (b) *summarizing audit work* (respectively) could be taken up after the completion of the seminar on Performance Auditing in the use of IT being held at Moscow next year.

12. Regarding **project 10** on *concurrent/cooperative audits*, it was decided that it was necessary to define the scope of the project, before a decision could be taken on moving ahead at the next meeting.

Presentations by external speakers on e-government:

13. Two external speakers made separate presentations on e-Government initiatives. The first presentation was by Mr. Roy Gronli, managing partner for government practice in

Accentures Norwegian office, on *'E-Government Leadership: Engaging the Customer'*. This presentation highlighted the findings of a survey of e-governance initiatives across 22 countries carried out by Accentures and their recommendations for improving online services and delivering innovative solutions.

14. Mr. Ole Willy Sandbekk, Director General in the Ministry of Labour and Government Administration, made the second presentation on the *'Norwegian strategy for ICT in the public sector'*.

15. Both the presentations were well received as evident in the enthusiastic questions.

Committee Website

16. Mr. Steve Doughty of SAI-UK reported that the following actions had been taken in regard to the committee website:

- (a) The new domain name www.intosaiitaudit.org had been introduced
- (b) Edition 17 and 18 on INTOSAI IT had been added
- (c) Drop-down menus and a site map to aid navigation had been added
- (d) Facilities had been maintained to allow users to register interests
- (e) The index of committee member's websites had been maintained
- (f) The list of reference material had been significantly expanded

17. He also mentioned that the website was now being updated once in approximately every two weeks. He reported a steady increase in the number of website visits over the past two years, from under 2000, to over 7500 per month, the average length of the visits doubling to over twenty minutes. The Committee adopted this report.

Cross Organisational Country Systems

18. SAI-Netherlands and SAI-USA jointly reported on this project, mentioning that due to time constraints, the project was not yet underway. It would, however, commence in April.

19. They suggested that it may be better to focus on *exchange of information* between ministries and agencies in different countries rather than on *cross-country information systems* themselves. As a feasible starting point, they suggested that international treaties could be taken as a basis.

20. SAI-UK suggested that a short '*scoping*' paper delineating the objectives and proposed outcomes of the project may first be prepared. The committee accepted this suggestion and authorized the SAIs of USA, UK and Netherlands to jointly decide the scope of the project. In case the project scope could be decided mutually, the SAIs of Netherlands and USA were further authorized to commence work on the project immediately thereafter, without the necessity of again having to consult the committee. If, however, there was some difficulty in jointly formulating the project scope, this panel could revert back to the committee.

Compilation of Cyber Laws

21. Mr. Sunil Bahri of SAI-India reported on this project. He mentioned that a questionnaire on IT Legislation in various countries and the extent of its conformity with the model law on electronic commerce adopted by the United Nations Commission on International Trade Law (and finally by the UN General Assembly in 1997) was circulated to all INTOSAI members in May 2003. However, the response had not been encouraging, responses having been received only from 15 SAIs, of which 8 reported that there was no cyber/IT law in their country. Further, concern had also been expressed that it may be difficult to respond to the questionnaire owing to the multiplicity of legislation impacting IT and developing case law in this area. Keeping in view this concern, SAI-India suggested that the study could be completed based on the responses to the questionnaire that may be received in the course of the next three months. The final output of the project could be identification of a few issues of concern to auditors and preparation of guidelines for identifying the lacunae that may exist in legislation as compared to the UN model. The Committee agreed with this approach.

Cooperation with IDI

22. Mr. Patrick Callaghan of IDI made a presentation on the follow up on the commitments made during the last meeting of the committee and the proposals for on going cooperation.

23. IDI committed to make available to committee members the '*ASOSAI course on financial auditing in an IT Environment*' subject to obtaining formal permission from ASOSAI.

24. Regarding IDI's offer to host IT Auditing discussions on the IDI Bulletin Board, it was mentioned that this offer was open if committee members so desired.

INTOSAI IT Committee Courseware

25. The Report on updating the courseware sent by SAI-Zimbabwe was taken on record. The report indicated that the work of updation and review had been completed in respect of all modules except for the module on '*Value for Money Audit*', which was under review by SAI-Poland.

26. SAI-UK offered to place all the revised modules on the committee website. The committee decided that all the completed modules should be sent to SAI-UK, who would place the material on the committee website after carrying out necessary editorial changes.

Advanced Training Modules

27. Mr. Madhav Panwar of SAI-USA reported that they had completed work on the module on '*Cost Estimation Techniques for Audit*' and that SAI-USA was now in the process of developing a guide for this module. The time schedule for preparation of the guide was, however, yet to be decided. Ms. Karen Richey of SAI-USA made a presentation on this module.

28. The committee complimented SAI-USA on the presentation. It was reiterated that it had already been decided at the last meeting that SAI-USA and IDI could work out the details for distribution of these modules.

Reference List of Material on Performance Audit

29. Mr. Steve Doughty of SAI-UK reported on the progress of this project. He mentioned that the material had been divided into two main categories and then further sub-divided into other specific categories. He also mentioned that they continued to offer a research service and printing facilities on request to SAIs that are unable to access the material electronically. He requested for more contributions, updates and support for this project from member SAIs.

E-Government and IT Audit in China

30. Mr. Jiayi Liu of SAI-China reported on the five major E-Government projects taken up by the Central Government of China and the key issues necessary to be addressed in the next five years. The committee welcomed the presentation.

Preparations for the 4th Performance Audit Seminar

31. Ms. Therese Johnsen of SAI-Norway, the Coordinator of the Editorial Board for the 4th Performance Audit Seminar, reported on the technical preparations for the seminar. She mentioned that the Editorial Board had decided that the overall theme of the seminar would be e-government. Further, to get a broad basis for choosing themes for this seminar, SAI-Norway had sent out a survey questionnaire to all INTOSAI member countries in late August, to which about 30 SAIs had responded. The three main themes chosen are:

(a) Risk Assessment

(b) Effectiveness in a client oriented perspective and

(c) Main challenges in auditing e-government

Within these three topics, lead papers, country papers and presentations regarding the SAIs' general experiences in auditing e-government would be produced. The Editorial Board would present the final agenda for the seminar at least one month before the Moscow meeting. All papers and presentation would be distributed before the meeting.

32. SAI-Russia, the Coordinator of the Organization Board, reported on the schedule for the administrative preparations for the seminar.

33. The committee adopted both the reports.

Dates for the 13th Meeting of the Committee and the 4th Performance Auditing Seminar

34. Mr. Alexander N. Semikolennikh of SAI-Russia, the host of the 13th Meeting of the Committee and the 4th Performance Auditing Seminar, proposed April 19 to 24, 2004 as the dates for both events. April 20 and 21, 2004 would be utilized for the seminar while April 22

and 23, 2004 would be utilized for the committee meeting. He also reported on the preparations for the seminar and the committee meeting. The committee adopted this report.

Preparations for the 14th Meeting of the Committee

35. Mr. Kunzang Wangdi, Auditor General of Bhutan reported on the preparations for the 14th Meeting. He mentioned that the meeting would probably be held in April 2005 at Thimphu, Bhutan. The likely dates were 25 April to 1 May 2005. A detailed programme would be presented at the next year's meeting to be held in Moscow.

EUROSAI IT Working Group

36. Mr. Thomas Wijsman of SAI-Netherlands presented a report on this item. He mentioned that the first meeting of this group was held from 30 September to 1 October 2002 in the Hague. The terms of reference of the working group and work plan were finalized.

Closing Remarks

37. The Chairman thanked all members of the committee for their active contribution to the meeting. He also thanked SAI-Norway for their efforts in organizing and hosting this meeting and declared the meeting closed.