

**MINUTES OF THE 13th MEETING OF THE INTOSAI
STANDING COMMITTEE ON IT AUDIT HELD AT
MOSCOW, RUSSIAN FEDERATION ON 22nd AND 23rd
April, 2004**

The 13th meeting of the INTOSAI Standing Committee on IT Audit was held in Moscow, Russian Federation on 22nd and 23rd April 2004. 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. Dasho Kunzang Wangdi |
| Bhutan | Mr. Dawa Tenzin |
| Brazil | Mr. Walton Alencar Rodrigues |
| Canada | Mr. Richard Brisebois |
| Canada | Mr. Tony Brigandi |
| China | Mr. Dong Dasheng |
| China | Mr. Wang Zhiu |
| China | Mr. Wu Ziyau |
| China | Mr. Fan Zhicheng |
| China | Ms. Cao Hongze |
| China | Mr. Qi Yanqi |
| Cuba | Mr. Ovidio Rodrigues |
| France | Mr. Herve Barbaret |
| India | Mr. Vijayendra N. Kaul |
| India | Mr. Sunil K. Bahri |
| India | Mr. K.S. Subramanian |
| India | Mr. K.S.Gopinath Narayan |
| Israel | Ms. Ella Simchoni |
| Japan | Mr. Ryoichi Doi |
| Japan | Mr. Yasuhiko Saito |
| Japan | Ms. Tarasova |
| Kuwait | Mr. Abdulrahman H. Al-Thunayan |
| Kuwait | Mr. Osama Abdullah Al-Faris |
| Lithuania | Mr. Irmantas Aleliunas |
| Netherlands | Ms Johanna Maria Van Zanen-Nieberg |
| Netherlands | Mr. Thomas Wijzman |

| <i>SAIs</i> | <i>DELEGATES</i> |
|---------------------------|----------------------------|
| Norway | Mr. Thor Kristian Svendsen |
| Norway | Ms. Erna Jorgensen Lea |
| Norway | Mr. Sigmund Nordhus |
| Oman | Mr. Nasser H. Al-Rawahi |
| Oman | Mr. Kesavan Srinivasan |
| Peru | Mr. Jesus Leon |
| Poland | Mr. Pawel Banas |
| Poland | Mr. Piotr Madziar |
| Russian Federation | Mr. A.A.Piskunov |
| Russian Federation | Mr. A.N.Gordeev |
| Russian Federation | Mr. Vladimir I. Beskrovniy |
| Russian Federation | Mr. Vladimir I. Bogachev |
| Russian Federation | Mrs A.V.Petrenko |
| Slovak Republic | Ms Danica Borisova |
| Slovak Republic | Mr. Marian Fabian |
| Slovak Republic | Ms Gabriela Samuelova |
| Slovenia | Mr. Marjan Podgorsek |
| Sweden | Ms. Lena Ellworth-Stein |
| Sweden | Mr. Bjorn Undall |
| United Kingdom | Mr. Stephen Thomas Doughty |
| USA | Mr. Keith Rhodes |
| USA | Mr. Madhav Panwar |
| Zimbabwe | Ms Josephine Mukomba |

Mr. Magnus Borge of IDI and Mr. Tanveer Ahmed of Pakistan attended the meeting as observers.

2. At the outset, the Chairman welcomed all the members and expressed his gratitude to Mr. S.V. Stepashin, the Chairman of the Chamber of Accounts of the Russian Federation for hosting the meeting. Mr. Stepashin then welcomed all members to Moscow.

Inputs from the fourth Performance Audit Seminar Held in Moscow on 20-21st April 2004

3. Mr. Sigmund Nordhus of SAI-Norway summarised the deliberations of the Performance Audit Seminar which focused on e-Government. The main points presented were:
 - a) e-Government Audits would in many ways be similar to IT Audits, displaying the same implementation weakness as other IT Projects, and hence would not imply a

complete changeover to new ways of auditing. The focus would be on Governance in these applications.

b) SAI's would face new challenges in Auditing e-Government projects. Risk assessment based approach to focus on program rather than projects is preferable.

c) New methods would have to be found by modifying and supplementing some of the existing frameworks like CobiT.

d) SAIs would have to focus on increasing their competence by acquiring IT expertise.

4. The Committee acknowledged the high professional quality of the papers presented and discussions held. All members gained from the mutual experience sharing.

IntoIT:

5. Mr. Stephen Doughty of SAI-UK informed the committee about the enhancements made in the design of IntoIt over the last few years, and the increased circulation and downloads of the intoIT issues from the committee website.

6. He further informed that the next issue of intoIT was planned for September 2004, with a focus on e-Government or Electronic Records Management, and invited members to contribute articles latest by July 2004. He expressed concern at the lack of contributions from committee members, particularly the scarcity of country focus articles.

7. IDI, Netherlands, and USA committed to contribute articles towards the next issue. While SAI-Israel agreed to contribute an article on electronic records management, SAI-Sweden committed to providing a Country focus article for the next issue.

CAATs for Non-Financial Audits:

8. Mr. K.Srinivasan of SAI-Oman reported that the Project on CAATs for Non-Financial Audit now stands completed, and made a presentation on the Project, with a request to the committee to accept the same.

9. The committee appreciated the work done by SAI-Oman, and after deliberation decided that to facilitate its early dissemination, the report on CAATs for non-

financial audit may be published as a special issue of IntoIT. SAI Oman may include the country specific material received from any other SAI before finalising the report for publication in IntoIT.

IT Related Fraud

10. Mr. Thomas Wijsman of SAI-Netherlands reported that no real progress had been made on this project and requested a shift in the focus of the project from *'IT Related Fraud'* to *'Measures taken to counter fraud in IT Environments'*, and sought further time to define the scope of the project.
11. The committee agreed to the proposal of SAI-Netherlands for further time to define the scope of the project.

Auditing E-Government

12. Ms. Erna Jorgensen Lea of SAI-Norway reported on the progress made in the three projects which were decided for finalization in 2004 at the last meeting of the committee in Norway. The projects are being co-ordinated by SAI-Norway.

Project 1: *Collecting and distributing e-Government audit reports:* SAI-USA (Project leader) has started the collection process and is generating a template for SAIs to fill when providing material. Work is being done in co-ordination with the other team members to define a database as a repository for the material.

Project 3: *Collecting and distributing e-Government material:* SAI-Canada (Project leader) has compiled a list of material which has been provided to the team members.

Project 7: *Developing best practices in e-Government:* SAI-Norway (Project leader) and SAI-India are working together in identifying the risks and classifying them within the 4 stages in the life-cycle of e-Government projects. A workshop was held in London on 23-24th February 2004 in this regard with SAIs of UK, US, Canada, Sweden, India and Norway participating in it, wherein it was decided that the project would focus on specific questions and risks related to e-Government, and that the final product, organized along the lifecycle and risks at each stage would also incorporate material from Project 1 and Project 3 as to form a composite product.

On behalf of the Project team, Ms Lea informed the committee that the proceedings of the Working Seminar held on 20-21st April 2004 in Moscow would be taken into account while developing best practices in e-Government Audit.

Committee Website

13. Mr. Stephen Doughty of SAI-UK reported that there had been an increasing trend in the usage of the website.
14. Noting the requests of SAI-Russian Federation for availability of IT Audit related content in Russian, the committee decided that while the Committee's website hosted by SAI-UK would continue to be in English, other SAIs may host some of the content after translation to other languages on their SAI-Website, and links could be provided at the Committee website.

Cross Organisational Country Systems

15. SAI-Netherlands reported that not much progress had been made in this project, and requested for further time to define the scope of the project.
16. The committee agreed that SAI-Norway would prepare a scoping document delineating the objectives and proposed outcomes of the project by the next Committee meeting to be held in Bhutan, keeping in mind, the concerns related to probable high costs of such joint Audits, and the national character of the mandate of the SAIs.

Compilation of Cyber Laws

17. Mr. Sunil Bahri of SAI-India reported on this project. He mentioned that the response to the questionnaire on IT Legislation in various countries circulated by SAI-India had been received from only 31 SAIs, of which only 11 countries responded in the affirmative on the question of enactment of IT Legislation. The response has been summarised in the paper prepared by SAI-India, and the IT legislation of few countries were hosted on the website for information of all SAIs.
18. The committee, while appreciating the work of SAI-India, decided that the final compilation of Cyber laws, identifying the key points would be of immense use to all SAIs, and may be printed as an article in intoIT.

19. It was decided that SAI-India would once again request all members to respond to the questionnaire within one month. SAIs of countries with multiple IT related legislation, like Sweden, US, UK and Netherlands, may identify the important Acts, and inform SAI-India accordingly. SAI-India would analyse the response, and contribute it as an article to IntoIT.

INTOSAI IT Committee Courseware

20. SAI-Zimbabwe informed that the work of preparation of IT Audit Courseware had been completed. However, there was a need for updating the same, and ensuring consistency across the various modules.
21. The committee agreed on the need for a review of the courseware, subsequent to which, this could be converted into a training program using IDI methodology, with IDI help.
22. The committee decided that SAI-India and SAI-Oman would jointly review the courseware for consistency by September 2004, and give it to IDI for courseware development in keeping with the IDI training methodology. This would be completed before the next meeting of INCOSAI to be held in Budapest in October 2004.

Advanced Training Modules

23. Mr. Madhav Panwar of SAI-USA presented the technique of Earned Value Management Analysis as a tool for auditors to correctly assess the status of a high value project in terms of time and cost against the budget.
24. The committee appreciated the product presented by SAI-USA and agreed that this may be converted into an Advanced Training module by SAI-USA before the next meeting of the committee in Bhutan.

Reference List of Material on Performance Audit

25. Mr. Steve Doughty of SAI-UK reported on the progress of this project, and requested members for further contributions, updates and support for this project from member SAIs.

26. The committee agreed that all member SAIs should contribute material to the excellent compilation hosted by SAI-UK, and periodically ensure that the links to the performance audit material hosted on the website are valid.

Remaining Projects on Auditing e-Government

27. SAI Norway briefed the Committee about the developments on the 10 projects on Auditing e-Government, which were presented at the last meeting of the Committee in Oslo. While work was proceeding as per plan on the three projects currently being taken up, a request was made that discussion on the remaining projects may be postponed till the next meeting of the Committee in Bhutan.

28. The Committee agreed to the proposal of SAI Norway for deferment of discussion on the remaining projects, and authorised the working group to reconstruct the remaining 7 projects in the light of the work done in the current 3 projects.

29. The committee also decided that SAI-Norway would circulate a report on the same to all member SAIs before the next meeting of the Committee in Bhutan.

Cooperation with IDI

30. Mr. Magnus Borge 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. While appreciating the efforts of IDI, the Committee requested for enhanced support in capacity building.

Dates for the 14th Meeting of the Committee

31. Mr. Dasho Kunzang Wangdi of SAI-Bhutan, the host of the 14th Meeting of the Committee, proposed April 25th to 1st May 2005 as the dates for the event, with Committee meeting on April 27th and 29th. He also reported on the preparations for the committee meeting. The committee adopted this report subject to the modification that the Performance Audit Seminar will not be held at Bhutan.

Preparations for the 15th Meeting of the Committee

32. Mr. Walton Alencar Rodrigues, Minister, SAI-Brazil reported on the preparations for the 15th Meeting. He mentioned that the meeting would be held in 2006 at Brasilia, Brazil. A detailed programme would be presented at the next year's meeting to be held in Bhutan. It was agreed that working seminar may be held only once in three years.

EUROSAI IT Working Group

33. Mr. Thomas Wijsman of SAI-Netherlands presented a report on the work being done by the EUROSAI IT Working Group. He informed the Committee about the progress made in the "Self Assessment Pilot Study" being done in four countries based on the CobiT framework, and that the results would be made available on their website in a few months, once the study is completed. He also briefed the Committee about the other important projects being undertaken by EUROSAI IT Working Group, namely, Electronic Records Management, Audit of Treaty , e-Government, and Inventory of IT Training Courses.

34. While appreciating the initiatives taken by the EUROSAI IT Working group, the Committee agreed that greater liaison and co-ordination with the parent INTOSAI standing Committee would ensure optimum utilization of the limited resources of the member SAIs.

Closing Remarks

35. While summarizing the major decisions taken in the meeting, the Chairman thanked all members of the committee for their active contribution to the meeting. He also thanked SAI-Russian Federation for their efforts in organizing and hosting this meeting and declared the meeting closed.