

**MINUTES OF THE 14<sup>th</sup> MEETING OF THE INTOSAI  
STANDING COMMITTEE ON IT AUDIT  
PARO, BHUTAN (27-29 April, 2005)**

The 14<sup>th</sup> meeting of the INTOSAI Standing Committee on IT Audit was held in Paro, Bhutan from 27<sup>th</sup> to 29<sup>th</sup> April 2005. 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:

<b>SAIs</b>	<b>DELEGATES</b>
<b>Austria</b>	Mr. Bruno Walter
<b>Bhutan</b>	Mr. Dasho Kunzang Wangdi
<b>Bhutan</b>	Mrs. Lhaden Zom
<b>Bhutan</b>	Mr. Jamtsho
<b>Bhutan</b>	Mr. Dorji Tenzin
<b>Bhutan</b>	Mr. Tsheten Dorji
<b>Brazil</b>	Minister Walton Rodrigues
<b>Brazil</b>	Ms. Claudia Augusto Dias
<b>Canada</b>	Mr. Richard Brisebois
<b>China</b>	Mr. Dong Dasheng
<b>China</b>	Mr. Wang Zhiyu
<b>China</b>	Mr. Wang Ke
<b>China</b>	Mr. Tang Xiaojun
<b>China</b>	Mr. Chang Shutao
<b>France</b>	Mr. Beltran Calveyra
<b>India</b>	Mr. Vijayendra N. Kaul
<b>India</b>	Mr. P.R. Acharya
<b>India</b>	Mr. Jayant Sinha
<b>Israel</b>	Mr. Moti Nativ
<b>Japan</b>	Mr. Ryochi Doi
<b>Japan</b>	Mr. Akira Ishikawa
<b>Japan</b>	Mr. Uchida Toshihiko
<b>Kiribati</b>	Mr. Toromon Metutera
<b>Kuwait</b>	Mr. Osama Abdullah Al-Faris

<b>SAIs</b>	<b>DELEGATES</b>
<b>Kuwait</b>	Mrs. Yousif Al-Abdulrazzaq
<b>Lithuania</b>	Dr. Irmantas Aleliunas
<b>Netherlands</b>	Mr. A.J.R.M. Linders
<b>Netherlands</b>	Mr. Thomas Wijsman
<b>Norway</b>	Mr. Thor Kristian Svendsen
<b>Norway</b>	Ms. Erna Jorgensen
<b>Oman</b>	Mr. Nasser Mohamed Salim Al-Rawahi
<b>Oman</b>	Mr. Mohamed Moosa Ibrahim
<b>Pakistan</b>	Dr. Talat Imtiaz
<b>Pakistan</b>	Mr. Zia Akhtar
<b>Poland</b>	Mr. Piotr Jerzy Madziar
<b>Poland</b>	Mr. Pawel Jen Banas
<b>Russian Federation</b>	Mr. Alexander A. Piskunov
<b>Russian Federation</b>	Mrs. Alla V. Petrenko
<b>Russian Federation</b>	Mr. V. I. Bogachev
<b>Sweden</b>	Mr. Bjorn Undall
<b>Sweden</b>	Mr. Frank Gotte Lantz
<b>United Kingdom</b>	Mr. Stephen Doughty
<b>USA</b>	Mr. Keith Alan Rhodes
<b>USA</b>	Mr. Madhav Panwar
<b>Zimbabwe</b>	Mrs. Mildred Chiri
<b>Zimbabwe</b>	Ms. Josephine Mukomba

*Ms. Else Karin Kristensen and Mr. Pritom Phookun of INTOSAI Development Initiative attended the meeting as observers.*

At the outset, the Chairman welcomed all the members and expressed his gratitude to Mr. Dasho Kunzang Wangdi for hosting the meeting. Mr. Wangdi then welcomed all members to Bhutan.

**The Committee started its deliberations by taking updates on initiatives from previous meeting.**

**Into IT**

1. SAI, UK informed the Committee that there has been increase in circulation of the Committee journal '*into IT*'. The Committee was informed that the edition 20 of the journal covering Performance Audit seminar was published in September 2004, & edition 21 on CAATs has just been published in April 2005. It was also stated that for edition 22 there is already country focus articles on Sweden & Russia. Canada volunteered a country focus article for edition 23. Brazil, Austria, & Norway also volunteered to contribute articles. Bhutan proposed to present a country paper in the next meeting. The Committee supported the proposal of NAO, UK & decided that the main theme for the next edition (i.e.22) will be "e-government audit" reporting on the work of the Task Force, & for edition 23 it would be "electronic records & document management."

### **Committee Website**

2. SAI, UK, which has been hosting the Committee's website, informed the members that there has been increase in popularity of the website considering the steady increase in the number of website visits from under 2000 to around 30,000 per month. The Committee was also informed that NAO, UK has developed an "e-government audit" database in support of Projects 1, 3, & 7 of the Committee's programme on Auditing e-government. The database has the potential for expansion & can include the performance audit reference list.

### **Measures taken to counter fraud in IT Environment**

3. SAI, Netherlands explained the scope of the possible fraud project & requested for a small project group. China & Pakistan volunteered to join the project group to be coordinated by Netherlands. Sweden would

ascertain from their SAI if it would be of interest to them & inform SAI, Netherlands if they could participate. The Committee agreed with Netherlands that the bulk of the work of the project could start from 2006.

#### **Cross organizational country systems**

4. SAI, Netherlands gave an outline of the scoping paper on possible project on audit of cross country systems. SAI, Zimbabwe expressed that it was difficult as of now to audit treaties in their country. SAI, UK was of the view that this was beyond the scope of IT audit. SAI, USA mentioned constraints in their mandate to carry out compliance audit of treaties. It was decided that the scoping paper may be put on the Committee's website to elicit comments & reactions of members. Thereafter SAI, Netherlands may examine the matter further & bring it before the Committee after taking reactions into account.

#### **INTOSAI IT Audit Courseware**

5. SAI, Oman gave an update on the INTOSAI IT Audit courseware. A CD containing the courseware was provided to all members of the Committee. The Committee was informed that the courseware has been sent to IDI to develop it according to their methodology.

#### **Advanced Training Modules**

6. SAI, USA apprised the members that the development of the advanced training module on "Earned Value Management Analysis" has been completed & delivered to NAO & it is available on the website of the Committee. Various clarifications were sought by some members regarding the scope & applicability of EVA as an audit tool. SAI, USA

agreed to prepare a brief, to be put on the Committee website, to clarify issues raised. It was decided that IDI may have a look at the training module & see if it could be developed for use of auditors as per their methodology.

### **CAAT's for Non Financial Auditing**

7. SAI, Oman gave an update on their study of CAATs for non- financial audits. The final report is now available for reference of members.

### **Reference List of Material on Performance Audit**

8. SAI, UK informed the Committee about their ongoing work of maintaining a reference list of material on Performance Audit in the Committee's website & the database started in support of Committee's e-government audit project. The members were requested to add to the material considering the importance of Performance Audit to most of the SAIs.

### **Discussion on projects on Auditing e-government**

9. SAI, Norway presented the summary of the Task Force report on the Audit of e-Government project. SAI, Canada gave a presentation on project lifecycle issues & risk factors relevant to e-government audit. SAI, UK informed the Committee about the reference database on the Committee's website including how to submit information for inclusion in the database. It was followed by detailed discussion as clarifications were sought by some members. The identified & selected list of risks related to lifecycle of e-government will need to be updated as more experience is gained. The database needs to be maintained & analysed. SAIs must populate & make use of the database so that experience can be shared &

used to develop audit methods. It was decided that all SAIs will give their detailed comments on the report of the task force within 15 days & try to populate the database thereafter, within 6 months. SAI, Norway will examine the comments received for possible inclusion in the report, if required. It was also decided that SAI, Norway will be responsible for updating the risk document & SAI, UK will be responsible for maintaining the database. Letters will be issued by the Chair of ISCITA to all the SAIs to populate the database. The Committee agreed with the proposal of SAI, Norway that projects 2, 4, 5 & 6 may be postponed to commence in 2006. However the analysis of reports in the database & those which will be added could start this year. SAI, Norway will present a report to the Committee on the progress made at the next meeting.

### **Conducting a survey for future projects**

10. SAI, Norway proposed that a survey may be carried out among all SAIs to ascertain future topics that the Committee may focus on. It emerged during the meeting that the Committee already has in hand a few projects & an open-ended survey may lead to an unmanageable list of projects. It would be advisable to adopt a theme-wise appeal. Members were requested for possible themes. Sweden, Canada, Bhutan, Austria, USA, Netherlands & Poland proposed various themes. It was decided that these SAIs will send their views in writing to SAI, India. Other members may also write-in if they get some ideas at a later date. SAI, India will consult the members & a survey would be conducted, if required, later.

### **Updating the guidelines on Auditing IT Service Management**

11. SAI, Norway proposed that the Report of IT Infrastructure Management Project, which was completed in 2001, needs to be updated. It was decided that SAI, Norway will co-ordinate the updating of the report & USA, UK, Sweden, Japan, Russia & Lithuania will participate.

### **Use of modern technology in decision-making in INTOSAI**

12. SAI, India presented a draft concept paper on INTOSAI Online Collaboration Tool for use of modern technology in decision making in INTOSAI based on a request received from the Finance & Administration Committee of INTOSAI. SAI, USA expressed its willingness to participate in finalizing the paper. The perceived benefits of the proposed tool are reduction in costs of participation & interaction in INTOSAI besides facilitating quicker decision making. The risks of duplication of efforts by constituent bodies of INTOSAI will be reduced. SAIs of India & USA will finalise the tool & the paper.

### **Results of the 4<sup>th</sup> Performance Auditing Seminar (an evaluation report)**

13. SAI, Russia presented the Summary & Conclusions of the 4<sup>th</sup> Performance auditing Seminar held in Moscow last year. Thereafter SAI, Norway presented the Evaluation Report. The seminar was useful & relevant. The reports were adopted & it was decided to take note of the evaluation for future Performance Audit seminar.

### **Computersied Audit System**

14. SAI, Israel presented a country paper on "Computerised Audit File". The problems they encountered before going for the Compound Document Management System & the milestones they have set for implementation

were elucidated. SAIs of Poland, USA, UK, Netherlands, Sweden, Russia, & Zimbabwe shared their country experiences. SAI, USA specifically indicated that in their Peer Review conducted by four other SAIs this issue was highlighted. It was mentioned to the members that GWG will be requested to see if the Peer Review of USA could be made available to the Committee. Considering the interest evinced by the members it was decided that Israel could suggest the terms of reference for a possible future project on document & knowledge management. Israel would also send an article to NAO on their experience to be published in *"intoIT"*

#### **Experiences in auditing IT based MIS**

15. SAI, Pakistan presented their country paper on "IT Developments- Towards Audit of MIS." SAI, Zimbabwe, which had similar problems, would approach SAI, Pakistan to share their views. NAO would also approach Pakistan to know how the auditee profile databases are being managed.

#### **CAATs for non-financial Auditing**

16. SAI, Russia presented their country paper on "Application of the Data Envelopment Analysis Methodology & CAATS for non-financial audits." SAI, Russia will send an article on the subject to NAO to be published in *"intoIT"*

#### **Results of the EUROSIA IT Working Group's first work period**

17. SAI, Netherlands presented their report on EUROSIA IT Working Group's first work period. The experience shared by EUROSIA was appreciated by members.



### **Cooperation with IDI-Training Matters**

18. IDI informed the members of their mission & activities, survey conducted on training & capacity building needs in SAIs of developing countries, Champions programme in AROBOSAI & possible co-operation between ISCITA & IDI. It was decided that IDI will develop the existing products of ISCITA particularly the IT Audit courseware to start with as per their methodology.

### **UN-INTOSAI Seminar on audit of e-government**

19. SAI, Canada presented a summary of the draft report on the UN-INTOSAI Seminar on audit of e-government.

### **Venue for 15<sup>th</sup> meeting of the Committee**

20. SAI, Brazil apprised the members about the preparations for the 15<sup>th</sup> meeting of ISCITA.

### **Venue for the 5<sup>th</sup> Performance Auditing Seminar and the 16<sup>th</sup> meeting of ISCITA**

21. Proposals were invited from members for holding the 5<sup>th</sup> Performance Audit Seminar & the 16<sup>th</sup> meeting of the Committee in 2007. It was decided that SAI, Oman will host the 5<sup>th</sup> Performance Audit Seminar & the 16<sup>th</sup> meeting of the Committee in 2007.

### **Closing Remarks**

22. 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-Bhutan for their efforts in organizing and hosting this meeting and declared the meeting closed.