

**MINUTES OF THE 15th MEETING OF THE INTOSAI
STANDING COMMITTEE ON IT AUDIT
Brasilia, Brazil (17-19 May, 2006)**

The 15th meeting of the INTOSAI Standing Committee on IT Audit was held in Brasilia, Brazil from 17th to 19th May, 2006. 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> |
|------------------------------|-----------------------------------|
| Antigua & Barbuda | Ms. Vitus V. Joseph |
| Austria | Mr. Bruno Walter |
| Bhutan | Mr. Jamtsho |
| Bhutan | Sr. Khandu |
| Brazil | Claudio Castello Branco |
| Brazil | Andre Luiz Pacheco |
| Brazil | Daniel Dias Pereira |
| Brazil | Claudia Augusto Dias |
| Brazil | Chen Wen Lin |
| Brazil | Roberta Ribeiro Martins |
| Brazil | Marco Antonio Cavalcanti |
| Brazil | Carlos Renato Braga |
| Brazil | Harley Alves Ferreira |
| Brazil | Antonio Martins Junior |
| Canada | Mr. Richard Brisebois |
| China | Mr. Dong Dasheng |
| China | Mr. Wang Zhiyu |
| China | Mr. Wang Hua |
| China | Mr. Deng Rui |
| China | Ms. Li Lei |
| China | Mr. Chang Shutao |
| France | Mr. Beltran Calveyra |
| India | Mr. Vijayendra N. Kaul |
| India | Mr. P. R. Acharya |
| India | Dr. Ashutosh Sharma |
| Japan | Sr. Ryoichi Doi |
| Japan | Sr. Hideastu Tomisawa |
| Japan | Sr. Tomoshiro Shinozaki |
| Japan | Sra. Takako Nishimura |
| Kuwait | Sr. Mohammad A. Ahmad |
| Kuwait | Sr. Osama A. Al-Faris |
| Netherlands | Mr. Thomas Wijsman |
| Norway | Mr. Thor Kristian Svendsen |

| <i>SAIs</i> | <i>DELEGATES</i> |
|---------------------------|--|
| Norway | Mr. Sigmund Nordhus |
| Oman | Mr. Nasser Al-Rawahy |
| Oman | Mr. Abdulhameed A. Al-Kiyumi |
| Oman | Mr. Abdulameer Sabah |
| Pakistan | Mr. Mansoor Ali Sheik |
| Pakistan | Ms. Talat Imtiaz |
| Peru | Lic. Juan Carlos Segura Vasquez |
| Poland | Ms. Katarzyna Bednarz |
| Poland | Mr. Slawomir Grzelak |
| Qatar | Mr. Mohamed Ali Al-Qayad |
| Qatar | Mr. Subramanian Krishnan Sangaran |
| Russian Federation | Mr. Alexander Piskunov |
| Russian Federation | Mr. Solodov Alexey |
| Russian Federation | Mr. Beskrovny Vladimir |
| Sweden | Mr. Bjorn Axel Albert Undall |
| United Kingdom | Mr. John Thurley |
| USA | Mr. Madhav Singh Panwar |

Mr. Bernt Nordmark and Mr. Pritom Phookun of INTOSAI Development Initiative attended the meeting as observers.

At the outset Mr. Adylson Motta, President of the Brazilian Court of Audit welcomed all the delegates to Brazil. Mr. V. N. Kaul, C&AG of India & Chairman of the Committee expressed his gratitude to Mr. Adylson Motta for hosting the meeting.

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

1. Into IT

- 1.1 SAI UK highlighted the relevance of the journal to the INTOSAI fraternity & the steady increase in its circulation. It was mentioned that the journal is distributed to over 180 SAIs. The Committee was informed that the 23rd edition of 'intoIT' with the theme of electronic documentation is ready and would be shortly hosted on the website.
- 1.2 SAI UK sought the views of the members on the themes for the 24th and the 25th issues of the journal.
- 1.3 SAI Pakistan proposed to contribute a country focus article for the 24th issue of the journal (October 2006). SAI Brazil also mentioned that it would

contribute a country focus article for either the 24th or the 25th issue. SAI Austria proposed to contribute a country focus article on SAP in Public Sector for the 25th edition. SAI Netherlands proposed to contribute an article on IT Governance for the 25th issue.

1.4 The committee accepted the proposal of SAI Netherlands that the theme for the 24th edition may be 'Training in IT Audit'. SAI, Qatar proposed to contribute an article on behalf of ARABOSAI. SAI, Japan, being the training administrator of ASOSAI, was requested to contribute an article on Training in IT Audit on behalf of ASOSAI. SAI, Netherlands agreed to contribute to article on training in IT self assessment activities of EUROSAI. IDI was also requested to contribute an article on IT audit related training programmes. SAI, USA agreed to submit a paper on IT audit training from an external perspective. SAI, Brazil stated that it would contribute an article on IT audit training in OLACEF region.

1.5 SAI UK, the editor of intoIT, was requested to write to all regions not represented in ISCITA to contribute articles on IT audit related training programmes in their respective regions. It was also mentioned that the members may give their comments on the general approach and flavor of the journal to SAI, UK directly.

1.6 The committee also accepted the proposal of SAI USA that the theme for the 25th issue of the journal may be 'IT Governance'.

2. REPORT ON COMMITTEE WEBSITE:

SAI, UK informed that the service supplier for the website has been changed and hence comparison of the statistics of the previous period for the website would not be useful presently. SAI, UK also called for more contribution for the e-government database and for other material to be hosted on the website. It was stated that the SAI Russia has translated some material of the IT Committee in Russian for the benefit of Russian speaking countries. SAI, UK also raised the issue pertaining to the copyright of the material hosted on the website. SAI, USA stated that they would ensure in future that such problems do not recur. The committee emphasized the need for raising awareness about the copyright and data-right issues. SAI, USA informed that it is working on two advanced training modules which would

be given to SAI, UK after addressing the issues relating to copyright and data-right. SAI, China appreciated the IT Audit Committee's website. It was mentioned that they have provided a link for the ISCITA website on their SAI's website and they also maintain a separate website containing golden IT products which is regularly updated on the changes in the ISCITA website. SAI, Oman mentioned difficulties in maintaining the Arabic site. SAI, Kuwait expressed interest in maintaining the site. The committee decided that SAI, Kuwait may discuss with SAI, Oman the question of possible maintenance of the Arabic website and report to the committee in the next meeting.

3. MEASURES TAKEN TO COUNTER FRAUD IN IT ENVIRONMENT

SAI, Netherlands informed the committee that because of scarce resources the project could not be started as the ongoing activities took somewhat longer to be completed. They will now get the project off the ground in collaboration with SAI China and Pakistan and also approach SAI, Sweden regarding its interest in joining the project.

4. AUDIT OF CROSS ORGANIZATIONAL COUNTRY SYSTEMS

SAI, Netherlands informed that only one response was received on their scoping paper. The Committee asked SAI, Netherlands to elaborate the existing scoping paper to provide a clear focus of the project so that the members may get an opportunity to respond to the updated scoping paper. If the response is weak the Committee can consider dropping the project.

5. INTOSAI IT AUDIT COURSEWARE

SAI, India presented its report on the INTOSAI IT Audit courseware. SAI, Qatar made suggestions to include the CoBIT framework and the various approaches to software system development other than SDLC. SAI, India informed the members that updation is in progress and suggestions may be sent to SAI India at the earliest. SAI Qatar, if willing, could join in the revision process. SAI, Netherlands stated that it would be useful to get EUROSAI perspective on e-learning. IDI responded that the e-learning module caters to the three English speaking regions of ASAOSAI,

CAROSAI and ARABOSAI and the prototype has been developed for use by developing members.

6. REFERENCE LIST OF MATERIAL ON PERFORMANCE AUDIT

SAI, UK stated that the performance audit reference material provided an up-to-date range of information of interest to the IT audit community. Members were informed that the material on performance audits received from them with hyperlinks to the source material of the member SAIs is checked periodically to ensure that the links remain valid. Members were requested to contribute more actively in providing performance audit reference material to SAI, UK for uploading on the website.

7. DISCUSSION ON PROJECTS ON AUDITING E-GOVERNMENT

- 7.1 SAI, Canada made a presentation on behalf of the Task Force on ‘Auditing e-Government’ regarding their proposal to drop seven projects on e-Government (i.e. number 2, 4, 5, 6, 8, 9 & 10). However SAI, Canada proposed taking up the project on ‘Elaborate on e Government risks’ out of the five new topics proposed by the Task Force. SAI, USA agreed to lead the project with SAI, Canada agreeing to participate; other members of the Task Force agreed to cooperate on this project. SAI Brazil also showed its willingness to join the project.
- 7.2 For the rest four out of the five projects proposed by the Task Force SAI, USA agreed to develop scoping papers. SAI, Norway agreed to assist in this work. SAI, USA stated that the scoping paper would be ready by end of August 2006 for circulation to members for comments.
- 7.3 SAI-India proposed to retain four of the seven projects proposed for dropping by the Task Force i.e project number 2, 4, 5 and 6 as they relate to information and knowledge sharing objectives of the Committee in the field of e-Governance. SAI, India expressed its willingness to lead the work on completing these four projects. This was welcomed by SAI, Canada and SAI, USA who informed their willingness to join the project as members. SAIs of Norway and UK also agreed to be members of the project team. SAI Sweden mentioned that it would consider joining as a member of the

project team but would convey its final decision later. The Committee agreed to drop the remaining projects number 8, 9, & 10.

8. UPDATING THE GUIDELINES ON AUDITING IT SERVICE MANAGEMENT

SAI, Norway presented a report on the survey on the use of ITSM guidelines. It was mentioned that as the use of the guidelines was limited there was little interest in the updation of the guidelines. The Committee agreed with the proposal of SAI, Norway that work on updation need not be taken under the aegis of this committee.

9. FUTURE PROJECTS: SURVEY RESULTS:

SAI, India presented a report on the responses received from the members on the survey for future projects and it was decided that out of the surveyed projects 5 would be taken up.

➤ **Project 1: IT Governance**

Project Leader: SAI, Canada. SAI, Netherlands to assist in the scoping work. The scoping paper is to be ready by end of August 2006.

Project Members: SAIs of Bhutan, Brazil, India, Netherlands, Oman, Norway, Russia, United Kingdom, Japan (comments only); SAI Sweden to confirm later.

➤ **Project 2: IT Tools for Electronic Audit papers.**

Project Leader: SAI, Poland

Project Members: SAIs of Pakistan and UK. SAI, Poland will contact SAIs of Slovakia and Zimbabwe regarding their willingness to participate in the project as they had shown interest in this survey.

➤ **Project 3: Elaborate on E Government Risks**

Project Leader: SAI, USA. SAI, Canada to assist.

Project Members: SAIs of Brazil, Canada, Norway, India, Oman, Poland and UK. SAI Sweden and SAI Japan to confirm later.

➤ **Project 4: SAP in Public Administration (To be taken up after Mid 2007)**

Project Leader: SAI, Netherlands. SAI Austria to help in preparation of the scoping papers.

Project members: SAIs of Austria, Qatar and Russia.

- **Project 5: Auditing Application/ Software development (To be taken up in 2007).**

Project Leader: SAI, China

Project members: SAIs of Bhutan, Kuwait and Pakistan.

10. 5TH PERFORMANCE AUDITING SEMINAR

SAI, Netherlands proposed the theme of ‘IT Governance’ for the 5th Performance Auditing seminar to be held in Oman in 2007. This was seconded by SAI Canada. SAI Oman proposed the theme ‘IT Tools for improving Audit effectiveness’ and SAI Pakistan proposed the theme ‘Key Performance Indicators for IT Audit’. It was felt that as IT Governance was also the most preferred topic in the survey undertaken for future projects, the Committee agreed to the theme proposed by SAI, Netherlands. The themes proposed by SAIs of Oman and Pakistan would be considered for future seminars. SAI, USA agreed to be the coordinator for the seminar and SAIs of Canada and Netherlands expressed their willingness to assist SAI, USA. The committee decided that SAI USA will be the coordinator for the 5th Performance Auditing seminar and SAIs of Canada, Netherlands and Oman will be on the Editorial Board.

11. Detailed program for the 5th Performance Auditing Seminar & the 16th meeting of the Committee

SAI, Oman presented its report on the preparations for the 5th Performance Auditing seminar and 16th meeting of the committee to be held in the first week of March 2007. The committee appreciated the efforts being made by SAI Oman and looked forward to another successful performance auditing seminar and the next meeting of the committee.

12. COUNTRY PAPER PRESENTATIONS:

12.1 Bhutan: Audit Information Management System

SAI, Bhutan made a detailed presentation on the topic and apprised the committee members about the progress achieved in the field and its future plans for audit of Information Management Systems.

12.2 China: Characteristics of IT Related Fraud

SAI, China made a presentation detailing various intricacies of IT related fraud and their experiences in such audits and apprised the members about the Golden IT Project and the research conducted by SAI China in the field. SAI, Brazil presented a report on their experience in such audits.

12.3 Qatar: IT activities in State Audit Bureau, Qatar

SAI, Qatar made a presentation on the ongoing activities and the capacity building programme in the SAI, Qatar and also apprised the committee about some recent IT Audits undertaken by SAI, Qatar.

12.4 Russia: Development of Informational Support for Non-Financial Audit

SAI, Russia made a presentation on international support for non financial audit and DEA approach for performance audit. It also stated that it can contribute an article to the intoIT journal. The offer was accepted by SAI UK.

12.5 France: The audit of the French Ministry of Justice Information System: a methodology

SAI, France made a presentation detailing the procedures being followed in their SAI for audit of IT Systems in the French Ministry of Justice including the assessment of the quality of IT supplies, applications, adequacy of human resources, impact on productivity and reform of the state processes.

13. REPORT ON EUROSAI IT WORKING GROUP

SAI, Netherlands apprised the committee on the developments in the EUROSAI working group on IT and made a presentation on the IT self assessment methodology developed by the working group. SAI Poland made a presentation on the framework to audit e-Government. Committee appreciated the efforts made by the EUROSAI IT working group.

14. COOPERATION WITH IDI

The representatives of IDI briefed members about its pilot project on the e learning module for training on IT Audit. The deployment is expected to be in September 2006. The members were also informed that a prototype has been developed. IDI, alongwith the Subject Matter Experts from SAI India and USA demonstrated the prototype module on management controls. The

Committee approved the prototype and asked IDI to go ahead with the development of the rest of the module.

IDI informed the members about the IT Audit Champions Programme in ARABOSAI. It also informed the Committee about its Strategic Plan 2007-2012.

15. VENUE FOR THE 17TH MEETING OF ISCITA

Proposals were invited from members for hosting the 17th meeting of the Committee in 2008. SAI, Japan proposed hosting of the 17th meeting of the Committee in 2008. SAI, Qatar offered to host the 18th meeting of the Committee in 2009. The Committee agreed to the proposal of SAI, Japan and thanked it. The Committee noted the offer made by SAI, Qatar for hosting the 18th meeting of the Committee in 2009 and decided to respond at the next meeting.

16. CLOSING REMARKS

The Chairman summarized the major decisions taken in the meeting and thanked all members of the Committee for their active participation & contribution to the meeting. He also thanked Mr. Adylson Motta, President of the Brazilian Court of Audit and his officials for their efforts in organizing and hosting this meeting & declared the meeting closed.