

IT Audit Guidance & Electronic Tool

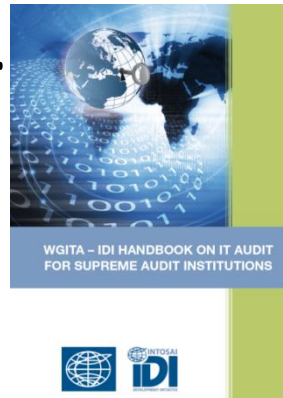


Team

- USA - Lead
- Poland
- Portugal
- Iceland
- (India)

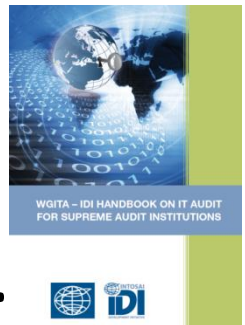
Background

- The original WGITA – IDI Handbook on IT Audit was released in 2014 and integrated training and related audits conducted by over 20 SAIs in the AFROSAI region. The following year training and related audits were conducted by approximately 30 SAIs in EUROSAI, ASOSAI, and a few in CAROSAI. It has been translated to over 4 languages and is the only WGITA product in general use.



Update Process

- Since it has been about 4 years since we started the content building process, it is time to update the document and bring it in line with current IFPP framework.
- USA requested all WGITA members to provide input to the original Handbook.
- SAIs Brazil, Indonesia, Iceland, Lithuania, Poland, USA, and Portugal provided input.



Input

- Brazil – Open Data Audit
- Indonesia – Rollout of e-Services
- Iceland – Audit Process Guidance
- Lithuania – Overall Comments on Criteria
- Poland - Upgrade of financial management IT system
- US – Automated Land Registry Audit
- Portugal – Tool Automation

Comment Integration

- SAI India, *Shefali Andaleeb*, who oversaw the creation of the last version, reviewed all the provided input materials diligently.
- Unfortunately, there was no uniformity in the products received from the member SAIs.
- While some followed the Handbook's 'look and feel', others used alternative approaches.

Comment Integration Continued

- The team had numerous phone calls to discuss the way forward.
- In the end it was felt essential to maintain the ‘look and feel’ of the existing Handbook while at the same time, not lose the knowledge provided in the delivered materials.
- At the same time, the FIPP guidance was being developed

Upgrade

- Poland & Portugal jointly devised the automated Tool and incorporated the idea of Use Cases as a “plug in”
- There is now an automated tool facilitating the use of the guide.
- Comments provided by the respective SAIs have been integrated as a Plug In.
- Comments that did not follow any defined format, or provided useable guidance on IT Audit or methods, were rejected by the team.

Handbook Upgrade - Plug In

- A Plug In contains:
 - A description of the area (Financial System Upgrade, Land Registry, e-Services Rollout, etc.)
 - High Risk Domains that the audit should cover (IT Governance, Security, etc.)
 - All associated Audit Matrices, including required information, analysis method, etc. to conduct the audit.

Sample Plug In – Land Registry

- Description:

Functional Area Matrix for Land Registry & Assessment Automation

Description

The agency responsible for the registration of land and property transactions, i.e., sales, transfers, inheritance, etc. is being audited to ensure that the registration, collection, and other information has been accurately transferred to the new system and that the collections are in accordance with the law and evenly enforced.

Major issues that might arise in this audit include:

Accuracy of data transfer from paper to electronic records (parcels, addresses, owner records, etc.)
Accurate mapping of existing laws and regulation to the new system (tax rates, exemptions, waivers, thresholds, etc.).
Records retention in case of errors
Supervisory approval for modifications to data
Security and other controls
Report generation and dissemination
Backup & Recovery
Revenue collection & follow up on delinquent taxpayers, other business process areas

Note:

This has the potential to be a big audit. The SAI must decide what they would like to focus on. For example, they can omit the last point under major issues since that gets into the performance measures and how effective the entity is at collecting taxes. Or the SAI can choose to incorporate that into the audit. The audit can also focus on the financial management issues for all of the collections and refunds (if any) given to taxpayers. Any SAI taking up similar audits will have to prioritize their resources and scope the audit accordingly. For this example, the matrix will be limited to IT issues and related controls. We will ignore the business or operational side. The SAI can decide to make that part of this or a subsequent audit.

The following domains seem most relevant for this audit:

Chapter 4, IT Operations

Reason: To ensure things are running smoothly after transition

Chapter 6, BCP & DRP

Reason: To ensure that all continuity and contingency plans are working

Chapter 7, Information Security

Reason: Existing and any new security concerns are implemented and tested

Chapter 8, Applications Controls

Reason: Existing and modified logic in the processing is correctly transitioned

Sample Plug In – Land Registration

- Folder Structure & Matrix
- Land Registration
 - IT Operations
 - IT Service Management
 - Effectiveness

Working Paper

	SAI IDENTIFICATION		Record:	
			Area:	
			Ref:	
			Index:	
Audit/Entity:				
Performed by		Date	Reviewed by	Date
Subject:				

Service Management	
Audit objective: To assess whether the IT organization is actively monitoring IT operations against agreed to internal Service Level Agreement or contract.	
AUDIT Issue: Effectiveness - Does the management of IT services ensure satisfaction of business users and help meet business objectives of the organization?	
Criteria: Achievement of performance metrics that are aligned to business needs and goals.	
Information Required Help desk reports, Minutes of meetings between business stakeholders and IT organization, Agenda items for SLA review cycles Incentive and penalty clauses (especially important if IT support services are outsourced)	Analysis Method(s) Interview a sample of business users (at various levels) or conduct a satisfaction survey about the Quality of services by the help desk and IT support group. Review help desk reports to check whether a significant proportion of critical service issues were prevented before reported by users. Check whether the resolution time for reported issues were less than the parameters set in the SLA. Check whether SLA parameters were being reviewed by management periodically and examine QoS issues.
Audit Conclusion: To be filled in by auditor	

Handbook Update Completed

- Plug Ins added By The Upgrade Team:
 - Land Registration
 - Upgrade of Financial Management
 - Rollout of e-Services
 - Open Data Audit
- IT Audit Process
- ISSAI 5300 References
- Obsolete Appendix Removed
- Concept of future upgrades prepared

FIPP, IFPP, GUID, & IT Guidance

- The FIPP (Forum for INTOSAI Professional Pronouncements) has defined the IFPP (INTOSAI Framework for Professional Pronouncements) and guidance documents called GUIDS.
- Under the IFPP framework, all guidance like the IT Handbook will be under the pronouncements known as GUIDS.
- The IT Audit Handbook will be updated to follow the *GUID template* and re-worked into the IT Audit Guide.
- It will additionally incorporate new or updated technical chapters on Cybersecurity, Cloud Computing, Big Data and others identified in future meeting.
- Non-technical areas to be updated or incorporated include but are not limited to, audit initiation, planning, evidence gathering, quality assurance, reporting, and auditor independence. These will bring it to the Guide as proposed by the IFPP.
- It is critical that these areas not be duplicated across WGITA. That is a waste of resources and could lead to conflicting information. We are working with our liaison, Einar Gørrissen, to ensure these areas are at the level of a Guide and contain information that is consistent with current guidance.
- We propose to keep the IT Audit Guide a living document via use of the Plug In and periodic updates of the “core” if appropriate.
- The FIPP has been briefed of this approach and they concur with this plan.

Future Upgrade Concept

- Plug-In will be the way forward on any new technical projects wanting to add, share knowledge, or provide new areas of IT Audit.
- The IT Audit Guide along with the associated Plug Ins have been approved by the INTOSAI Framework of Professional Pronouncements (IFPP) as an acceptable mechanism to share knowledge and provide succinct IT Audit information to SAI members.

Plug In

Auditors need both, descriptive materials and specific audit tools for associated areas or domains of IT Audit – Plug Ins actively facilitates this.

Plug In facilitates a gradual improvement and enhancement of the IT Audit Guide

IT Audit Guide and Plug In are in use by WGITA members

Plug In provide knowledge sharing of actual IT Audits undertaken by SAIs

Active IT Audit Guide

- Dynamic content updated and managed by SAI Portugal & Poland
- Plugins provided by member SAIs
- ITAH Editorial Group, USA (Chair), Poland, Portugal, Iceland, will approve, edit, and recommend plugins for integration
- WGITA Web Site will host the Active IT Audit Guide and associated plugins
- 'Core' Handbook content may be updated as a Plugin after ITAH Editorial Group review and approval.

Active IT Audit Guide

- Hierarchical folder structure
 - Simplicity, easy to create manually, if desired
- Excel spreadsheet based
 - Economical and in general use
- VBA code
 - Provides macros & template processing

IT Audit Guide Plug Ins

- Description of the Audit or Area
- Functional matrices based on audits undertaken by the SAls
- Uses Guide matrix structure
- Requires auditor to think of logical audit structure and grouping of objectives
- Two types
 - **Standard** plugin - generated from within the tool to reflect a particular audit using the handbook
 - **Upgrade** plugin – generated manually utilizing the folder structure and blank templates – reflect a new area of IT Audit, or new matrices or objectives not currently in the handbook
- Both types serve to capture SAls knowledge in conducting IT Audits and make that experience available to the wider WGITA community

Preparing Standard Plugin

- Create a description of the audit topic in MSWord or other text editor, name file “Audit.Description”
- Select Domains, Objectives, and issues from within the tool as you would to create an audit plan, click “create plugin”

Preparing Upgrade Plugin

- Create a description of the audit topic in MSWord or other text editor, name file “Audit.Description”
- Prepare a three level folder structure:
 - Name of Audit or Area (e.g., Tax Assessment)
 - IT Domain (use from handbook, if new area be certain it does not overlap with existing domains) (e.g., IT Security)
 - Objective (e.g., Awareness)
 - Fill out blank templates for what you want to assess
 - One template for each item

Deployment of New Plugins

- Once a member SAI creates a plugin
 - Zip and email file to Web Site
 - ITAH Editorial Board will review plugin
 - Make any changes, editorial, structure, etc.
 - Approve plugin for incorporation into tool
- Plugins may be rejected
 - If they do not follow the defined matrix template
 - Leave signification portions of the matrix blank (criteria, information required, etc.)
 - Provide only description with no matrices for audit support

Moving Forward

- The team will be working with Einar and other FIPP members to add process related content to fully develop this into an integrated WGITA Guide for IT Audit.
- This includes as previously mentioned both the technical areas (which will be augmented via plug-ins as needed) and the common SAI audit process, which currently are spread among the outdated ISSAIs.

Plan

- Please contact Madhav Panwar or Pawel Banās if you or your SAI would like to work on this effort.
- We will contact you and let you know your role and participate in forthcoming meetings.