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MINUTES OF THE 11th MEETING OF THE INTOSAI
STANDING COMMITTEE ON IT AUDIT HELD AT NEW
DELHI, INDIA ON 27th & 29th NOVEMBER 2002

The 11th Meeting of the INTOSAI Standing Committee on IT Audit was held at New Delhi, India on 27th and 29th November 2002. The meeting was presided over by Mr. Vijayendra N. Kaul, Comptroller and Auditor General of India and Chairman of the Committee. The following delegates attended the meeting:

<i>SAIs</i>	
Austria	<i>Mr. Bruno Walter</i>
Bhutan	<i>Mr. Minjur Dorji</i>
Bhutan	<i>Mr. Tshering Kezang</i>
Bhutan	<i>Ms. Dechen Pelden</i>
Brazil	<i>Mr. Adylson Motta</i>
Brazil	<i>Mr. Andre Luiz Furiado Pacheco</i>
Canada	<i>Mr. Richard Brisebois</i>
China	<i>Mr. Wang Zhiyu</i>
China	<i>Mr. Chang Shutao</i>
China	<i>Ms. Yang Li</i>
Cuba	<i>Ms. Maria Barroso</i>
India	<i>Mr. Vijayendra N. Kaul</i>
India	<i>Mr. P.K. Brahma</i>
India	<i>Mr. Narendra Singh</i>
India	<i>Mr. M.M. Arya</i>
India	<i>Dr. K. Subramanian</i>
India	<i>Mr. K.S. Subramanian</i>
India	<i>Mr. Deepak Narain</i>
India	<i>Mr. L. S. Singh</i>

India	<i>Mr. I.S. Gopinath Narayan</i>
Israel	<i>Ms. Ella Simchoni</i>
Japan	<i>Mr. Hirokimi Urano</i>
Kiribati	<i>Ms. Teea Tira</i>
Kuwait	<i>Mr. Abdul Rahman Al Thunayan</i>
Lithuania	<i>Mr. Dainius Jakimavicius</i>
Netherlands	<i>Mr. C.L. Wauters</i>
Netherlands	<i>Mr. Th. Wijsman</i>
Norway	<i>Mr. Magnus Borge</i>
Norway	<i>Mr. Thor Kristian Svendsen</i>
Norway	<i>Ms. Ase Gregersen</i>
Norway	<i>Ms. Erna Lea</i>
Oman	<i>Mr. Nasser H. Al Rawahi</i>
Oman	<i>Mr. Mubarak S. Al Naamani</i>
Oman	<i>Mr. Younis S. Al Tobi</i>
Oman	<i>Mr. K.R. Sriram</i>
Poland	<i>Mr. Pawel Banas</i>
Poland	<i>Mr. Krzysztof Szwedowski</i>
Russian Federation	<i>Mr. Vladimir I. Bogachev</i>
Russian Federation	<i>Mr. Vladimir I. Beskrovniy</i>
Russian Federation	<i>Mr. Mstislav P. Afanasiev</i>
Slovenia	<i>Ms. Anica Bratanic-Grandovec</i>
Sweden	<i>Mr. Bjorn Undall</i>
Sweden	<i>Mr. Frank Lantz</i>
Sweden	<i>Ms. Lena Ellwerth Stein</i>
United Kingdom	<i>Mr. Steve Doughty</i>
United States of America	<i>Mr. Keith Rhodes</i>
United States of America	<i>Mr. Madhav Panwar</i>
United States of America	<i>Dr. S.K. Sharma</i>
Zimbabwe	<i>Mr. Abduiman Eric Harid</i>

2. The Chairman welcomed all the members, especially the new members from SAIs of Bhutan and China, who were attending the meeting for the first time. He informed the committee that 50th INTOSAI Governing Board, in its meeting held at Vienna in October 2002, had agreed to the committee's proposal for changing its name from the '*INTOSAI Standing Committee on EDP Audit*' to the '*INTOSAI Standing Committee on IT Audit*'. He then outlined the agenda for the meeting, which had already been circulated to member SAIs.

'into IT':

3. SAI-UK reported that since the last meeting of the committee held in Slovenia in May 2001, 4 issues (editions 13 to 16) of the journal had been published. It invited the committee members to commit themselves to providing material/articles for the journal.
4. SAI-UK further made a mention that the thematic approach had been particularly difficult to sustain, as it had been experiencing difficulty in getting requisite material. The Committee appreciated this difficulty and deliberated on the issue of whether the thematic approach should be given up or continued. SAI-Austria suggested that each issue of the journal should have a main focus or headline, even though there could be a mix of articles. SAI-UK agreed with this proposal. Accordingly, the Committee decided to continue with the thematic approach for the time being. SAI-UK was, however, left with the discretion to adhere to the thematic approach or not, depending on the material available.
5. SAI-Netherlands and SAI-USA made a commitment to contribute an article to the journal once a year. SAI-Oman made a commitment to contribute an article on "*CAATs for non-financial audits*". SAI-Norway committed that it would contribute an article on possible usage of the '*IT Infrastructure project*'.

IT Audit Courseware:

6. SAI-Zimbabwe reported the present status of various modules, adding that there had been problems in updating the position owing to communication difficulties. It suggested that the distribution of courseware to different members could be channeled through the INTOSAI Development Initiative (IDI).
7. In the last meeting, it had been decided that updation and review of various modules by the responsible SAIs was to be completed before 30 September, 2001. The updated position of various modules (*as reported upon by responsible SAIs during the meeting*) is as given below:

Module	SAI responsible for updation	SAI responsible for reviewing	Present position of updating	Present position of Reviewing
<i>IT Awareness</i>	UK	Netherlands	<i>Completed</i>	<i>Completed</i>
<i>Business Continuity Planning</i>	UK	Netherlands	<i>Completed</i>	<i>Completed</i>
<i>IT Method Awareness</i>	USA	India	<i>Completed</i>	<i>Completed</i>
<i>IT Controls</i>	Russia	Oman	<i>In progress</i>	<i>In progress.</i>
<i>Computers Assisted Audit Techniques (CAATs)</i>	Oman	Kuwait	<i>Completed and sent to Zimbabwe in October 2002.</i>	<i>Likely to be completed within 2 months</i>
<i>Data Downloading and Conversion</i>	Oman	Kuwait	<i>Completed</i>	<i>Likely to be completed within 2 months</i>
<i>Audit of developing IT systems</i>	India	USA	<i>Completed</i>	<i>Completed</i>

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<i>IT Security</i>	Israel/ Netherlands	Austria	<i>Completed & sent to Zimbabwe</i>	<i>Likely to be completed by next year</i>
<i>Value for Money Audit</i>	Zimbabwe	Poland	<i>Completed but comments awaited</i>	<i>In progress</i>
<i>IT Audit Organization & Management</i>	Zimbabwe	USA	<i>Completed</i>	<i>Completed</i>

8. In some cases, SAI-Zimbabwe reported that it had not yet received the updated/reviewed modules, owing to communication problems. In such cases, the responsible SAIs promised to transmit the current position to SAI-Zimbabwe.
9. SAI-Russia reported that it had experienced some difficulty in updating the module on IT Controls. However, it promised to review the position in this regard at the earliest. SAI-Netherlands agreed to step in for completing the updation work of module, in case SAI-Russia still experienced difficulty.
10. SAI-UK agreed to make the material available on the committee web-site, as well as distribute CD-ROMs of the updated course material along with 'into IT'. The latter step would help SAIs that had difficulties in accessing the internet derive benefit from the material.
11. SAI-Zimbabwe would continue to coordinate updation and review of the course modules.

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INTOSAI EDP Directory and Compilation of SAI mandates:

12. SAI-India apprised the Committee that it had circulated a compilation of the mandates of SAIs in hard copy, as well as in soft copy versions, during the XVII INCOSAI held at Seoul in October 2001. The INTOSAI EDP directory had been circulated only in the soft copy version. All INTOSAI members had been requested to send updated versions of their mandates, a brief summary of the mandates and information for EDP directory at that time. A further request in this regard had again been made in June 2002.
13. In response, 11 updated mandates had been received. These updated versions were now available on the official web site of SAI-India, as well as on the official web site of INTOSAI, through a hyperlink to the web site of SAI-India, making a total of 142 mandates available on the web.
14. Brief summaries on the mandates of 81 SAIs were also available on the web, including 8 updated versions of existing summaries and one new summary.
15. The soft copy of the EDP directory presented to all SAIs during the XVII INCOSAI had contained information in respect of 113 SAIs. Since then, information from another 7 SAIs had been received.
16. The updated information in regard of mandates, brief summaries and EDP directory had been sent to SAI-UK for updating the committee web site.
17. The Committee noted the progress.

Reference List of Material on Performance Auditing:

18. SAI-UK reported that it continued to maintain and significantly expand the reference list of material on performance auditing on the Committee's web site. With an aim to provide a worthwhile and up-to-date range of information of interest to the IT audit community, it had divided the material into two main categories, namely:

- (i) *IT audit in the public sector (reports published by members of INTOSAI and by other public sector auditors) and*
- (ii) *IT related guidance (publications from public sector organizations, other organizations and professional and scholarly bodies)*

19. SAI-UK apprised the Committee that the approach was to provide a summary with hyperlinks to the source material on the Internet and to ensure the validity of these links from time to time. Printing facilities were available, on request, for those SAIs who could not access the material electronically. A feedback facility was also available on the web site to allow visitors to offer comments on the material. SAI-UK requested other SAIs to contribute more material for the list and to keep the available material updated.

Advanced Training Modules:

20. SAI-USA reported to the Committee that work on the Advanced Training Module on '*IT Investment Management*' had been completed.

21. It added that there was a proposal to develop a second Advanced Training Module on Cost Estimation techniques for audit, to complement the '*IT Investment*

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Management project. This technique was being used in areas like border control and security, customs services, US postal services etc. SAI-USA made a detailed presentation in this regard and mentioned that it would deliver the module to any interested member SAIs. The Committee noted that this was a very valuable topic/area.

22. SAI-USA offered to give training to the trainers of the modules, in cooperation with IDI. The committee appreciated this offer and decided that SAI-USA's consultations with IDI in this regard could proceed independently.

3rd Performance Auditing Seminar:

23. SAI-Slovenia presented before the Committee, all the 19 recommendations made jointly by the Seminar Editorial Board (*Coordinated by SAI-Sweden*) and the Seminar Organization Board (*Coordinated by SAI-Slovenia*) on the 3rd Working Seminar on Performance Auditing in IT environment held during May 14-16, 2001 in Ljubljana, Slovenia. It reported that these recommendations were aimed at improving the work of the future seminars.
24. SAI-UK apprised the Committee that the summary of the proceedings of the 3rd Seminar was available on the committee web-site.
25. The Committee welcomed the recommendations of the evaluation report and agreed that these may be taken into account when arranging future seminars. It also recommended that the lead paper authors be instructed to put forward to the committee suggestions concerning suitable project ideas.

IT related Fraud:

26. SAI-UK presented a status report on the project. The project was led by SAI-UK with the support from SAIs of Canada, France and Poland. The main components of the project, as previously agreed to by the committee, were:

- *An introduction to the topic*
- *A review of existing material covering the scale and nature of the problem, fraud detection and prevention*
- *A survey of SAIs to gather material on experiences, approach and good practices*
- *Good practice guidance*
- *New training material for updated courseware or advanced training and*
- *A glossary of terms and a bibliography*

27. SAI-UK reported that the first two components of the project – i.e. 'introduction' and 'a review of existing material' – had been completed in 2000. An agreed survey questionnaire had been issued to 170 SAIs in February 2001. In June 2001, a brief progress report had been issued, based on responses received to the agreed questionnaire. However, due to non-availability of resources to enable the project to proceed, there had been no substantive progress since then.

28. SAI-UK apprised the Committee that an analysis of the responses received revealed that SAIs' work in this area was not very well developed. Hence, the plan for this project to issue guidance and develop an advanced training module seemed over optimistic. The best that could be achieved was the preparation of a glossary of terms and definitions, as well as a bibliography of material, with a further project to draw up guidance.

29. SAI-UK reported that, while it was exploring possible alternative resourcing, it would welcome if any one of the support partner SAIs or another SAI could take the lead role in the project.

30. The Committee noted the constraints being faced by SAI-UK in completing the project. Accordingly, it approved the offer of SAI-Netherlands to take on the lead role in the project by incorporating a component on *'IT Related Fraud'* in the general survey on fraud that it was in the process of conducting. SAI-Netherlands also agreed to consult SAI-Japan in this regard, as the latter was conducting a similar project aimed at drawing up of ASOSAI guidelines for the audit of fraud (*due for completion by 2003*).

IT Infrastructure Management:

31. SAI-Norway presented its report on the status of the IT Infrastructure Management project. This project was being coordinated by SAI-Norway with the help of the SAIs of Canada, Japan, Russia, Sweden and UK. SAI-Norway mentioned that the final report was completed and submitted to member SAIs in October 2001. The main objective of the project was to provide an effective and efficient process for auditing IT infrastructure management. The project had developed guidelines for *'Auditing IT Service Management'*, as well as a glossary of terms to explain the terms used in the guidelines. These guidelines had also been made available on the committee web-site.

32. The Committee approved the report and decided that SAI-Norway could bring the material to the attention of EUROSAI IT Working Group.

Committee Web site:

33. SAI-UK presented its report on the committee web-site. It reported that the look and feel of the web-site had been revised once again in September 2002, with an aim to retaining a modern appearance, while, at the same time, maintaining the principle that the material should be easy to access and quick to find.
34. It informed the Committee that the background material on the web-site had also been updated and condensed to reflect the current organization of the committee, as well as its current work programme. Since May 2001, editions 13 to 16 of 'into IT' and an index of Committee members' web-sites had also been added. The list of reference material had also been expanded.
35. SAI-UK reported that they had removed the password protected facilities for document repository and discussion groups from projects that had now been completed and transferred the final material to the main site. The facility for IT Audit Expert Group pages had been closed because the maintenance cost was not good value for money.
36. SAI-UK reported to the Committee that the usage of the site continued to grow.
37. The domain names www.intosaiiedp.org and www.intosaiitaudit.org had earlier been registered for future use by the Committee. SAI-UK further reported that it had recently changed its web-hosting arrangements and it would now be relatively easy to set up the committee's web-site as an independent site, rather than as part of the NAO-UK web site.

38. The Committee complimented SAI-UK for bringing improvements and additions to the web site over the past 19 months. The SAls of India, Oman, USA and Zimbabwe agreed to assist and advise SAI-UK in bringing further improvement in the contents and presentation of the web-site.

CAATs for non-financial Audits:

39. SAI-Oman presented its draft report on this project before the Committee, giving the output of the research study in two parts – *Part 'A'* and *Part 'B'*. *Part 'A'* would comprise of generic guidance material on using CAATs for non-financial audits. *Part 'B'* would comprise SAI-specific material, including SAls' approaches to using CAATs for non-financial audits, as well as illustrative case studies.
40. The SAls of Canada, Netherlands, Norway and UK agreed to contribute/furnish comments on *Part- 'A'* of the report.
41. SAI-Oman made a request to member SAls to contribute material for both parts of the report, particularly *Part- 'B'*. It also requested member SAls to give their comments/suggestions on the draft report within 3 months.
42. The Committee noted the progress.

Work Plan 2002-2005:

43. The chair apprised the Committee that this meeting was the first one after the XVII INCOSAI meeting where the committee had presented its work-plan. This meeting, therefore, gave the committee an opportunity to determine a specific plan of action to implement the activities envisaged in its work-plan, leading to the next XVIII INCOSAI scheduled to be held in the year 2004.

44. The Committee discussed the status of the *'continuing projects'* and took note of the *'follow-up'* by the concerned SAIs *'on the completed projects'*. It then took up for discussion the progress made by different SAIs on the *'projects in new areas'*.
45. SAI-India made a presentation on a proposed project on *'e-government in taxation'*, which was one of the new projects to be taken up under the work-plan by the SAIs of Canada and India.
46. SAI-Norway proposed taking up a project on *'Auditing e-government'*. It also offered to coordinate the project, in case the committee took it up. The SAIs of Canada, Russia, Sweden, UK and USA also expressed an interest in joining the project group. However, it was felt necessary to first define the scope of the project, as there was a lot of material to be looked into. For this purpose, SAI-Norway proposed that a survey be conducted before starting work on any specific topic in this area. The SAIs of Netherlands and Norway would consult each other to avoid any overlapping of work with the EUROSAT IT Working Group. The committee approved these proposals.
47. Regarding the project on *'e-government in taxation'* proposed by SAI-India, it was decided that the SAIs of Canada and India would first define the specific terms of reference, so as to avoid overlapping with the project on *'Auditing e-government'* being taken up by SAI-Norway. SAI-Netherlands agreed to provide material on the use of IT audit in the Income-tax department. The SAIs of Canada and India, in consultation with SAI-Norway, could proceed ahead with the project, if it was found feasible to do so. If it was found that proceeding ahead on the project was not feasible, the two SAIs could jointly make a recommendation in this regard to the next committee, which could then take a formal decision on the matter.
48. SAI-USA agreed to share available material on the subject with the SAIs of India and Norway.

49. SAI-Sweden proposed that the committee extend invitations to the SAIs of Australia, New Zealand and Singapore to attend its meetings as these SAIs possessed knowledge of advanced applications in the usage of IT Audit.
50. Regarding the project on '*cross organizational country systems*', SAI-Netherlands agreed to prepare an inventory of cross-border systems relevant to this committee. SAI-USA, while broadly agreeing with this approach, stated that they, along with SAI-Netherlands, would first like to concentrate on a regional level. The committee agreed to these proposals.
51. SAI-India volunteered to take up the new project on '*Compilation of Cyber Law*'.

Cooperation with IDI:

52. IDI-Norway presented its views on the proposals made by various member SAIs regarding '*cooperation with IDI*'.
53. Regarding a suggestion made by SAI-Austria on setting up a link from the IDI home page to the home page of the INTOSAI Standing Committee on IT Audit, IDI-Norway mentioned that this had already been done.
54. IDI-Norway also agreed to both suggestions made by SAI-Zimbabwe regarding dissemination of training materials produced by the Committee and inclusion of IT issues on IDI's internet based electronic bulletin board.
55. A presentation on the ASOSAI training programme on '*Introduction to IT Audit*', (which had been delivered by IDI certified trainers, using IDI's participatory training methodology) held in March 2002 was made, as an example of IDI assistance to INTOSAI regions. CDs containing the course material, produced with IDI assistance, were also distributed to all delegates.

Hosts for the 12th and 13th Meetings and dates for the 12th Meeting:

56. The Committee approved the holding of the following meetings of the INTOSAI Standing Committee on IT Audit:

- The 12th meeting of the committee to be hosted by SAI-Norway at Oslo, Norway between 10-12 September 2003.
- The 13th meeting of the committee, as well as the 4th Seminar on Performance Auditing, to be hosted by SAI-Russia at Moscow in late-spring, 2004 (*the SAI of the Russian Federation would also act as the coordinator of the organisation board for the 4th seminar on Performance Auditing*).
- The 14th meeting of the committee to be hosted by SAI-Bhutan in 2005.
- The 15th meeting of the committee to be hosted by SAI-Brazil in 2006.

Theme for the next Performance Auditing Seminar:

57. On the choice of Theme for the 4th Performance Auditing Seminar, the following themes were discussed by the members of the Committee:

- **E—government:** *proposed by the SAI of Netherlands and Sweden (and supported by the SAI of UK and India)*
- **Problem of digital documentation and digital records preservation and accountability:** *proposed by SAI-Israel*
- **Assess how IT as an assisting tool can support the audit process in the field of performance audit:** *proposed by SAI-Norway*

58. SAI-Norway intimated that they would get back to the committee chair shortly on the issue of acting as coordinators of the editorial board for the 4th Seminar on Performance Auditing. The committee also decided to allow SAI-Norway to complete its survey before making a suggestion on a theme for the 4th Seminar.

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Other matters:

59. SAI-Netherlands made a presentation on the areas covered by the EUROSAT IT Working Group. It proposed that INTOSAT member countries should develop close cooperation with the EUROSAT Working Group by working out modalities of promoting and supporting further regional cooperation. SAI-Netherlands mentioned that while the EUROSAT IT Working Group would report to the EUROSAT Governing Board, it would work in close coordination with the INTOSAT Standing Committee on IT Audit. The Chair of the INTOSAT Standing Committee on IT Audit would be kept informed about all major steps taken by the working group and would be invited to all its meetings.
60. SAI-Netherlands apprised the committee that there had been little progress on the seminar on '*How to organize IT Audit functions*'. However, it would meet the interested parties – i.e. the SAIs of Germany, India, Poland, Sweden, Thailand and USA –to see how they could proceed further in this regard.
61. SAI-Poland mentioned that it had recently taken up two new IT projects on:
- (i) *Digital signature, as imposed by Polish law* and
 - (ii) *EXML (Extensible Mark-up Language)* –which SAI-Poland was using as a form to unify different kinds of documents.

It proposed to contribute an article on these two projects in '*into IT*'.

Closing remarks:

62. The Chairman thanked all members for their active participation and support to the proceedings. He then declared the meeting closed.