**Agenda item No. 11**

**Progress Report of the INTOSAI Working Group on IT Audit (WGITA)**

**<Salutation>**

I present this report on the activities and achievements of the INTOSAI Working Group on IT Audit (WGITA) since the XXI INTOSAI Congress (INCOSAI) held in Beijing, China in October 2013. As Chair of WGITA, we propose to present this report, with due modifications arising out of discussions today, to the INTOSAI Governing Board in its 66th meeting scheduled to be held in Vienna, Austria from 5 to 7 November 2014.

The XIII INCOSAI held in June 1989 approved the constitution of a Committee on IT Audit (now Working Group). This Working Group was set up to provide support to member SAIs in developing their knowledge and skills in the use and audit of Information Technology. Towards this end, the Working Group is mandated to provide information and facilities for exchange of experience, and to encourage bilateral and regional cooperation.

The WGITA fulfills its mission and mandate by implementing a triennial work plan and the various goals and projects it contains. Projects can be of a variety of types and include guidance papers, website related information, surveys and other audit material. It is the dedication and effort of individual SAIs, who lead and support projects as project leaders and members that make the WGITA work. The WGITA Work Plan (2014-2016) was approved by the Working Group in its 22nd meeting held at Vilnius, Lithuania in April 2013.

Regional working groups and networks exist in several of the INTOSAI regions. While they are independent of WGITA’s decision-making, they can play a crucial role in fostering regional dialogue and coordination. WGITA also works closely with INTOSAI Development Initiative (IDI), the training arm of INTOSAI, to coordinate its activities and prevent duplication of efforts.

**Membership**

Since XXI INCOSAI held in October 2013, SAIs of Zambia and Georgia have joined this Working Group as members. With this, the total membership of the Working Group now stands at 41 including one observer.

**Meetings**

The WGITA holds annual meetings where members present the status of ongoing projects and discuss and decide future projects. In addition, the WGITA holds in conjunction with its annual meeting, a triennial IT Audit seminar, using a theme that is current and relevant to most members. Members of the various individual projects may also meet during the year to work on ongoing projects at the request of the Project Leader.

The Working Group has held one meeting in February 2014 since the XXI INCOSAI 2013 i.e. the 23rd meeting of the Working Group at Kuwait City from 10-12 February 2014. The 24th WGITA meeting will be held at Warsaw, Poland on 11 and 12 May 2015.

**Activities of the WGITA**

The activities of this Working Group are grouped under three main categories, namely (i) information interchange, (ii) Knowledge and skill development, and (iii) development and transfer of knowledge.

1. **Information interchange**

The main platforms for information interchange are our journal ‘intoIT’, the Working Group *website* ([www.intosaiitaudit.org](http://www.intosaiitaudit.org/)) and the triennial Performance Auditing Seminars. I would like to place on record our appreciation to the National Audit Department of Malaysia for hosting the website and publication of ‘intoIT’ Journal*.*

1. **Knowledge and skill development**

The INTOSAI Working Group on IT Audit is cooperating with IDI and AFROSAI-E to support SAIs in that region to strengthen their capacity in the area of IT auditing. The output of this cooperation is a programme on IT Audit that covers both technical and auditing areas and focuses on the SAI staff engaged in carrying out such audits.

1. **Development and transfer of knowledge**

As already intimated, the WGITA Work Plan (2014-2016) had been approved by the Working Group in its 22nd meeting held at Vilnius, Lithuania in April 2013, including five projects for implementation during the period 2014-2016. The present progress of these projects is discussed below:

**Project 1: IT Governance**

The leader of the Project is SAI of Brazil and Project members are SAIs of the United States of America, India, Malaysia, South Africa, Kuwait, Kiribati and Lithuania. The project initiation document submitted by the project team has been approved by the Working Group in its 23rd meeting held at Kuwait City in February 2014. The project team is developing guide on IT Governance and will come up with the same before the XXII INTOSAI Congress in 2016.

**Project 2: Data Mining as a Tool in Fraud Investigation**

The project leader is SAI of South Africa and members includes SAIs of the United States of America, India, China, Korea, Zambia, Kuwait and Russian Federation. The project initiation document submitted by the project team has been approved by the Working Group in its 23rd meeting held at Kuwait City in February 2014. The project leader has requested all the team members to provide inputs on the fraud scoring model and the same are required to be submitted for consolidation by 30th November 2014. The project team will come up with a guide before the XXII INTOSAI Congress in 2016.

**Project 3: Development of Standards for State Information Systems and Project Audit**

This Project is being developed by SAI of Russian Federation as the Project Leader with the support of SAIs of the United States of America, India, Poland, Japan, Zambia, Zimbabwe and Slovakia. The project initiation document submitted by the project team has been approved by the Working Group in its 23rd meeting held at Kuwait City in February 2014. The project team will come up with standard for State information Systems and Project Audit before the XXII INTOSAI Congress in 2016.

**Project 4: Development of Data Interface Standard for Accounting Software**

The Project is led by SAI of China and supported by the SAIs of the United States of America, India, Poland, Indonesia, Malaysia and Kiribati. The project initiation document submitted by the project team has been approved by the Working Group in its 23rd meeting held at Kuwait City in February 2014. The project team has formulated outlines of the working draft Data Interface Standard for Accounting Software. The standard is scheduled for completion by the end of 2014 and thereafter the same shall be forwarded to the project working group for comments/suggestions. The project team envisages to accomplish the final draft international standard by 2016.

**Project 5: Development of ISSAI-5300 on ‘Guidelines on IT Audits’**

The Project team is led by SAI of India and SAIs of the United States of America, Brazil, Norway, Japan, Poland and Indonesia are its members. The project initiation document submitted by the project team has been approved by the Working Group in its 23rd meeting held at Kuwait City in February 2014. The ISSAI 5300 will be an overarching, general principles ISSAI on the fundamentals of IT Audit. The project team will identify the subsequent ISSAIs that may be attempted to be developed in due course. The project team shall disseminate a survey on IT Audit amongst INTOSAI community covering IT Audit practices, standards and manuals in use, etc. in order to determine the maturity and usage profile of SAIs world-wide in this area and generate a database on manuals and standards being used across the SAIs at present.

The project team has finalised the project proposal for development of ISSAI-5300. The exposure draft of the ISSAI-5300 would be prepared by the end of July 2015. The exposure draft would be open for comments for 90 days after the approval of the exposure draft by the KSC Steering Committee in its 7th meeting to be held in 2015. The draft ISSAI would be approved by the INTOSAI Governing Board meeting in 2015 for its endorsement to XXII INCOSAI in UAE in 2016. Therefore, the final draft of the proposed ISSAI is expected to be ready for approval in the XXII INCOSAI in 2016.

**Update on review of ISSAI 5310:**

The ISSAI 5310 on Information Systems’ Security Audit was due for review in 2013 and therefore, the project on updating ISSAI 5310 was taken up by the Working Group, for endorsement before the XXI INCOSAI held in Beijing, China in October 2013. The Working Group has also simultaneously taken up a project on development of an overarching ISSAI-5300 covering the general principles, approach and methodology of IT Audit which would then provide a natural succession to more specialized standards such as ISSAI-5310 on Audit of Security of Information Systems and other areas of IT Audit. The proposed ISSAI-5300 would thus significantly impact the framing of all subsidiary ISSAIs, including ISSAI-5310. Therefore, it was unanimously decided by the Working Group on IT Audit that the proposal of updating ISSAI 5310 may be deferred till such time the overarching, general principles ISSAI 5300 is in place.

I would like to thank all the members of the Working Group for their unhindered support in ensuring that the tasks taken up are successfully completed and public auditors continue to be at the forefront in the field of IT audit.

Thank you.