# **INTOSAI Working Group on IT Audit**

**PROJECT PROPOSAL**

# **Title:**

# **Development of a Level – 4 International Standard of Supreme Audit Institutions (ISSAI) on the General Principles of Information Technology Audit for inclusion in the ISSAI Framework**

### **Background:**

1. At present, there is only one ISSAI 5310 on Information Security Management Review in the series ISSAI 5300-5399. This ISSAI was due for review in 2013. However, the same can be taken up for review only after an overarching, general principles ISSAI on fundamentals of IT Audit is developed which further provides for framing of more specific guidelines in form of a series of ISSAIs on different facets of IT Audit. It follows that ISSAIs on more specific aspects of IT Audit will flow from the general principle ISSAI-5300 and can be developed only after ISSAI-5300 is in place.
2. The INTOSAI Working group on IT Audit (WGITA) considered the project proposal from SAI India to develop a general principles ISSAI 5300 : Guidelines on Information Technology Audits and included it in its work plan 2014-16 during its meeting at Vilnius, Lithuania (April 2013). The subsequent WGITA meeting in Kuwait (February 2014) approved the associated Project Initiation Document (PID). The Project Lead, SAI India, now seeks the approval of the INTOSAI KSC Steering Committee for the Project Proposal in this regard.

### **Purpose and Scope of the Project**

1. ISSAI 5300 is proposed to be an overarching, general principles ISSAI on fundamentals of IT Audit for the Series ISSAI 5300-5399 allocated to Guidelines on Information Technology Audits under ISSAI framework. ISSAI 5300 will, thus, further provide platform for framing of more specific guidelines in form of a series of ISSAIs on different facets of IT Audit.
2. The scope of the project to prepare ISSAI 5300 - Guidelines on Information technology Audit for inclusion in the ISSAI framework at level 4 emanates from the decision of INTOSAI WGITA to include the same in its work plan 2013-16 adopted in Vilnius, Lithuania in April 2013.
3. The project aims to develop the ISSAI 5300: Guidelines on Information Technology Audits to be used by auditors of SAIs following Due Process. The project will depend heavily on research work by the participating SAIs and vigorous interaction. The project may also need to carry out surveys to collate information from different SAIs. The ISSAI is a level 4 ISSAI and is thus to be used as a guide rather than a standard as at level 3 of ISSAI.
4. The proposed ISSAI shall be developed within the framework of ISSAI and follow the drafting conventions as approved by Professional Standards Committee (PSC) of INTOSAI.
5. The project will ensure that the basic nature inherent in IT Audits is appropriately linked/embedded with different forms of audit.

### **Planned ISSAI**

1. The proposed ISSAI 5300 would address the following issues:
   1. fundamentals of IT Audit; and
   2. practical issues that SAIs across the world face while conducting IT Audits such as
   3. how IT Audit is related to other types of audit;
   4. how IT audit can be used as a part of or in conjunction with non-IT audits; and
   5. Capacity of SAIs
   6. any other practical issues that SAIs may come up against
2. The ISSAI would be structured around following major sub-themes:
   1. Explanation of IT Audits
   2. Outlining the IT Audit Process
   3. Describing risk analysis approach for conducting IT Audits
   4. Identifying/ enumerating the techniques specific to conducting IT Audits
   5. Identifying/ enumerating the tools specific to conducting IT Audits
   6. Specify documentation requirements
   7. Outline the reporting mechanism in IT Audits.

### **Organisation and Process**

1. A project team was established within the Working Group on IT Audit in order to complete the project by 2016. The project team will consult the Knowledge Sharing Committee, Professional Standards Committee, Capacity Building Committee and other SAIs extensively prior to publishing the exposure draft for public comment.
2. There are four main stages in developing and issuing an ISSAI or INTOSAI GOV: the project proposal, the exposure draft, the endorsement version and the final endorsement. Indicative timelines for developing ISSAI-5300 are indicated below:

* **Stage-1: The Project Proposal**

The project proposal is proposed to be approved by the KSC Steering Committee in its 6th meeting to be held in Cairo, Egypt in October 2014.

* **Stage-2: The Exposure Draft**

The project group would prepare the exposure draft of the ISSAI-5300 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**.

* **Stage-3: The endorsement version**

The draft ISSAI would be approved by the INTOSAI Governing Board meeting in its meeting in 2015 for its endorsement to XXII INCOSAI in UAE in 2016.

* **Stage-4: Final ISSAI**

The ISSAI would be approved by XXII INCOSAI in 2016 and available for the entire INTOSAI community.

1. The project coordinator is the SAI of India. The following SAIs are project members:
   * SAI of Brazil
   * SAI of Indonesia
   * SAI of Japan
   * SAI of Norway
   * SAI of Poland
   * SAI of the United States of America
2. The project team plan to consult with a broad base of SAI representatives prior to publishing the exposure draft for comment. This includes discussions with other INTOSAI Working Groups as part of the development process in so far as there is a convergence and need for a harmonised approach on the role of IT Audit in their areas of focus.
3. The project will be carried out in accordance with the Due Process for INTOSAI Professional Standards, with specific focus on the requirements relating to the development of an ISSAI.
4. Should the project team during the execution of the project find that the planning, organisation or key project directions need to be revised, it will keep the KSC Steering Committee informed.
5. The following are proposed with relation to the ISSAI number and the work title for the proposed ISSAI:

ISSAI number: ISSAI 5300

Work title: Guidelines on Information Technology Audits

### **Approval of this project proposal**

1. This project proposal is presented for approval by the Knowledge Sharing Committee at its meeting in Cairo, Egypt, 14 – 15 October 2014.