**Agenda Item No. 11**

**Progress Report of INTOSAI Working Group on IT Audit, and discussion**

This report covers 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 also propose to present this report, with due modifications arising out of discussions today, to the INTOSAI Governing Board in its 68th meeting and the XXII INCOSAI scheduled to be held at Abu Dhabi, United Arab Emirates in December 2016.

**About WGITA**

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 (2017-2019) was approved by the Working Group in its 25th meeting held at Brasilia, Brazil in April 2016, which comprises five projects.

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. In addition to AFROSAI-E and ISACA, the WGITA also works closely with INTOSAI Development Initiative (IDI), to coordinate its activities and prevent duplication of efforts.

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.

**Organization**

The INTOSAI WGITA is a volunteer organization with a number of distinct bodies and players, each with associated responsibilities. These include the Chair and Secretariat, the WGITA assembly, Project Leaders, and member SAIs.

**Membership:**

Since XXI INCOSAI in October 2013 at Beijing, China, SAIs of Fiji, Georgia, Mauritius, Mexico and Zambia have joined this Working Group as member whereas AFROSAI-E and ISACA have joined as an observer. With this, the total membership of the Working Group now stands at 48 including four observers.

**Meetings:**

The WGITA holds its annual meetings where members present the status of ongoing projects and discuss and decide the future projects. The members/observers also presents country papers on variety of topics relating to IT Audit. 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 three meetings since the XXI INCOSAI. The 23rd WGITA meeting was held in Kuwait City, Kuwait in February 2014 and the 24th meeting was held at Warsaw, Poland in June 2015. SAI of Brazil hosted the 25th meeting of WGITA and the 8th Performance Auditing Seminar on IT Audit in Brasilia, Brazil in April 2016. Following topics were discussed in the 8th Performance Auditing Seminar:

**Main Theme: Data Analysis**

**Theme 1: Performance Audit Data Analysis & Readiness; and**

**Theme 2: Moving Towards Big Data Audits**

**Activities of 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: 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 of the efforts of the National Audit Department of Malaysia in hosting the website of the Working Group*.*

1. **Knowledge and skill development:**

The INTOSAI Working Group on IT Audit is cooperating with IDI, ISACA and AFROSAI-E to strengthen capacity of SAIs in 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. Presently, a Global Capacity Development Programme on IT Audit, launched by IDI in 2014, is going on, in which 40 SAIs from ASOSAI, AFROSAI-E, CAROSAI, EUROSAI and PASAI are participating. The Audit Planning Meetings of this programme were held at iCISA, Noida, India (for SAIs from ASOSAI and PASAI regions) and at Warsaw, Poland (for SAIs from AFROSAI-E, CAROSAI & EUROSAI regions). The Audit Review Meetings were held at Kuala Lumpur, Malaysia (for SAIs from ASOSAI and PASAI regions) and at Budapest, Hungary (for SAIs from AFROSAI-E, CAROSAI & EUROSAI regions).

1. **Development and transfer of knowledge:**

The Working Group had successfully undertaken the following five projects as per its Work Plan (2014-2016):

**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 team has developed a guide on IT Governance.

**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 team has developed a guide on Data mining which includes a Fraud scoring model.

**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 team has prepared a standard for State Information Systems Audit which will contain 10 domains.

**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 team has finalized an international Data Interface Standard for Accounting Software.

**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 team has developed ISSAI 5300, which will be an overarching, general principles ISSAI on the fundamentals of IT Audit. The endorsement version of ISSAI 5300 will be presented before the INCOSAI for final approval.

**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 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 in its 23rd meeting held in Kuwait in February 2014 that the proposal of updating ISSAI 5310 may be deferred till such time the overarching, general principles ISSAI 5300 is in place. Accordingly, a project on updating/revising ISSAI 5310 has been included in the Work Plan of WGITA Work Plan (2017-2019).

**Updating WGITA-IDI IT Audit Handbook:**

The INTOSAI Development Initiative (IDI) in collaboration with WGITA has developed an IT Audit Handbook which was approved by the INTOSAI Congress in Beijing, China in October 2013. This Handbook is a very useful resource for the entire INTOSAI community in conducting IT Audits and also in building capacity in this area.

In order to update the handbook, a team led by SAI-USA has been constituted by the Working Group. There will be two main areas of work i.e. (a) updating the existing material in the handbook and (b) addition of new material on cross-cutting and emerging areas. The material in the handbook will be aligned with the new ISSAI 5300 on IT Audits. The updated handbook will be ready by 2017.

**WGITA Work Plan for the period 2017-2019:**

Based on the IT survey and discussions in the 25th meeting of the Working Group on IT Audit at Brasilia, Brazil in April 2016, the following five projects have been identified by the Working Group for the next Work Plan (i.e. 2017-2019):

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| --- | --- | --- | --- |
| **#** | **Name of the project** | **Project Team Leader** | **Project Team Members** |
| 1. | General conditions for IT support for Audits (Area: Capacity Development) | South Africa | AFROSAI-E, Bangladesh, India, Iran, Iraq, Korea, Mexico and Poland |
| 2. | Development of roadmap for future ISSAIs in the 5300 series | Pakistan | Brazil, China, India, Japan, Korea, Poland and USA |
| 3. | Data Analytics (Area: IT Audit Techniques) | Indonesia | Bangladesh, Brazil, Ecuador, Georgia, India, Iran, Iraq, Japan, Malaysia, Pakistan, South Africa and USA |
| 4. | Updating the ISSAI 5310 on Information Systems’ Security Audit including Cyber Security | India | China, Ecuador, Iraq, Kiribati, Poland and USA |
| 5. | Documentation Requirements of an IT Audit including AMS (Area: Audit process) | Mexico | AFROSAI-E, Bangladesh, China, Ecuador, Georgia, India, Indonesia, Iraq, Kuwait and USA |

The above projects would be completed before the next INCOSAI in 2019. The progress of the projects would be monitored by the Chair, WGITA from time to time.

At the end, I would like to thank all members and observers 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.