Progress Report to KSC  
INTOSAI Working Group on Impact of Science and Technology on Auditing (WGISTA)

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#### **Working Group on Impact of Science and Technology on Auditing**

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# Introduction

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# WGISTA Introduction and Strategic Overview

INTOSAI working Group on Impact of Science and Technology on Auditing is the most recently established among all of the working groups. The creation of WGISTA at INCOSAI 2019 was inspired by the growing realization among the INTOSAI community that the role of science and technology in our public sector auditing profession will significantly reshape our work and approach to work. More specifically, some of the fast emerging technologies like machine learning and artificial intelligence may have material bearing on how we work in the future.

Auditing of governments’ approach to these rapidly evolving technologies in their policies, regulations and other relevant programs requires that SAIs proactively develop and maintain relevant expertise. This also means that SAIs embed science and technology in their workflows to be able to interface with a public sector that is evolving as these technologies evolve. The challenge is not only to develop this expertise but also strive to remain relevant by continuous updates to our skills, tools and methodologies in sync with the public sector.

With this backdrop, INTOSAI has tasked WGISTA to undertake the research and development efforts related to impact of science and technology on auditing within the following broad objectives:

· Work closely within INTOSAI and with key external stakeholders,

· Conduct environmental scanning to identify key issues in science and technology that will affect governments and their auditors,

· Assess and share best practices in auditing governments’ response to developments in science and technology,

· Assess and share best practices in developing and maintaining expertise within SAIs and applying science and technology in their auditing,

· Identify competencies required by SAIs and auditors to incorporate rapid developments in science and technology,

· Strengthen cooperation among SAIs and other relevant entities with a shared interest in this subject matter, and

· Create a list or database of experts or consultants that can be shared and used by INTOSAI members and Regional Organizations.

# Activities

WGISTA is still in its infancy when compared with other working groups, but we have made steady progress since inception. A brief overview of our activities during the year is noted below:

* **Membership.** Because of the proactive efforts of WGISTA leadership, it now has 23 members. We have tried to ensure that it is a well-represented working group with members from across the globe. Relevant stakeholders like American Institute of Certified Public Accountants and Institute of Internal Auditors are represented as Observers at WGISTA. We have a total of 9 Observers now.
* **Inaugural meeting**. WGISTA held its inaugural virtual meeting on 16th September, 2020. The meeting was attended by our members and observers. WGISTA work plans were approved.
* **Survey of technology capabilities**. WGISTA has undertaken a technology landscape survey of its member SAIs to understand their technology profiles to help our future work at WGISTA. Since more members have regularly joined, we have updated the report with more data of these newly inducted members. We will share this report with the community before our 2nd Annual meeting which will be scheduled this year.
* **Second WGISTA Meeting**. We have planned to hold our second WGISTA meeting in October 2021.
* **Collaboration with IDI LOTA Initiative**. WGISTA and IDI’s Leverage on Technology Advancement Initiative (LOTA) have agreed to collaborate on common themes to synergize INTOSAI’s efforts for helping SAIs in exploring changing and emerging technology landscapes.
* **Plans and Projects.** WGISTA had one-year and two-year rolling plans approved at the inaugural meeting. As part of our plans, WGISTA’s first project titled “Conduct environmental scanning to identify key issues in science and technology that will affect governments and their auditors” was approved. The project has three research tools. First, we circulated the Environment Scanning Questionnaire to wider SAI community and received 47 responses. We are analyzing these responses. Simultaneously, we are also conducting a Literature Review on the subject. We will present an interim report on the status of these exercises in our upcoming 2nd WGISTA meeting. Our third research tool is interviewing the relevant leaders in industry, academia and profession. After completing these three exercises we will publish a comprehensive document for SAI community.

# Future priorities

We will present our next two years plans at the upcoming 2nd WGISTA meeting and plan to prioritize our work, keeping in view the ToRs of WGISTA.

We also plan to remain engaged with INTOSAI Working Group on Big Data and INTOSAI Working Group on IT Audit and other relevant stakeholders to ensure that the work across all of the three groups complements each other's but at the same time with clearly delineated scope of work to avoid duplication of any efforts.

We also plan to engage with relevant stakeholders on a consistent basis for sharing knowledge and keeping abreast of developments at different levels.

WGISTA will support SAls in understanding the strategic direction of the auditing profession as a result of disruptive technologies and developments in the fields of science and technology and SAIs’ responses to these developments. Some of the key areas of prioritized focus of the WGISTA are Blockchain, Artificial Intelligence, machine learning, data analytics, quantum computing and 5G. ​​

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