17th Meeting of Working Group on IT Audit in Tokyo-Japan
Intervención del abogado Carlos Pólit Faggioni
Contralor General de la República del Ecuador
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Revised Version

Mr Comptroller and Auditor General of India, President of INTOSAI Information Technologic Auditing Committee

Mr Comptroller of the Republic of Japan, distinguished host of the 17th Meeting for the INTOSAI Information Technologic Auditing Committee.

Dear representatives of the Chief Auditing Organizations, members of INTOSAI Technological Auditing Comities of Information.

I want to thank the inclusion of the Republic of Ecuador's General Comptrollers Office in today's working agenda; I would like to put to your consideration the reasons why I have suggested three additional topics for investigation.

First suggested Topic: E-business Ethics

Ethics classically has been understood from its etymological roots in two ways. On the first place, as a behavior and in another way as a "must be". As a behavior it takes us to the social character of ethics, to the norm that shall be respected by all and that is transmitted by the teaching in home and school of good manners. As a "must be" ethics has been generally circumscribed in the persons mind to do the correct thing in front of others; but in electronic business its limits and standards must be analyzed and precisely determined.

It is impossible now a day to conceive any human activity that is not directly or indirectly influenced by technology. In a simple estimate, outer space exploration, supermarket shopping, complex medical surgeries, street lights and all daily home activities.

Countries have also been influenced by the fast advance of technology, its processes and operations have passed from manual processes to be managed by virtual via. In many cases they have passed to be simple servers to actual enterprises in other ambits of business competitions, for example: petroleum companies, mining companies, marine and aerial shipments, in production of atomic and solar energy, just to mention some.

Also internal control systems had to get evolved in public and private organizations with the appearance of new risks that our assets are exposed to. We all must remember the 1994 COSO inform and 2004 COSO II informs, that introduced new concepts to risk management.

Possibly one of the most noticeable successes with the appearance of COSO, is that ethical affairs inside of the organizations are now a matter of control taken place by the introduction, operation and evaluation of institutional ethic codes.

As well as technological evolution, other possibilities of wrong ways in management and support on operation have also appeared. In this context, the ethics of who uses different systems to fulfill operations must be guaranteed with the implementation of specific controls.

E-commerce, considered as a system of trade that helps buy and sell goods and services on the Internet, helps you in a more sufficient way. Buyers and suppliers respond to the publics needs and this produces a non documentary flow of information that must be controlled. Controls depend as well of whom operates the systems and its fulfillment is a subject of character, ethics, and moral from them.

Therefore it is important that ethics must be studied in the historical moment in which technology is the central idea in daily life, and specially be interpreted in our modern days in which the ways of behavior must be accurate, especially when managing information systems in public office is a daily routine and every day a more important issue.

We must not lose site in how administrative laws privileges form, process and decisions, because of this, information systems in public office must be accurately forecasted and developed, and in an ethic and moral view it is necessary to determine the wished behavior in the technological information habitat.

In the last years, it has been known that in some countries laws have been issued, where its main interest has been to help the country change radically in social and economic issues that have been driven to technological revolution of information and have defined strategies to obtain them. Like the setting of high speed wire, e-commerce promotion, citizen information protection, the encouragement in the equity of technological information access y the achievement of an Electronic Management. As we can conclude on the matter, these advances in the law, States must also work on the creation of an environment in which a free and opened competition takes place where the ethics of the individual is proven to be worthy of, for this reason and in this context, the precise concept of ethics and its action must be guaranteed.

I consider to mentioning that the Special Public Ethical Committee, Administrative Integrity and Transparency, Of the Latin America and Caribbean Higher Audit Organizations (OLACEFS), formed by the SAI from Colombia, Nicaragua, Panama, Peru and Ecuador, of which committee I am honored to display, designed and presented for the approval of the OLACEFS Director Council, the Course of Public Ethics, which was given in the city of Quito for the first time, with the participation of 35 officials from 15 Supreme Audit Institutions (SAI) of the region, with flattering results that compromises us to keep working deeply on this issue.

A conclusion of the course is the one which recommends that ethics concept, without changing its essence, must be interpreted in a setting of profound changes produced by technological revolution, and that ethics must not be used only as a word in nostalgic petitions, but mainly to recuperate public moral and values, and to be subject of control, measurement, evaluation and continuous improvements.

In this matter, the contest of the Course suggested the implementation of processes of ethic codes, internal control processes on ethics, the creation of an Ethics Affair Office, specializes in the management of related matters, the creation of web pages for customers complaints and congratulations, the implementation of call centers installed for denounces and training among other services.

Everything suggested and analyzed with the study of cases in this Course, can be adjusted to an electronic business ethics, starting on a conceptual base towards specific aspects on the Technological Information Administration.

Today, more than ever, ethics must be reinstalled profoundly and off course, analysed in its magnitude in an environment which prevails electronic operations and systems.

Second suggested Topic: Internal Control of Technologic Information

Information is one the most important resource of an organization, and to protect it is one the main priorities. On these days we must seek for control and process tools that guarantee the liability, security and confidentiality of the data that is processed through out the information system.

As in any other technical and administrative area of the organization, and maybe with more emphasis in the computer system area, the organization must tackle on the implementation and evaluation of internal norms that regulate the correct functioning of the equipment, systems, processes, responsibilities and in general all related operations.

The setting of controls must be precise and broad, not only should they be focused on physical and material aspects of security, space assigned to computer systems, the assignment of access passwords, labelling of equipments, inventories, among other issues, controls must be established on a logical component.

The pre-existence of internal control norms of technological information, shall not only fulfil administrative activities but control activities carried on by the SAI, that becomes a basic reference that must be evaluated.

The analysis information system involve automatic and manual procedures which can be very complex systems because they involve technical resources, technicians and users that are not always going to be directly associated with the analyzed information. For this reason, the auditor must considerate in his analysis various functions, administrative and technical activities and procedures that are necessary to process of data. These procedures are initially oriented in the existence of Control norms of technologic information.

To determine the level of liability of the automatic systems, the process must be in this order:

- Organization knowledge
- To be acquainted in the computer's system area.
- Evaluate the general control in the Technological Information area.
- Evaluate application control systems.
- Design test that measures substantial accomplishment in processes.
- Apply Computer Technical Assisted Techniques (TAAC's)
- Result Evaluation.

In this process, it is obvious the need of internal control reference norms that leads us to the path that audit procedures should be at least standardized in its general aspects.

The results obtained in the control evaluation and the Applied Computer Technical Assisted Techniques (TAAC's) provides the computer auditor, sufficient incidents and elements to issue professional judgments on quality, liability, opportunity and security of valid information, for the Directors of the Organization to take correct decisions for the improvement, effective, efficient and economic use of informatics technology.

It could be recommended that Internal Technological Control Norms, as well as any other component in the organization, should be designed and framed in simple and practical quotes so they can be used by administrators and auditors without the need of high level technical information knowledge. It is important to accept that the level of knowledge and experience in public entities and SAI are not the same.

In this last recommendation, beside what was already exposed, in many cases in control activities it is not always possible to have informatics technology experts

among the auditing team, but it is mostly possible that personnel with a certain level of these knowledge's can carry out these tests. But most important of all, is to simplify and be practical, but always be effective.

Counting with these basic and useful norms, for the administrators as well as auditors it is possible to improve and lead us to the track of perfection in sectors as attendance of hospital services, universities, social security, national security or business organization as airlines, petroleum, energy, mining companies among others.

For managing, as I have already specified, norms can be a reference in the logical control of materials in the different activities related Technological Information, but in SAI, these norms are the foundation to evaluate the level of security and risk that is responsible of the fulfilment and grade of responsibility from particular control operations.

Risk control, as we know it, determines that the grade of operation or activity security in the area are been executed in a determined way, that guarantees the fulfilment of the tasks and objectives of the organization, to protect their assets or investments and by this way reliable information will turn out of the control operation.

This will lead us to internal control qualification and by the way it turns out, point out the deepness of the designed and executed tests. If the technological information controls are not working, and important weakness is found, the auditors must extend their tests, and on other side, if internal control test proof to have sturdy foundations and fulfil the pre-established controls, auditing test must be of less complexity.

Auditing procedures and its range must proceed from the evaluation signalled before and concentrate in the respective programs that are established in the procedures to be observed by the Technological Information Auditor.

Including discoveries in the Technological Information Auditing, internal control norms could play an important role in the fulfilment and improvement recommendations to be focussed by the auditor. It is important to point out SAI cases, in which its legal frame does not observe to make recommendations on its auditing reports, because it considered that any improvement must be responsibility of each audited entity.

The audited administration can also begin, before or after the Technological Information audition an improvement plan.

We shall not forget that World reality in all these processes, starting with simple to the more complex, must be controlled, graded and evaluated in the highest level of quality.
How is it possible to establish that inherent activities in Technological Information are been fulfilled with quality, if we do not count with internal specifically traced norms of quality?

Now a days, quality is a matter of philosophical existence, that is also applied in governmental activities as wells as SAI. Many of the pointed quality norms are connected with internal control concepts, aspects that in a certain moment must be harmonized to obtain strong and genuine internal control tools.

These quick appreciations are considered in the next suggested topic:

Third suggested Topic: The creation of a Technological Information Auditory Data Bank

The management of knowledge leads us to use all the organizations capacity in experience, technology, human talent, and action ambit. Each SAI generates knowledge to every control activity that is done, this must not turn out as a product, it must be an input for new control activities.

The creation of a data bank, as a know how bank, that wants to transmit all the experience of the working teams, about the audits taken place so it can be used as an available resource for the organization.

Usually the process requires techniques to capture, organize, stock knowledge of the audits, to transform it to an "Intellectual Asset" that will benefit and be shared with the organization. These days, technology shares tools that support knowledge management in the collection, transference, security and systemic management of information, along with other systems that help the improvement of knowledge.

The process in managing knowledge has these primary objectives:

- To identify, recognize, stock and organize the existing knowledge.
- To make it easier to create new know how.
- To initiate innovations through out the reuse and support of human resourse.

To have a data bank that permits us to have analyzed information of processes so when the new audit is launched the know how and experience will be used, this will turn out as more efficient and effective control, and with more emphasis in weaknesses and risks found before.

This pile of knowledge can also be applied for information taken out of any control action, be it financial, administrative, habitat, operative or management.

The benefits of SAI, is that in all moments, as members of INTOSAI, you can obtain this information for your study cases and its analysis gives you inputs for more audits and in this case for Information Systems. It is possible that similar study cases exist as the ones analyzed by SAI and in the future can be benefited by the results obtained by similar SAI cases. This is done by the Reasoning Development of software in study cases, data base that makes us able to stock information that can contribute for the SAI (Audit Technological Information Reports) and that by the user's requirements or parameters. This information can be classified and be available for new reports that will as well transform in new inputs for other control activities.

Data base and software must be managed and maintained correctly as a source of permanent consultation for the SAI's and contribute for the new experiences and knowledge from every country be an advantage for others that have not yet developed their capacities or are in process of doing that.

With in time it is also possible to include in the data base other options to the system as specific information from every country, audit technologic information norms and inside control of technologic information as local regulations of information systems, governmental policies about this topic, special study cases among other things. All is included inside continuous improvements that make all the information useful and more profitable for all members of INTOSAI.

Finishing my speech, I must add that our Organization is making great effort to strengthen itself emphasizing on technological information on its inside ambit as well as in controls, because of this I have considered that these three topics are of great importance for the strengthening of control activities in our Chief Auditing Organizations.

Thank you for your kind attention.