

Agenda Item No. 21

Report on EUROSAT IT Working Group

The Netherlands Court of Audit (Chair of the EUROSAT IT Working Group)

We would like to present our report in the form of the progress report submitted on 21 July 2003 to the EUROSAT Secretariat. This report was written for submission to the EUROSAT Governing Board at its meeting in Rome, Italy on 28 October 2003. Please note that you receive this information prior to the Governing Board and that the document still has to be seen and approved by the EUROSAT Governing Board.

We will also prepare a short PowerPoint presentation to be presented and distributed at the meeting in Oslo.



**Progress Report of the EUROSAI IT Working Group
submitted to the EUROSAI Governing Board meeting in
Rome, Italy on 28 October 2003**

1 Introduction

1.1 Establishment of the Working Group

At their 10th meeting held in Ljubljana, Slovenia from 17 to 18 May 2001, the members of the INTOSAI Standing Committee on IT Audit¹ (hereafter referred to as INTOSAI IT Committee) decided to regionalise the activities of the committee along the lines of the INTOSAI Environmental Auditing Working Group. This proposal was presented to and enthusiastically endorsed by the Governing Board of INTOSAI in Seoul, October 2001. At the meeting of EUROSAI members in Seoul, the Netherlands Court of Audit expressed its readiness to prepare a proposal for the establishment of an EUROSAI IT working group.

At its meeting in Moscow, on 31 May 2002, the EUROSAI Congress passed a resolution of the Governing Board establishing an IT Working Group and endorsing the Netherlands Court of Audit (NCA) as chair institution of the working group for a period of three years.

The inaugural meeting of the working group, attended by 38 representatives of 23 SAIs was held in The Hague, The Netherlands from 29 September to 1 October 2002 (see annex I for the agenda).

1.2 Aims and strategy

The working group aims to further the institutional sharing of expertise and experiences between the SAIs of the European region, and to encourage the implementation of joint activities in the field of information technology. The working group aims to complement the initiatives of the INTOSAI IT Committee and to encourage the mutual sharing of experiences between the two committees.

¹ Formerly known as the INTOSAI Standing Committee on EDP Audit. The committee's name was changed at the XVII INCOSAI in Seoul, October 2001.



At the strategic level, the EUROSAI IT Working Group aims to stimulate European SAIs to jointly explore the strategic consequences of IT-related developments, both with regard to their audit domains and to their own use of IT. It also offers a platform for cooperation between European SAIs when dealing with these issues.

3

The objectives of the working group are to:

- stimulate vision development;
- facilitate the exchange of experience and expertise;
- promote cooperation in the design of IT-related audits;
- promote concurrent, joint or coordinated audits.

Because the content of our working group is IT, it is also the intention to make good use of IT means of communication with and between members. Hence, a website has been developed with an open section for the distribution of general information and a members' section for the exchange of intermediate results of sub groups. Another means of communication is an e-mail newsletter that is published periodically.

2 Relation with the INTOSAI IT Committee

The regional EUROSAI IT Working Group works in close cooperation with the INTOSAI IT Committee, seeking to avoid duplication and to increase mutual benefits.

One area of cooperation is currently e-government, and another area of common ground is IT training courses. The EUROSAI IT Working Group has decided to make an inventory of IT training courses, in which the IT courseware modules the INTOSAI IT Committee has developed (and recently updated) for the IDI programme, will be incorporated.

Mr. V.N. Kaul, Comptroller & Auditor General of India and in that capacity Chairman of the INTOSAI IT Committee², was invited to participate in the first meeting of the EUROSAI IT Working Group. Although unable to attend, he sent a letter of support and encouragement. He welcomed this first regional initiative in the field of IT audit and expressed the hope that it would pave the way for the constitution of similar working groups within all INTOSAI Regions.

10 members of the EUROSAI IT Working Group are also members of the INTOSAI IT Committee.

3 Members of the Working Group

There are currently 24 member SAIs of the working group (see annex II). Membership of the working group is open to all members of EUROSAI, and active involvement of the full membership of EUROSAI is a long-term goal. A number of SAIs are currently

² His predecessor, under whose chairmanship the working group was initiated, was Mr. V.K. Shunglu.

considering membership and this is welcomed. An active strategy of recruitment will be initiated by the Chair once the first products of the group have been delivered.

4 Progress

4.1 First meeting

The first meeting was held from 30 September to 1 October 2002 in The Hague, The Netherlands and chaired by Ms. Saskia J. Stuiveling, President of the NCA. The meeting aimed to initiate the exchange of views and experiences between delegates, to establish a shared vision and to agree the first activities.

The participants agreed on the following framework for the working group, covering four strategic IT related issues:

- International Treaties and Agreements/Regulations.
- E-government and electronic service delivery.
- IT-related investment.
- Developing the capacity of SAs to meet their strategic goals.

The Terms of reference of the Working Group were finalized (see annex III), and the following agreed activities emerged from the discussions:-

The participants agreed on a number of activities, which are being implemented by means of three sub groups and two initiatives of individual members (see annex IV).

4.2 Work plan

The work plan consists of five parts, four of which correspond with the afore-mentioned strategic IT-related developments, while the fifth part pertains to the coordinating activities of the Working Group Secretariat.

I. International agreements and regulations.

In this area the topic of IT-related international agreements and regulations, and how to audit these will be explored. We will also look for possibilities to do coordinated or joint audits. While not in the focus of our activities on this topic, should we note the absence of a treaty in a sector where we would expect one, we may also make that an issue.

II. E-Governance and electronic service delivery.

The subject here is the emergence of e-governance, e-procurement and electronic service delivery and how to audit these.

III. IT-related investment.

In this area we look at the investment of governments in hardware, software and 'humanware' for the running of their offices and for the implementation of programmes, for instance e-procurement, and how to audit this.



IV. Developing the capacity of SAIs to meet their strategic goals.

The main issues here are knowledge management, personnel management, modernizing our audit approach and the use of IT audit software tools.

V Working Group Secretariat.

This area comprises various activities, such as regularly updating the website, periodically publishing an e-mail newsletter, coordinating activities of members and organizing the next meeting of the working group.

See annex IV for an overview of the various planned activities and the division of responsibilities, participating SAIs and timetable for implementation.

5 Next meeting

The Working Group was pleased to accept the offer of the Swiss Federal Audit Office to host its second meeting in Bern from 29 – 30 March 2004.

6 Concluding remarks

The Working Group had a productive first meeting and has made a good start on planned activities. This should enable the first products of the Working Group to be presented at the EUROSAI Congress in 2005.

Decision:

The Governing Board is asked to approve this progress report, and to endorse the Work Plan of the EUROSAI IT Working Group as presented herewith.

17 July 2003

ANNEXES

- Annex 1: Agenda of the First Meeting, 29 September-1 October 2002, The Hague, The Netherlands
- Annex 2: Participants at the First Meeting
- Annex 3: Members of the Working Group
- Annex 4: Terms of Reference
- Annex 5: Workplan, activities, division of responsibilities, participating SAIs and timetable for implementation
- Annex 6: EUROSAI IT Working Group Contact Information

Annex 1 Agenda of the First Meeting, 29 September-1 October 2002, The Hague, The Netherlands

Monday 30 September

1. Opening and introduction. *Saskia J. Stuiveling, Chairperson*
2. INTOSAI Standing Committee on Electronic Data Processing (EDP)
3. Experiences and expectations of the working group members
4. International Treaties and Agreements relating to IT and their impact on the work of SAIs. The Netherlands Court of Audit
5. Wrap-up session with brief discussion of working group objectives and possible activities.
6. IT-Excursion (part I) - Visit to Storm Surge Barrier, Hook of Holland, with presentations by the Ministry of Transport, Public Works and Water Management, and the Netherlands Court of Audit.
7. IT-Excursion (part II) - Maritime Simulation, Rotterdam

Tuesday 1 October

8. E-governance with the Tax Department as a case-study
Presentation by representative of the Tax Department, followed by perspective of the Netherlands Court of Audit
9. Discussion of thematic framework for working group, including agreement on terminology such as e-governance and electronic government.
10. Final review of draft working programme, with agreements on working methods and next steps, action points and date and venue of next meeting.
Close of meeting.

Annex 2 Participants at the First Meeting, 29 September to 1 October 2002, The Hague.

| | |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bulgaria | <i>Mr Anguel Shishkoff, Chief Auditor</i> <i>Mr Boycho Mishlyakov, Senior Auditor</i> |
| Cyprus | <i>Mr George Kyriakides, Deputy Auditor General</i> |
| Czech Republic | <i>Mr Miroslav Leixner, Director of the Audit Section</i> <i>Mr Jaroslav Rutar, IT Expert</i> |
| Denmark | <i>Mr Steen Bernt Jensen, IT Director</i> |
| Estonia | <i>Mr Margus Kurm, Head of Performance Audit Department</i> |
| Finland | <i>Mr Olli Uotila, Head of Information Management</i> <i>Mr Pentti Mykkänen, Head of Auditing</i> |
| France | <i>Mr Philippe-Pierre Cabourdin, Conseiller référendaire</i> |
| Germany | <i>Mr Ulrich Ditzen, Audit Director ICT</i> <i>Mr Andreas Reinéry, International Affairs Officer</i> |
| Hungary | <i>Ms Judit Fülöp, IT Deputy Director General</i> |
| Ireland | <i>Mr John Buckley, Secretary and Director of Audit</i> |
| Lithuania | <i>Mr Dainius Jakimavicius, Director for Information Management</i> |
| The Netherlands | <i>Ms Saskia J. Stuiveling, President</i> <i>Mr Thomas Wijsman, Audit Manager</i> <i>Mr Henk van der Geest, Senior Auditor</i> <i>Mr Paul Mantelaars, Senior Auditor</i> <i>Mr Chris Wauters, Auditor</i> <i>Ms Andrea Connell, International Policy Officer</i> <i>Ms Aster van Kregten, International Policy Officer</i> |
| Norway | <i>Mr Hans Conrad Hansen, Director General</i> <i>Mr Ola Hollum, Deputy Director General</i> |
| Poland | <i>Mr Krzysztof Szwedowski, Vice President</i> <i>Mr Pawel Banas, Economy, State Treasury and Privatisation Department Director</i> |
| Portugal | <i>Ms Marina Fonseca, Auditor</i> |
| Romania | <i>Ms Acioabantei Doicescu Elena, Chief IT Department</i> |
| Russian Federation | <i>Mr Alexander A. Piskunov, Collegium Member</i> <i>Mr Vladimir I. Beskrovniy, Head of IT Department</i> <i>Mr Vladimir I. Bogachev, Deputy Head, Int. Cooperation Dept.</i> |
| Slovakia | <i>Mr Marian Fabian, IT Director</i> |
| Slovenia | <i>Mr Zoran Mladenovic, Adviser to Second Deputy President</i> |
| Spain | <i>Mr Medina Guisarro, Member of the Court</i> <i>Ms Marta Fernandez-Pirla, Director of International Relations</i> |
| Sweden | <i>Ms Lena Ellwerth-Stein, Assistant Audit Director, Int. Liaison</i> <i>Ms Christina Von Greyerz, Assistant Auditor General, Head of the Performance Audit Department</i> |
| Switzerland | <i>Mr Michel Huissoud, Deputy Director</i> |
| The United Kingdom | <i>Mr Martin Sinclair, Assistant Auditor General</i> <i>Mr Chris Bedford, Director</i> |

Annex 3 Members of the Working Group

| Country | EUROSAI IT Working Group | INTOSAI IT Committee |
|-------------------------|--------------------------|----------------------|
| Albania | | |
| Andorra | Yes | |
| Armenia | | |
| Austria | | Yes |
| Azerbaijan ³ | | |
| Belarus | | |
| Belgium | | |
| Bosnia-Herzegovina | | |
| Bulgaria | Yes | |
| Croatia | | |
| Cyprus | Yes | |
| Czech Republic | Yes | |
| Denmark | Yes | |
| Estonia | Yes | |
| Finland | Yes | |
| France | Yes | Yes |
| Georgia | | |
| Germany | Yes | |
| Greece | | |
| Hungary | Yes | |
| Iceland | | |
| Ireland | Yes | |
| Italy | | |
| Latvia | | |
| Liechtenstein | | |
| Lithuania | Yes | Yes |
| Luxembourg | | |
| Malta | | |
| Moldova | | |
| Monaco | | |
| Netherlands | Yes | Yes |
| Norway | Yes | Yes |
| Poland | Yes | Yes |
| Portugal | Yes | |
| Romania | Yes | |
| Russian Federation | Yes | Yes |
| Slovakia | Yes | Yes |
| Slovenia | Yes | Yes |
| Spain | Yes | |
| Sweden | Yes | Yes |
| Switzerland | Yes | |
| Turkey | | |
| Ukraine | | |
| United Kingdom | Yes | Yes |
| Totals | 24 | 10 |

Annex 4 Terms of Reference

1. Preamble

Over the last few years we have witnessed a rapid development towards internationalization as regards the use of information and communication technologies. Key terms here are cross-border information systems, international exchange of information, international comparability of performance indicators (benchmarking), 'global village' (use and misuse of the Internet is international by definition). The acknowledgement of a need for international cooperation, by both the business community and our governments, and the sharp increase in use of the Internet are important boosters of this trend.

These developments necessitate closer and more extensive cooperation between SAIs. EUROSAI provides for this cooperation between the SAIs of European countries.

2. Mission

The EUROSAI IT Working Group aims to further the institutional sharing of expertise and experiences between the SAIs of the European region, and to encourage the implementation of joint activities in the field of information technology. The Working Group aims to complement the initiatives of the INTOSAI EDP Standing Committee and to encourage the mutual sharing of experiences between the two committees.

3. General Strategy

The Working Group aims to stimulate European SAIs to jointly explore the strategic consequences of IT-related developments, both with regard to their audit domains and to their own use of IT. It also offers a platform for cooperation between European SAIs when dealing with these issues.

The objectives of the working group are to:-

1. stimulate vision development;
2. facilitate the exchange of experience and expertise;
3. promote cooperation in the design of IT-related audits;
4. promote concurrent, joint or coordinated audits.

The Members of the Working Group are the participating Supreme Audit Institutions of EUROSAI. It is assumed that the individual representatives taking part in the meetings and activities of the Working Group speak in the name of their organisation and Board or President. This aims to ensure that the products and outputs of the Working Group satisfy the needs of the member SAIs. To support the Working Group in reaching its objectives, *ad hoc* sub-groups may be established with the assignment of exploring certain lines of reasoning or of developing appropriate solutions with regard to more technical or operational issues.

Complimentarity with the work of the INTOSAI Standing Committee on IT Audit shall be sought. The envisaged affiliate membership of the Chair of the INTOSAI Committee shall help to ensure that the two bodies work in synergy.

The Working Group shall report to the EUROSAT Congress through the Governing Board of EUROSAT.

4. Subject Areas

The Working Group shall address three strategic IT-related developments:-

- a) the development of IT-driven international agreements and regulations, for instance privacy rulings, and how to audit these;
- b) the emergence of e-governance, e-procurement and electronic service delivery and how to audit these;
- c) the investment of governments in hardware, software and 'humanware' for the running of their offices and for the implementation of programmes, for instance e-procurement, and how to audit this.
- d) Developing the capacity of SAs to meet their strategic goals by:
 - utilising IT to support their own internal management;
 - exploiting IT to enhance the efficiency and effectiveness of their audits;
 - acquiring the skills necessary to audit in an IT-environment

5. Membership

Membership of the Working Group shall be open to all members of EUROSAT, including the European Court of Auditors. The Chairperson of the Working Group shall decide on the admittance of new members. The Chairperson of the INTOSAI EDP Standing Committee shall be invited to join as an affiliate member.

6. Schedule of Meetings

The schedule of meetings links into the timeframe of the triennial EUROSAT Congresses. Between two Congresses two meetings of the Working Group shall be held:- the first half-way between two congresses and the second a few months before the next congress to prepare the report of the Working Group and the proposals for the next three-year period.

The hosting of the meetings shall rotate amongst the members of the Working Group.

7. Work Plan

The work plan shall be divided into three parts, each one corresponding with one of the aforementioned strategic IT-related developments:

- I. International agreements and regulations.
- II. E-Governance and electronic service delivery.
- III. IT-related investment.
- IV. Developing the capacity of SAIs to meet their strategic goals.

The participants of the First Meeting of the Working Group taking place from 29 September to 1 October 2002 in The Hague, The Netherlands, shall agree on the precise content of each part of the initial work plan.

Every three years the EUROSAI Governing Board and the EUROSAI Congress shall be presented with the proposed work plan for the next three-year period for endorsement.

8. Rules and Regulations

Chair of the Working Group

The Working Group shall elect its own Chairperson from amongst the members of the group. The SAI of the Chairperson shall provide the secretariat of the working group.

Secretariat of the Working Group

The Secretariat of the Working Group shall be responsible for the day-to-day coordination activities of the Working Group, for coordinating the preparation and follow-up to meetings in close cooperation with the host SAI, and for liaising with the EUROSAI Secretariat and the Secretariat of the INTOSAI EDP Standing Committee. The staff of the Secretariat shall be drawn from the personnel of the Chairperson's SAI.

Allocation of costs

The costs connected with the functioning of the Working Group shall be covered according to the principle that Working Group members and affiliate members pay their own costs. Therefore, the general costs resulting from the hosting of a meeting shall be carried by the organizing SAI, whereas the individual costs of travel and hotel accommodation shall be carried by the participants of the meeting themselves. Member SAIs shall also cover the personnel and material costs that result from the Working Group activities they participate in, e.g. participation in a joint audit.

Costs connected with the Working Group secretariat shall be carried by the Chairperson's organisation. Secretariat and logistical costs related to the organisation of a specific meeting shall be carried by the host of the meeting.

Official working language

The English language shall be used for all internal and external communication, both in verbal and written form.

External communication

Every three years the Working Group shall present the EUROSAI Governing Board and the EUROSAI Congress with a report on the results of the Working Group and with proposals for activities to be carried out over the next three-year period. This report shall be presented in the five official languages of EUROSAI. The Working Group shall also publish the report (once endorsed by the Governing Board and Congress) and other relevant information on its website (www.eurosai-it.org) to make it available to other interested parties.

Internal communication

Communication between members shall take advantage of IT whenever possible. The Working Group website shall play an important role here, and for one-to-one communication email shall be used, except in the case of members who have notified the Working Group secretariat that they prefer to receive correspondence by fax or post.

Changes to the Terms of Reference

Changes to the terms of reference can be proposed by members of the Working Group and shall be considered for adoption by a full meeting of the Working Group.

1 October 2002

Annex 5 Workplan (activities, division of responsibilities, participating SAIs and timetable for implementation)

I. International agreements and regulations

| Activity | Product | Lead SAI | Participants | Completion Date | Status |
|-----------------|--------------------------------------------------------------|----------------|------------------|-------------------------------------|-------------------|
| Audit of Treaty | Report with proposal for joint or parallel audit of a treaty | United Kingdom | Sweden Russia | December 2003 (provisional date) | Preparatory phase |

II. E-Governance and electronic service delivery

| Activity | Product | Lead SAI | Participants | Completion Date | Status |
|--------------|-----------------------------------------------------------------------------------|----------|---------------------------------------------|----------------------------|-----------------------------|
| E-Government | Report about E-Government: trends, definitions, risks, audit methods, experiences | Portugal | Denmark Germany Russia Netherlands | First half of January 2004 | Writing first draft version |

III. IT-related investment

| Activity | Product | Lead SAI | Participants | Completion Date | Status |
|-------------------------------|-------------------------|----------------|--------------|-------------------------------------|-------------------|
| Electronic Records Management | Product not yet defined | United Kingdom | | December 2003 (provisional date) | Preparatory phase |

IV. Developing the capacity of SAIs to meet their strategic goals

| Activity | Product | Lead SAI | Participants | Completion Date | Status |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Self Assessment | Design self assessment tool for SAIs (starting point: CobiT) and test of tool through pilots | Switzerland | Denmark France Lithuania Norway Slovenia Spain Netherlands Estonia | December 2003 | Draft of instrument ready. Preparing pilots |
| Inventory of IT Training Courses | Inventory of IT Training courses and courseware available within INTOSAI or available at commercial organizations | Netherlands | | December 2003 | Survey sent out for better understanding of member's training needs. Compiling inventory of training courses will start in September 2003 |

V. Working group secretariat

| Activity | Product | Lead SAI | Participants | Completion Date | Status |
|-------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------|--------------|-----------------|---------------------------------------------------------------------------------|
| Coordinating activities of members | N/A | Netherlands | | Continuous | Ongoing activity |
| Organizing 2 nd Meeting | (i) Coordinating contributions of members; (ii) meeting programme and logistics | (i) Netherlands (ii) Switzerland | | March 2004 | Will start in September 2003 |
| Regularly updating website | Up-to-date website | Netherlands | | Continuous | Ongoing activity |
| Periodically publishing e-mail newsletter | Periodic e-mail newsletter with news items from members and from other sources. | Netherlands | | Continuous | 1 st edition produced. 2 nd planned for September 2003 |

Annex 6 Contact information

Chairperson

Ms Saskia J. Stuiveling, President

Working group secretariat

Mr Thomas Wijsman, Audit Manager

Telephone: +31 70 3424 327

E-mail: t.wijsman@rekenkamer.nl

Website: <http://www.eurosai-it.org>

Netherlands Court of Audit

P/O box 20015

2500 EA The Hague

The Netherlands