

Summary and conclusions from the 4th Working Seminar on Performance Auditing

The 4th Working Seminar on Performance Auditing of the use of IT took place from April 20 – 21, 2004 in Moscow, Russia. 54 delegates from 24 countries participated in the seminar.

The seminar was organized by the Editorial Board on behalf of INTOSAI's Standing Committee on IT-Audit and Organizational Board (SAI of Russia). The SAIs of Norway and Russia had been asked by the IT-committee to serve as Editorial Board for the Seminar.

Editorial Board has prepared Summary and conclusions from the 4th Working Seminar on Performance Auditing and Evaluation-report from the 4-th Working Seminar and already sent them to the Chairman of the INTOSAI Standing Committee on IT Audit.

Summary and conclusions from the seminar as well as all other papers were included into the book prepared and issued by SAI of Russia. Book is distributed among all INTOSAI members.

Let me present some of the highlights from the Summary and conclusions.

The major theme of the seminar was performance auditing on e-Government.

The goals set up for the seminar were

- to inspire Supreme Audit Institutions (SAI) in their performance audits within the e-Government area to strengthen and increase their control initiatives
- to provide an opportunity for sharing experience and further learning on e-Government auditing among the SAIs
- to help auditors become better acquainted and develop communications
- to improve efficiency and quality on Auditing e-Government

The main subject was divided into three sub-themes: risk assessment, effectiveness in a client-oriented perspective and challenges when auditing e-Government.

Thereafter three lead papers and eleven country papers were presented.

Lead papers were presented by SAIs of Slovenia, Canada and India. Country papers were presented by SAIs of Sweden, Oman, US, Norway, Russia, Pakistan, Japan and China.

Experiences from Auditing e-Government were presented by SAI of the United Kingdom, Denmark, Netherlands. Germany and Brazil also have sent there presentations.

The seminar opened with an introductory speech describing what e-Government is and general trends within the e-Government area.

Conclusions from the seminar

E-Government is a transformation of service delivery within government agencies, as well as between government and citizens and other users such as businesses and non-governmental organizations. In general this means changes in the way governmental work is organized as well as in how communication is effected. The governmental agencies might need to redesign their business process when implementing E-government. This means that the SAIs have to face new challenges since the audit object has been enlarged.

A major theme running through both presentations and discussions at the seminar was the question of whether there are any differences in the audit approach and methods to be used in auditing e-Government compared to auditing IT-projects and programs in general. There proved to be a general consensus that auditing e-Government to some extent will be different, but this does not mean that there is a need to change the methodological approaches completely. A wide approach to risk assessment would be preferable, and in particular, audit criteria related to users and legal readiness need to be revised and supplemented. The SAIs have to face the challenges of obtaining information from citizens and other users of e-Government. For some SAIs this might involve changes of attitude and policy.

The first sub-theme was presented from many different perspectives. SAIs have collected a lot of experience in assessing risk. The presentations under first sub-theme showed that templates for classifying and assessing risk can be used as a basis for auditing e-Government by SAI's.

However the discussion indicated that templates for classifying and assessing risk presented by Slovenia and Sweden could be supplements to the COBIT standard and other similar approaches, mainly because these templates could be targeted especially towards e-governance. Furthermore they could be more focused on challenges addressed in the e-service programs, for example the client readiness, legal readiness and the need for integration between IT and the business strategy.

An audit of e-Government can be carried out on different levels; the SAIs can audit a project, a program or the governmental policy for implementing and managing e-Government. Several delegates underlined the fact that the main focus should be on governance and business process redesign rather than on implementing the IT-system. However, some speakers said that in order for e-Government services to reach the end user, it is crucial that the IT-infrastructure including the basic administrative systems are integrated, implemented and function well. The SAIs have different approaches when auditing these basic systems. Some SAIs certify the systems, while others audit the results of the system test or the output from the system.

Several delegates recommended that audits of e-government should be carried out at an early stage. Auditing E-Government covers a wide area of topics such as governmental policy, planning, technology, knowledge and business processes; giving advice at an early stage is preferable for improving the results and obtaining value for money. However, the opportunity to audit E-Government can be essentially limited by a SAI's mandate.

The seminar noted several other challenges when auditing e-Government. The e-Government projects and programs share the same weaknesses as other IT-projects, for example budget overload, lack of time and lack of integration.

The presentations showed that even advanced e-Government countries are far from reaching their main objectives within mature e-Government programs. The discussion indicated that many of the risk factors demonstrated in the templates (Slovenia and Sweden) have not been fully addressed in the e-Government programs, and this might explain some of the weaknesses in the cases presented at the seminar.

Another reason might be that the Government's strategy for implementing e-Government is not based on sound analysis. A number of international studies by private and public sector organizations have been released in the past few years assessing both the progress that several countries have made in providing services via the Internet, and their capacity to develop on-line services. The results of these studies may have led some governments to prioritize e-Government projects without having performed the necessary planning and risk analysis.

Lack of audits and evaluations can lead to increased risks of repeating mistakes because important experience and knowledge have not been analyzed and reported or communicated to the interested parties, such as Parliament, Government and practitioners. It is therefore important to develop performance audits within the area of E-government.