

Country Focus



The development of EDP Audit and the Project of Change and Institutional Strengthening in the Office of the Comptroller General of Colombia

Background

The responsibility for the planning and execution of EDP Audit in the Comptroller General's Office (CGO) of Colombia rests with two parts of the organisation - the Systems and Information Technology Office (SITO), which has an advisory role; and the five Sectorial Directorates which operate at the central level. These are responsible for different systems of control (financial, legal, administrative and performance) as laid down by Law 42 of 1993, or the Law of Fiscal Control. These Directorates are responsible for the following sectors:

- Agriculture and Natural Resources;
- Mining and Energy;
- Infrastructure, Industry and Regional Development;
- the National State sector; and
- the Social sector.

Similarly, there is a regional system consisting of 32 branches of the Office located at each departmental capital. These undertake functions similar to those at the central level, within the ambit of their jurisdiction.

Audit process summary

At present, EDP Audit is carried out by a professional staff of SITO, which has the primary task of providing support to the Sectorial Directorates. The following procedures are applied:

- Each Sectorial Directorate prepares an Annual Operations Plan (AOP) detailing the bodies audited and the work to be done;
- In the AOP, Directorates specify the support needed from SITO;
- SITO examines the Directorate requests and, depending on the availability of professional staff and dates of the audits, assigns an EDP auditor if available;

- The EDP auditor carries out his work, liaising with the Chief of the respective Commission, following procedures laid down in the "EDP Audit Manual of the Comptroller General's Office".

The Audit process

Planning

This consists of two stages - gaining a general knowledge of the entity, and developing the Work Programme.

Execution of the audit:

This consists of evaluating the Internal Control System, and carrying out a test audit.

For internal control evaluations, controls have been classified as general and specific. The first consists of controls relating to acquisition, organisation, development, operation, documentation and security. The second includes applications, input controls, process controls, output controls, data base controls, distributed processing controls and micro-computer controls.

For the test audit, the result of the internal control evaluation is evaluated, and the auditor defines, prepares and carries out pertinent formal or substantive tests.

In addition, the auditor also evaluates tenders for acquiring hardware and software, and reengineering projects.

Preparation of audit reports:

The end-product of the audit process is the final report. Before presenting it to the Manager, Chairman or Director of the audited body, discussions are held with the respective areas affected. The report includes judgements on the effective functioning of the controls evaluated, and, in particular, assessments of the effects of each deficiency identified.

Once the main findings of the EDP audit have been communicated to the head of the audited body, they are incorporated into the main audit Report, for the signature of the Comptroller General, before the Report is sent formally to the audited body.

Project on change and institutional strengthening

With advice from various international experts, the personal office of the Comptroller General has instituted a new strategy for integral fiscal control. The fundamental objective of the project is to encourage internal control in state bodies. This new approach to control has five dimensions: Organisational, Legal, Professional, Political and Ethical.

It's specific objectives for the CGO are to:

- develop a new structure for the Comptroller General's Office;
- promote projects for redesigning its processes;
- design a communication system appropriate for the new structure; and
- strengthen the internal control system of the CGO.

The result will be a coherent structure that will facilitate the exercise of complete control as well as adaptation and organisational learning of the CGO. This new structure will lead to breaking the geographical and functional barriers which till now have been the major obstacles for proper and efficient fiscal control.

To prepare for the implementation of the project, actions are being taken in a number of areas. In the area of fiscal control, the project has three components:

- A prototype
- A new strategy for fiscal control
- A programme for the training of CGO staff, and later of other state bodies

The first component involves building a prototype model of a new communications system, and constituting two groups one for audit, consisting of officials from the CGO and the audited body, the other for integration, consisting of senior officials from the two bodies. The latter's main function will be to facilitate the work of the audit group. The proposals are being trialled in two places - the "Offices of the National Registrar of the Civil State" and the "Agriculture Office".

With the application of this model, controls can be applied immediately and value can be added to the services offered by the body to its 'customers'. Other activities can also be identified which, although unacknowledged by the organisation, are related to the mission of other state bodies. Similarly, the knowledge of the body to be audited becomes more immediate because once its environment is understood, a wider vision of its role is gained.

In this way, the new model no longer views the organisation in terms of independent and unrelated parts, but provides a complete overview. The auditor thus gets a global vision which enables him to determine the critical areas, and those areas where loss of control may occur. He can then determine the control systems which should be applied. Specific, rather than general controls can be introduced more effectively, in less time, in predetermined areas, rather than for the whole entity.

The second component recognises the need to change practice as well as theory. It is geared towards a better quality of life for the citizens, rather than what may be of interest solely to the controlling public administrators. It emphasises the need for a dialogue between customers and public bodies.

The objective of the third component is to implement a training plan for all CGO officials, involving the following basic components:

- Training aided by computers, which will involve the use of basic conceptual tools developed during the prototyping stage.
- Training the new auditor. This training will be carried out by holding practical workshops designed for small groups of staff.
- A Universities accreditation plan. This will provide training programs in specific areas of control.

Likewise, the general objective of this project is to integrate the technological factor to the "change and institutional strengthening of the project" in each one of its sub-projects. The main effort will therefore lie in developing technology to aid group work.

As a result of this project, the CGO should be able to concentrate on 'second tier auditing' which recognises the quality of the control mechanisms that exist in audited bodies, rather than carrying out detailed testing of transaction processing.

When adequate internal controls exist, auditing can be undertaken faster, and reports on the management of an audited body are not delayed. The CGO is therefore seeking to develop continuous communications with audited bodies to lead to improvements in both their internal controls and the auditing process.

The project involves implementing nine sub-projects with the objective of strengthening fiscal control systems through technological advance, building of administrative indicators, a new prototype design for preparing audit and inspection of functions and procedures in some departments. The nine elements are:

- Prototype of the new audit
- Training
- Organisational Restructuring
- A new Strategy for Fiscal Control
- Inspection of Accounts and Indicators
- Reorientation of the Directorate for Economic Affairs and Public Finances.
- Reorientation of the Directorate for Research and Fiscal Judgements
- Structuring of Social control through citizens' participation
- Informatic and telematic technology

The active participation of EDP Auditors from SITO in the project will be essential. It is therefore necessary to release them from audit work so that they can advise professional staff from each Directorate.

Project for the decentralisation of the EDP audit process

This project has the following objectives:

- To make Sectorial Directorates responsible for undertaking the EDP audit of their audited bodies.
- To increase the number of qualified staff of the CGO, by identifying professionals with relevant EDP skills.

- To offer consultation and training at the regional level to undertake EDP Audit.
- To harmonise EDP auditing, under the new strategy for integral fiscal control.
- To release part of the time of the staff of SITO to undertake research work, and disseminate and implement modern auditing techniques and procedures.

To achieve these objectives, various measures are being taken. The most important are:

- Updating the EDP Audit Manual and acquiring specialised software (AUDICONTROL, AUDAP and IDEA) for audit processes, such as the planning and execution phases of the new Control Strategy approach .

AUDICONTROL provides a methodology for designing controls in Information Systems. AUDAP is a methodology to audit functional applications, and through IDEA data can be extracted and analysed in an interactive manner.

- Enhancing the training systems for staff who will undertake EDP audit work.
- Improving EDP systems audit, under the leadership of a manager from SITO and with the active participation of 3 or 4 auditors of each Sectorial Directorate, by way of training, emphasising the complete evaluation of internal control systems in Information Technology areas in order to provide the basis for the later evaluations of specific controls.
- Development of an internal control model in SITO for monitoring purposes.

Once the above strategy is implemented, SITO auditors will adopt a supervisor role of planning work, and the procedures to be applied, test to be carried out, and standards of documentation, and reviewing the reports produced.

In time, the new strategy will be extended to the regional level in the CGO.