

country focus: Poland



The Supreme Chamber of Control employs some 1200 auditors working in 13 departments at the SCC Headquarters in Warsaw and 16 regional offices. Each year the Supreme Chamber of Control carries out audits of approximately 4,500 entities and compiles close to 120 collective reports to present audit results. Although the Supreme Chamber of Control celebrated its 80th anniversary this year its adventure with computers has begun relatively recently. The first audits of IT investments were carried out in 1993 and the computerisation of the Chamber commenced in 1995. Until that time only a few PCs existed in an institution employing 1,200 persons. A few years have elapsed since, and the picture has changed completely.

Auditing IT investments

One of the characteristic traits of the Supreme Chamber of Control is the fact that its audits combine performance and value for money audits. This allows several aspects to be analysed in the course of a single audit. The issue of spending public funds on information technology investments cropped up in our audits already in 1991. One of the firsts IT projects was the POLTAX system designed to enable fiscal authorities calculating income tax and VAT rates nation-wide. The net value of the contract concluded by the Ministry of Finance amounted to some 30 billion USD. In 1996 the Supreme Chamber of Control drew up an "Information material on the progress of computerising the POLTAX system" which criticised the implementation of this project. The Supreme Chamber of Control pointed out such irregularities as failure on the part of the ordered to define a unitary target concept of the functioning of the system, lack of quality control of works carried out, decision not to use an outside auditor. Delivery and installation of hardware two years before commencing works on the system software evoked particularly strong criticism.

Another major IT project audited by the Supreme Chamber of Control was automation of Labour Offices and the social welfare system (the ALSO project). The SCC carried out its first audit of the 1992 contract in 1994. As a result of the disclosing numerous irregularities and a highly negative opinion pronounced by the SCC at the implementation stage of the project was abandoned in its initial version, and co-operation with a foreign contractor terminated. Another audit, carried out in 1996, confirmed vivid improvement in project implementation.

The 1996-97 audit of automation of customs administration units proved very important to the Chamber. The audit disclosed a vast range of serious irregularities both at preparatory and

implementation stages of the project. Experience gained from this and previous audits allowed the Supreme Chamber of Control to formulate two cardinal conclusions. The first was addressed to the Government, and regarded the need to draw up standards for initiating and implementing publicly financed information technology projects. The observance of such standards should stop the pest of unsuccessful IT investments in public (Government and local Government) administration thus rationalising expenditures. This conclusion was accepted but so far it has not been acted upon.

The second conclusion concerned the Supreme Chamber of Control itself. IT audits made us realise that the Chamber was not sufficiently prepared to correctly carry out IT investment audits at times when similar matters started cropping up with increasing frequency in individual audits. The main obstacle was lacking of sufficient IT knowledge among our auditors and specific nature of such projects. Therefore, we decided to draw up a special "Methodology of IT investments audits". In 1998 a team consisting of auditors and external experts from consulting firms prepared such a material, containing most important elements of IT knowledge and a logically arranged list of 46 specific audit tasks with appropriate comments. Audit tasks include auditing efficacy of projects, progress made in their implementation, individual stages, taking into account possible implementation scenarios, as well as formal approvals at each stage and co-operation with contractors. This methodology is designed to assist auditors in evaluating expenditures towards IT investment projects, should such an issue appear in the course of an audit. Representatives of all audit units of the Supreme Chamber of Control have been trained in the application of this methodology.

At the turn of 1998/99 the Supreme Chamber of Control, inspired by the EDP Committee of INTOSAI, carried

out the audit of the preparedness of Government administration to face the Y2K problem. The results of this audit, when presented to the Parliament caused such an alarm that the Parliament ordered the Supreme Chamber of Control to repeat the audit in the autumn of 1999. The actions of the SCC proved decisive for correct preparation of computer systems used by the State administration and its subordinated units for dealing with the "Millennium Bug".

Automation of the Supreme Chamber of Control

Automation of the Supreme Chamber of Control began only in 1995. In that year work on the necessary computer systems started. The work was divided into two stages: pilot and final. The pilot stage was necessary, as the most important systems, i.e., those designed to provide audit management support, document audit proceedings and reporting, had to be dedicated for the Supreme Chamber of Control. The pilot stage ended in 1998. Currently, the Supreme Chamber of Control Headquarters in Warsaw have at their disposal a dual-protocol computer network (comprising Nowell NetWare 4.11 and Unix HP - UX with Windows NT) using 9 central servers, which link 450 Pentium PCs and approx. 700 active network users. Each of the 16 SCC regional offices is furnished with a local HP - UX + Windows NT - based network of 10 - 20 PCs. Each local network is connected to a fast nationwide long-range data transmission network, allowing instant exchange of information between all SCC units.

The basic user application is the PILOT system, which is a pilot version of an audit support system. At present, the PILOT system covers some 80% of the scope of activity of the Chamber. Its basic modules are: audit planning, units' work plans and time schedules, editing and sorting of audit documentation, SCC despatch and files systems, generating reports. In addition, the SCC

has the following systems: personnel (fully integrated with the PILOT system), payroll, financial-book-keeping and warehousing.

In 1999 the SCC network (including the headquarters and all regional offices) gained full access to the Internet. At the same time it became extended with the SCC's own electronic mail server, a www. server, and furnished with an expanded system of securities (involving three levels of "fire walls"). Full access to the Internet has thus been provided to each post in our network system, be it in the headquarters, or field representations. The Internet has proved to be an extremely useful tool at the audit design and preparation stages.

In 1999 full Internet access for all workstations was achieved. This tool proved very useful in audit planning and programming. In the same year, IT specialists employed by the SCC developed a full-text search engine used for searching audit documents stored in the PILOT system. This is a priceless tool, allowing for maximum utilisation of the knowledge accumulated as a result of carrying out thousands of audits. It not only improves audit planning and programming but also allows for collective and survey analytical materials to be compiled.

Apart from the stationary computer network, SCC auditors also use notebooks. At present we have some 1.5 staff members per one notebook, but the aim is to equip each auditor with this tool. Notebooks can be used for work with standard applications,

such as text editors, spreadsheets, legal acts bases with comments, etc., as well as provide full Internet access.

Since 1998 the computerisation of the Chamber has been planned and supervised by the Council of the Computerisation of the Supreme Chamber of Control, appointed by the President from among Chamber staff members. At present, work continues on the final version of the computer system supporting audit activities of the SCC. Experiences gathered in the course of operating the pilot system and opinions provided by end users are used to the maximum degree in this work.

While installing and updating IT applications, efforts were made to provide staff with adequate training in order to maximise the use of extensive SCC software and hardware resources.

In 2000 work commenced on applying the ACL program in our audit practice. A special team of auditors evaluated this tool by way of using it in one specific audit. Decisions on the purchase of this, or a similar, tool will be made soon.

There is no separate IT Department at the Supreme Chamber of Control. A team of IT members is responsible for network administration, software and hardware updating. However, in the course of work on the SCC strategic development programme proposals for establishing an IT Department are being put forward. Such a department would not only administer the systems, but could also assist audit departments in carrying out audits involving information technology issues.

