On November 23, 2020 the IACOP organized a webinar on Information and Technology (IT)¹ audit, covering both theoretical principles and practice. This was a successful event² that gathered around 100 key internal audit officials from 21 countries in the ECA and LAC regions.

The discussion was around the main objectives of the webinar that are detailed below.

- Link the need of IT audit to the framework of the International Professional Practices Framework for Internal Auditing;
- Explore new technologies internal auditors are already facing now, and will be faced with in the coming years following the current digital transformation processes;
- Present pragmatic solutions on how to deal with the challenges of IT audit; and
- Share practical examples of IT audit tools and techniques in the public sector.

The Public Expenditure Management and Peer-Assisted Learning (PEMPAL) Program Leader kicked off the webinar by thanking the donors: Swiss State Secretariat for Economic Affairs (SECO), the Russian Federation, and the European Commission as well as the partner organization- the Dutch Academy of Finance.

The presenters were global experts who shared their experience on the audit of information and communication technology. The main takeaways are presented below.

**Need for Internal Auditors to upgrade professional skills.** Mr. Jean-Pierre Garitte (EC Audit Progress Committee member; former Chairman of the Global IIA Board), emphasized the need for internal auditors to upgrade audit skills in a changing auditable environment. The upgrade guidance is reflected in the Professional Standards for Internal Auditing, whereas all internal auditors, including the members of the Central Harmonization Unit (CHU), should have a sufficient level of knowledge in ICT and apply ICT tools when performing their work. This implies that internal audit methodology should provide for sufficient guidance in the area of ICT. Mr. Garitte invoked the CHU representatives to consider creating a center of excellence in ICT audit in the CHUs and the PEMPAL IACOP representatives to develop an ICT audit guide.

**Impacts and risks of future IT audit.** Mr. Mark Dekeyser (ICT Internal Auditor, KBC; Chairman Executive Committee of the IIA, Belgium) depicted the scenario of a near future technological world, where our internal environment is expanding with novelties like the Internet of Things (IoT), Artificial Intelligence (AI), Block Chain, Robotics among others. People will be connected to an Internet of Everything (IoE). Mr. Dekeyser, identifying this trend as the 4th Industrial Revolution, provided an in-depth exploration of what he called the 16 most disruptive technologies, depicting our future world as an entire new society. He pointed out that Internal Audit should provide important insights (besides assurance and consulting) on disruption, considering the impact on the whole organization, and added

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¹ Also referred as to Information and Communication Technology (ICT).
² All the participants were satisfied with the event with 67% rated highly satisfied in the event feedback survey.
that Internal Audit is well-positioned to assess risks arising from disruptive change and to check if there are sufficient mitigation measures for these risks.

Digital upskill and reskill under the new COVID-19 context. Prof. Frank Yam (Chair, the IIA Hong Kong; Leader in innovation, Cybersecurity and Internal audit) emphasized the impacts of Covid-19 on the internal audit function in a new normal world where everything is digitized, and people everywhere are working remotely. Prof. Yam recommended new areas to be included in the annual internal audit plans. He challenged our organizations to upskill and reskill the current internal auditors or to hire new (skilled) ones. According to Prof. Yam, a few top concerns for internal auditors (currently under-represented in audit plans) are new information technologies, cybersecurity, and third-party arrangements. Prof. Yam referred to Mr. Garitte’s article in Focus 2021—a publication by the European Confederation of Institutes of Internal Auditing, where he identified cybersecurity, data security, business continuity, and crisis management as top risks in our 2021 audit universe.

New tools for ICT auditing. Mr. Komitas Stepanyan (CIO and former head of ICT audit at the Central Bank of Armenia), presented some practical examples of ICT auditing in the public sector. He identified as the most important engagements for ICT auditors the following: Network access, Application Systems, Databases, and again Information/Cyber security. Mr. Stepanyan also presented new tools like Lansweeper for IT auditing, and according to him, an auditor should not be a superman for being able to use these tools.

In their reactions, participants were scared to hear all the global developments and impact of the disruptive technologies. A few of the questions raised by participants are below. The discussion encouraged the presenters and participants’ active engagement and constructive dialogue.

- If internal auditors do not possess the necessary IT risk and control skills, does it mean they are not compliant with the IPPF? What are the consequences?
- What the PEMPAL guide look like that was suggested to be developed?
- Mark raised concerns among participants. It will already be difficult for the various users to catch up with these technologies. How do you expect internal auditors to cope with this?
- Mark talked about providing insight. We have never done this. Do you believe we will be able to do so? And will management listen to us?
- Frank talked about up-skilling and re-skilling internal auditors. Is this realistic? We will always be one step behind in learning.
- How would Frank suggest convincing our management to invest in internal audit rather than in other functions?
- What would be the best approach for internal auditors with limited IT skills to tackle cybersecurity?
- Komitas is an IT expert working in an organization (the Central Bank) that is willing to invest. What would you recommend smaller internal audit shops to do?

Mr. Vatyan highlighted some key messages from the presenters as conclusions to the event, such as i) the need of in-depth knowledge of IT risks and controls to keep internal audit relevant; ii) enhancing internal auditors knowledge, skills, and competencies and their adaptation to constant learning; iii) the importance of having new tools available for internal auditors; and iv) that the key to success is to build teams, consisting of in-house auditors, collaborative arrangements and co-sourcing solutions, that can thrive, even when the future is uncertain.
Ms. Ljerka Crnković (IACOP ExCom Chair, Senior Adviser, MOF, Croatia) wrapped up the main messages delivered, thanked the presenters and the participants. She concluded that, without any doubt, ICT audit will become and remain the top priority for all internal auditors.

All the materials and the event recording are available at pempal.org