

## **I.T.Audit**

The mandate of SAI India for IT audit is derived from the Constitution of India and established under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service), Act 1971. The mandate of CAG of India for Systems Audit is governed under Sections 13, 14, 16, 17, 18, 19 and 20, as the case may be, read with Section 23 of this Act.

The advent of Information Technology has changed the way we work in many ways, and audit is no exception. The now almost ubiquitous Computer, though undoubtedly one of the most effective business tools, has also brought with it vulnerabilities of the automated business environment. The pen and paper of manual transactions have made way for the online data entry of computerized applications; the locks and keys of filing cabinets have been replaced by passwords and identification codes that restrict access to electronic files. Each new vulnerability needs to be controlled; assessing the adequacy of each control requires new methods of auditing.

During the last decade, most of the Government Departments, Public Sector Enterprises and autonomous Bodies have embarked on computerising their operations in a big way. Initially, computers were available only to large organizations due to high purchase and operational costs. Later the advent of personal computers and the rapid decrease in the costs enabled medium-sized organizations also to take advantage of Information Technology for their data processing. Nowadays, the widespread availability of powerful microcomputers and their associated packaged software has resulted in the extensive deployment of computers by even small organizations.

Correspondingly the possibilities of data loss and associated organizational costs have increased tremendously along with new risk factors. Due to vulnerabilities of network, the danger of tampering with data by insiders and outsiders is much higher in IS systems.

Computers themselves have moved from being just electronic data processing (EDP) systems to the realm of Information Technology (IT) Systems since they not only process data but store, utilize and communicate a wide variety of information that influences decision

making at various levels of an organization. In fact, with the advent and growth of computer network systems, computer systems are now Information Systems (IS). As a reflection of this evolution, the term “EDP audit” has largely been replaced by such terms as “Information Technology Audit” and “Information Systems Audit”.

With the increase in the investment and dependence on computerised systems by the auditee, it has become imperative for audit to change the methodology and approach to audit because of the risks to data integrity, abuse, privacy, etc. In an IT system, especially implemented in an environment of deficient controls as compared to a manual system, an independent audit is required to provide assurance that adequate measures have been designed and are operated to minimize the exposure to various risks.

Under the foregoing provisions, this office has conducted so far following I.T.Audit:-

1. In 2018-19 - Information Technology Audit on “The Receipt and Payment Expenditure (NCS) Implemented by the CGDA”– The report was issued through a management letter.