**Terms of Reference for Proposed Working Group on Impacts of Science and Technology on Auditing**

**BACKGROUND**

At the 2018 INTOSAI Governing Board (GB) meeting in Moscow, Russian Federation, the GB approved a motion to establish an interim task force that would develop Terms of Reference (TOR) and a proposed leadership arrangement for a new INTOSAI Working Group on the Impact of Science and Technology on Auditing (WGISTA) for submission to the GB at the 2019 INCOSAI.

The concept for WGISTA stemmed from the Supervisory Committee on Emerging Issues (SCEI), under the leadership of its Chair (UAE) and Vice Chair (USA), which identified developments in science and technology as key issues that would increasingly affect governments and government auditors in the future. This includes (1) auditing governments’ treatment of these developments in their policies, regulations, and other relevant programs, and (2) sharing best practices among auditors in developing and maintaining relevant expertise and applying science and technology in their auditing.

Under the co-leadership of SAI UAE and SAI USA, the task force has worked within Goal 3 of the INTOSAI Strategic Plan in consultation with the leadership of SAI India, in its role as Chair of the Knowledge Sharing and Knowledge Services Committee (KSC). The task force has also coordinated with the Working Groups on Big Data (WGBD) and Information Technology Audit (WGITA).

The task force has welcomed and benefitted from the participation of INTOSAI members, other public and private sector auditing standards organizations, the donor community, international governmental bodies, and international non-governmental organizations. Participants in the task force have included:

* State Audit Institution of the United Arab Emirates (Co-chair)
* United States Government Accountability Office (Co-chair)
* American Institute of Certified Public Accountants
* Audit Board of the Republic of Indonesia
* China National Audit Office
* Institute of Internal Auditors
* INTOSAI Development Initiative
* Office of the Comptroller and Auditor General of India
* Organization for Economic Cooperation and Development
* Pacific Association of Supreme Audit Institutions
* United Nations Department of Economic and Social Affairs
* World Bank

**FOCUS AND STRATEGIC OBJECTIVES**

WGISTA will focus on key developments in areas such as artificial intelligence, blockchain technology, cybersecurity, data analytics, 5G cellular network technology, machine learning, and quantum computing, among others, that will have an increasing impact on governments and their auditors. This work is directly connected to understanding the audited entity.

The strategic objectives of WGISTA will include:

* Work closely within INTOSAI and with key external stakeholders,
* Conduct environmental scanning to identify key issues in science and technology that will affect governments and their auditors,
* Assess and share best practices in auditing governments’ response to developments in science and technology,
* Assess and share best practices in developing and maintaining expertise within SAIs and applying science and technology in their auditing,
* Identify competencies required by SAIs and auditors to incorporate rapid developments in science and technology,
* Strengthen cooperation among SAIs and other relevant entities with a shared interest in this subject matter, and
* Create a list or database of experts or consultants that can be shared and used by INTOSAI members and Regional Organizations.

**LEADERSHIP AND MEMBERSHIP**

SAI UAE will serve as Chair and SAI USA will serve as Vice-Chair. INTOSAI members and external stakeholders that wish to participate in the working group are invited to contact the leadership to become members or observers, as appropriate.

**RULES OF PROCEDURE**

WGISTA matters will be approved by consensus based on constructive engagement and discussion among its members. When necessary, decisions could be adopted by a simple majority.

Important issues, including but not limited to the revision of TOR and change of Chair and/or Vice Chair, will be presented to the INTOSAI GB for approval.

WGISTA will seek to reach consensus on interim and final products.

Feedback on key products will be solicited through correspondence or during meetings.

The working language will be English.

**WORK PLAN**

WGISTA will develop an annual plan with a two year rolling plan, starting in 2020, to prescribe activities under its strategic objectives. The work plans will include activities, tasks, expected deliverables, schedules, and responsibilities. The leadership will consult with the KSC Chair and the leadership of Working Group on Big Data (WGBD) and the Working Group on Information Technology Auditing (WGITA) to harmonize the work of all three bodies and maximize their impact while avoiding duplication. This consultation will involve (1) reviewing approved Work Plans for WGBD and WGITA, (2) delineating the roles and responsibilities of each Working Group, and (3) reaching agreement among the leadership of the three Working Groups on definitions of key terms such as big data, data analytics, information technology, and science and technology.

**INFORMATION SHARING AND REPORTING**

WGISTA will encourage all members to engage in constructive and timely communication, including through the use of new and innovative technologies. This communication will also leverage existing platforms, such as the KSC portal and website of the INTOSAI General Secretariat. Where possible, WGISTA will also leverage existing INTOSAI meetings to minimize travel.

The Chair will be invited to the annual meetings of the KSC Steering Committee and report on WGISTA activities.

WGISTA regulations and products will be presented to the KSC after approval within the working group.

Based on the discretion of the KSC Chair, the co-chairs may be invited to annual meetings of the INTOSAI GB as observers. The co-chairs would otherwise report to the GB through the KSC Chair.

The Chair will report WGISTA’s work progress and deliverables to the INTOSAI Congress through the KSC Chair.

**EXTERNAL LIAISON**

WGISTA will communicate and cooperate with various INTOSAI committees and working groups.

WGISTA will encourage communication and cooperation with INTOSAI regions and other international organizations or agencies.

WGISTA will release products including research reports, best practices, case studies and other materials when appropriate to relevant agencies and/or conferences.