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ICT in the Public Sector

Presentation Mpumalanga CAE Forum

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Today's agenda

- ICT in the Public Sector
- What are the challenges
- The state of ICT Risks in the Public Sector
- The role of Internal Audit
- What Internal Audit should do
- Closing remarks



ICT in the Public Sector

- National and Provincial
 - CIOs/GITOs
 - Role of Treasury
 - Steering Committees
 - LAN, WAN, Transversal systems/applications
 - Hosted/Supported by SITA
 - Other application systems?
 - IT Governance

ICT in the Public Sector

- Local Government
 - Multiple application systems
 - Outsourcing and SLA management
 - Over-reliance on vendors
 - SITA's involvement\lack of involvement
 - Red - AGSA

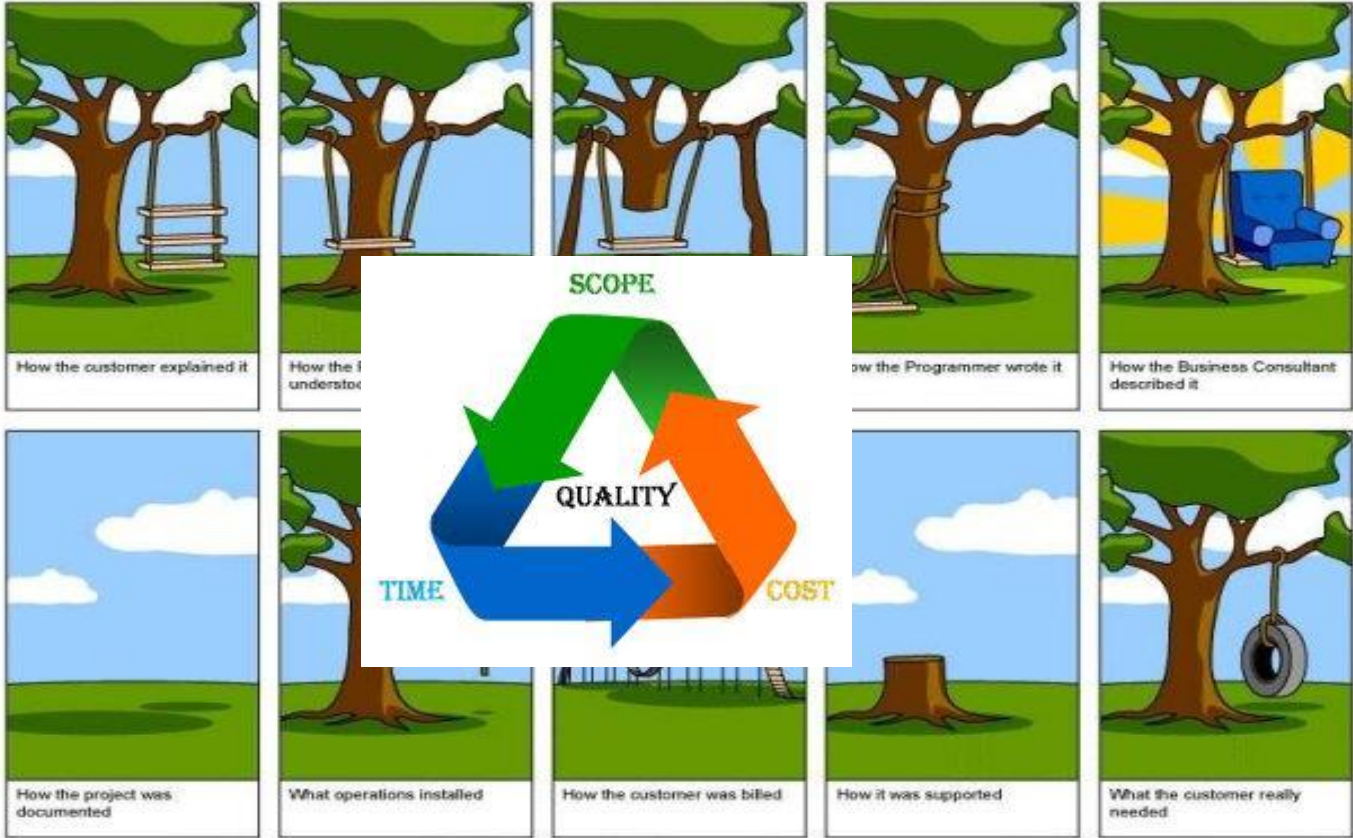
Challenges

- National and Provincial
- Appointment of GITOs/CIOs
- Non -Transversal systems/applications
- Various application systems used in Local Government
- Does SITA deliver?
- IT Governance not implemented
- Assurance from IA
- Oversight by AC


Challenges

- If you thought tendering is a problem
- IT projects
- Combination of tendering and IT projects
- Emerging risks

Challenges



State of ICT Risk Management: Provincial

| | | |
|--|---|---|
| <i>Management of information technology (IT)</i> |  | <ul style="list-style-type: none">• Commitments were not adequately implemented. Management intervention is required to ensure that commitments are honoured. |
|--|---|---|

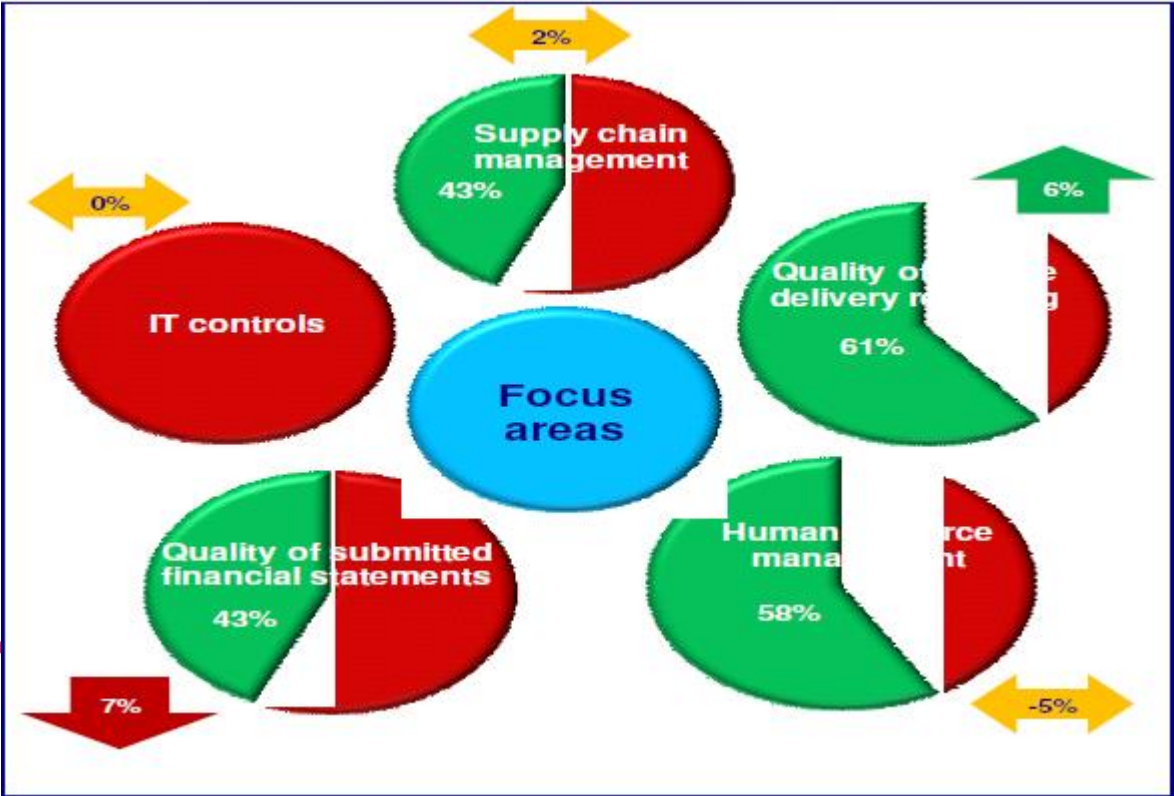
27% Provincial departments qualified, MP 21%

5% Disclaimers, MP 0%

6 Key control areas not receiving attention include **ICT**

1 common goal – to be the brand leader in high-end denim apparel

State of ICT Risk Management: Provincial



Source: AGSA

GC Areas

- IT Governance – thanks to DPS CG ICT
- Security management
- User management
- IT service continuity
- Data centre management
- Facilities and environmental controls
- Change management
- Incident and problem management

Emerging risks

Social Media

Do we understand the impact?

Mobility

Laptops, Tablets,
Convertibles,
Smart phones

Big Data

JHB Metro RFP – data
mining

Own Device

Security risks

Cloud

Auditing in the
cloud. Government
in the cloud

Legislation

POPI, Consumer
Protection Act

Understanding the cloud

| IT topic | Current: On-premise computing | Future: Off-premise (cloud) computing |
|---------------------------------|---|---|
| What to manage | Applications, devices, networks | Services |
| Form of contract | License | Subscription |
| Accounting treatment | Capital expenditures & operating expenses | Operating expenses |
| Increments of functionality | Modules | "Apps" (extensions to the core service) |
| Development & maintenance tasks | Operate, maintain, upgrade, trouble-shoot, fix, restore | Use |
| Infrastructure tasks | Build, install, provision, power, cool (data center facility) | Use |
| Units of measure | Capacity | Entitlements |
| Cost structure | Pay for capacity installed/owned (fixed costs) | Pay for capacity used (variable costs) |

Source: Grant Thornton

These are all manageable – Governance Risk and Compliance (GRC)

- These are all manageable – Governance
Risk and Compliance (GRC)

Internal Audit can contribute

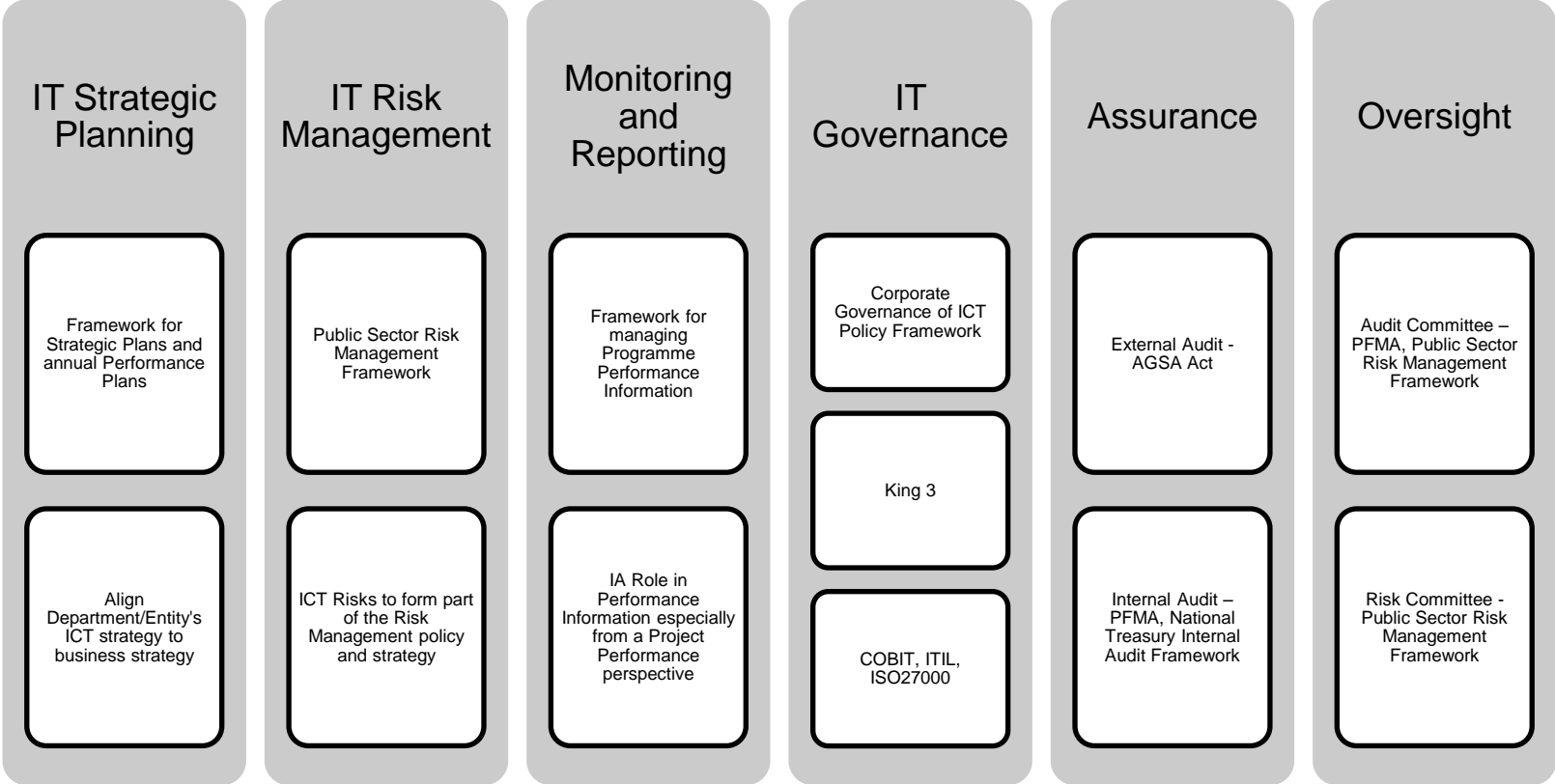
Role of Internal Audit

- Legislative mandate
- Mandate as per IA Charter
- Assess ICT Risks - GRC
- Appraise ICT controls - GRC
- Help improve the organisation ICT controls - GRC
- Help improve ICT governance processes - GRC
- Educate stakeholders especially Audit Committees – GRC

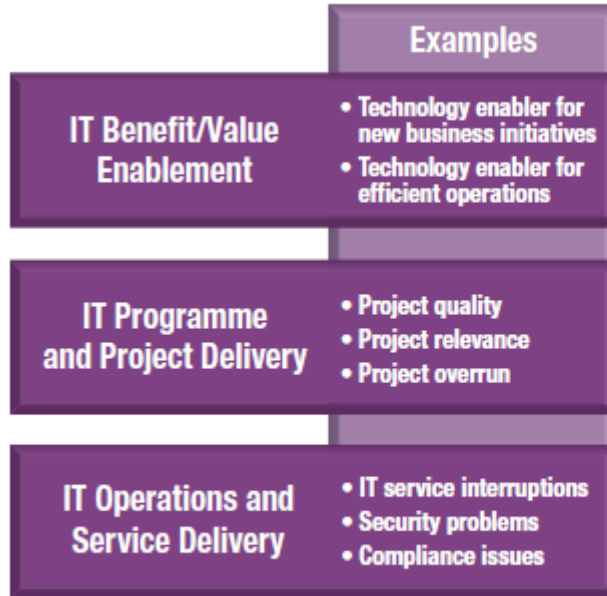
What Internal Audit should do

- Understand ICT
- ICT risks
- The GRC of ICT
- Application controls – can no longer audit around the computer
- ICT is about the business

Understand the elements of GRC - ICT



IT is about business



Are you ready?

Understand the environment

An understanding of ICT and relevant terminology

Know what questions to ask

Start with the basics

Bring in the IT Auditors, Provincial Treasury, etc

So you want to be an IT Auditor

- Basic audit skills
- Desire to understand technology
- Educational background in computer science or related field
- Communication skills
- Ability and willingness to train others in general IT audit skills
- The ability to understand new technologies - short-time period

Any questions?

