Remarks By
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At the
TWENTY-FIFTH ANNIVERSARY AWARDS FUNCTION
of the
ISACA TRINIDAD AND TOBAGO CHAPTER

Anniversary theme:
GOVERNANCE IN A FAST CHANGING TECHNOLOGICAL LANDSCAPE

HYATT REGENCY TRINIDAD HOTEL
Thursday, November 24th 2011

It gives me great pleasure to be present today as the **Information Systems Audit and Control Association, Trinidad and Tobago Chapter** marks twenty-five years of dedicated service in making a difference in our fast changing technological landscape.

An anniversary is a time to celebrate the joys of today, the memories of yesterday, and the hopes of tomorrow.

I note that ISACA was incorporated in the United States of America in 1969 by a small group of individuals. Clearly the pioneers recognized the need for information and guidance in the growing field of auditing controls for computer systems.

Today, ISACA Trinidad and Tobago, inaugurated in 1986 celebrates the 25th anniversary. In bringing greetings from the Integrity Commission of Trinidad and Tobago, I extend warmest congratulations and best wishes on your silver anniversary awards function.

I wish to congratulate all award recipients and others who have stepped forward and contributed to the Association's work. I wish you all the best as you continue to provide the relevant tools to promote growth, innovation and trust.

It is my hope that, as a small group of professionals, you too will continue to make a positive difference by reaching out and providing support to ensure that changes in information technology do not negatively affect the structure and the governance of our businesses and governmental organisations.

Corporate Governance, Information Technology Audits and Integrity: are they related?

I am sanguine that I am preaching to the converted when I remind you that the term "Corporate Governance" refers to "the system by which companies are directed and controlled." (Sir Adrian Cadbury). More precisely, "Corporate governance is broadly defined as a set of relationships among key participants in the corporation, principally 1) the management 2) the board of directors and 3) the owners and other 'stakeholders' by which the broad objectives of the company are determined, the means of reaching those objectives are agreed and performance is evaluated. 1

It has been said that "Trinidad and Tobago is recognized as one of the most advanced countries in the region in terms of the institutionalization of corporate social responsibility practices. There is also a pivotal role to be played by the private sector in the area of governance particularly in "raising the bar" regarding responsible business practices." (Andrew N. Sabga, 2011).

However, the topic with which I want to share a few thoughts with you this evening is perhaps a little more challenging. Is a there a fundamental contradiction between responsible corporate governance and the use of technology in upholding standards of integrity or are these concepts mutually self-reinforcing? I want o suggest to you that each of these concepts is not only compatible but is essential to any organisation, particularly bodies such as the Integrity Commission, charged with detecting and discouraging corruption on the one hand whilst simultaneously encouraging transparency from persons in public life who fall within the purview of the **Integrity in Public Life Act.**

Samuel Johnson, an English author who made lasting contributions to English literature said: "Integrity without knowledge is weak and useless and knowledge without integrity is dangerous and dreadful."

At the Integrity Commission, Integrity is not just our name - it is at the core of our Mission which is to "lead in promoting Integrity reducing corruption and increasing legal compliance among persons in public life, so that public resources are used fairly and for the benefit of all." We seek to ensure that those who serve the nation do so with Integrity, dignity and respect and that they provide consistently superior service to the nation.

We are of the view that doing things the right way is as important as doing the right things.

For persons exercising public functions there exists a Code of Conduct that demands fairness, impartiality and that there exists no undue preferential treatment to any group or individual. It demands that persons functioning and administering public resources arrange their private interests – whether pecuniary or otherwise – in such a manner as to maintain public confidence and trust in their Integrity.

It is perhaps a truism that all electronic systems can be corrupted if oversight is weak. Before we place reliance on them the Integrity Commission must be assured that there is competent oversight by IT professionals or we end up with what has become the clichéd response: 'garbage in garbage out.' Information technology professionals like you need to ensure that the security of the systems you manage remains robust so that fears of unauthorised access to information are eased. It is essential also that the technology and the systems are safe from hackers, viruses and those who wish to manipulate information.

Ladies and Gentlemen, it is well known that technology has changed how we communicate in and between organisations. Technology may remove the human interface but we are all aware that information and records are now much more accessible. It is essential that there are adequate access controls to provide assurance that records used for decision making remain accurate.

It has also been said that "Integrity is a mirror revealing the truth about an individual or a corporation. It involves walking the talk – not just talking it. On a personal level, integrity is measured by what an individual does and does not do when no one is looking." For example, "do they hold to their values, beliefs and ethics? Or do they compromise and do the opposite of what they believe is right? Integrity is the same at the corporate level. Corporate reports, filings, and stakeholder communications state one thing which in reality the corporation is doing something else." 2

Wither the use of technology to improve corporate governance? These high-sounding principles are of little benefit unless, in the quiet moments of a company's life, like that of an individual, technology is used to monitor and ensure adherence to them. It is not a question of 'snooping' but of holding fast to the well-established common law principle that an auditor is a watchdog because your members are indeed in the forefront of detecting and preventing corporate crime such as insider trading which, to a great extent, can only effectively be detected with the use of technology to follow an audit trail.

As long ago as 1998, it was said too that transparency, and I would add Integrity, is only useful "if there is adequate and timely disclosure of objectives and standards by which performance can be judged. Information is classified by accounting standards. In the absence of generally accepted accounting standards, uniformly enforced and applied, it is impossible to compare and contrast performance globally. A useful dictum is:-

Bad Accounting=      Bad Statistics
              =       Bad decisions
              =       Bad risk management
              =       Bad policies and monitoring
              =       Financial fragility and crisis

In classic IT terminology, as stated above, garbage in, garbage out." 3

Experts tell us that thanks to ever-advancing technology, information is now readily available in almost every shape and form to enable transparency and accountability to function to their full effectiveness. IT makes possible the processing and transformation of huge quantities of complex data and information at a relatively low cost. It is forcing standardisation of objectives, measurement, processes, and benchmarks so that units of operations can be monitored and controlled more quickly and efficiently. Standardization of accounting reporting formats enable performance to be monitored functionally, and across time and geography. Technology helps better risk management through the use of sophisticated risk models. Companies are forced to be more open in order to reach the global market. Data availability through the Internet ensures that shareholders have better and faster information to hold their corporate directors and managers more accountable for their action. Cyberspace, however, transcends geographical boundaries and hence geographical governance. It is something that national laws and regulations are still grappling with. 4

We at the Integrity Commission recognise the shortcomings which may sometimes occur in the discharge of our mandate to encourage proper reporting through the annual return of persons in public life. What perhaps is more challenging is the use of the company as an engine of fraud behind which some may hide due to the simple yet profound device of a company being regarded and treated in law as a separate legal person. Much more work needs to be done and the Integrity Commission welcomes opportunities such as these to impress upon you that only through your dedication and commitment to the highest ethical principles of transparency and accountability can our task be facilitated.

To answer the question which I posed at the beginning: are the concepts of corporate governance, technology and integrity compatible? We at the Integrity Commission firmly believe that the concepts of integrity, technology and corporate governance are firmly inter-related. The real question for you to consider on this momentous occasion is: how do you continue to take these concepts forward in the globalized competitive environment in which you operate: my own suggestion would be to ensure that you and your clients are clear in the aims and objectives of their vision and mission statements, that such principles are embodied within the wider context of corporate governance and social responsibility, that such policies are rigorously enforced and monitored through adherence to the highest regional and

international standards and policed by the most advanced technology available to you. As your mission statement commits you, *inter alia*, to being "a leading global provider of knowledge and education on information systems, enterprise governance of IT, and IT-related risk and compliance.

This Association therefore has a key role to play in educating business professionals about vulnerabilities in IT systems and updating us on strategies to protect our information and our organisations.

No matter the advances we make or how fast we develop technology, certain things hold true for the success of all initiatives…ethics, fairness, honesty, accountability and transparency. Without these key elements, an organisation simply would not survive, regardless of its superior technology advances.

In today's fast hanging technology landscape, it is essential you develop sound approaches to considering, evaluating and implementing emerging technologies. Procurement systems need to be relevant, effective and efficient and there is a need to ensure that technology utilized is the best fit for an organisation's strategic objectives.

We encourage Integrity and ethical conduct and look to this Association for assistance in raising awareness about corruption-risks and vulnerabilities and generally, giving prominence to these issues.

All of our activities boil down to one thing – the need for trust and value in every thing we do. Corporate Governance must be based on the principles of Integrity, fairness, equity, transparency, accountability and commitment to values.
I trust that as you celebrate and look towards your golden anniversary you will strive diligently to bring together issues involved in corporate governance and information technology so that ISACA Trinidad and Tobago will be more widely known as a provider of information that is accurate, timely, reliable and relevant.

Thank you and may God bless us all. May God bless our beloved nation.

2011 November 18.

1.  *Draft paper on "Towards the Development of International Standards and Guidelines for Corporate Governance," OCED 1998).*
2.  *Corporate Integrity LLC*
3.  *Transparency, Information Technology and Governance. Speech presented by Mr. Andrew Sheng, Chairman, Securities and Futures Commission at International Company Secretaries Conference on November 24, 1998.*
4.  *Ibid*