



Khalid Hamid

*Executive Director/Department of Professional Services
State Audit Institution of the United Arab Emirates*

Mr Khalid Hamid has extensive professional experience as an auditor. His career started in the National Audit office, in the UK, where he worked for a decade from 1989. He also worked for the Auditor-General, South Africa, in a technical capacity for seven years. Mr Hamid should be announced as Chair of the International Organization of Supreme Audit Institutions (INTOSAI) during the International Congress of Supreme Audit Institutions (INCOSAI) to be held in Abu Dhabi in December 2016. He will embrace many challenges in a period of intense changes. One of his most demanding jobs will be to encourage and set guidelines on how the Supreme Audit Institutions (SAIs) around the globe may act in order to foster the implementation of the 17 Sustainable Development Goals (SDGs) and its 169 targets.

The Goals consist of an Intergovernmental set of aspirations defined by the United Nations during the Sustainable Development Summit, which took place in September 2015, in New York. The initiative, also known as **Transforming our world: the 2030 Agenda for Sustainable Development**, is meant to tackle areas of critical importance to humanity. During this interview to *Revista do TCU* Mr Hamid talked about the importance of the SDGs and how SAIs should approach such priorities in order to make their work more relevant and beneficial to society. To him, assuring a good flow of information between the branches and the levels of government is a key element to achieving success in the implementation of the SDGs.

SAIs are committed to promoting global sustainable development

You are schedule to become Chair of Intosai for the period 2016-2020. What are your views on the importance of the Sustainable Development Goals (SDGs)?

SDGs are an important enabler and further evidence of the global commitment towards a shared and better future for all. The concept that we are now introducing a mechanism that can help improve the lives of citizens through national, regional and global cooperation is far reaching. The SDGs will influence the national priorities, strategies and reporting practices, thereby also influencing for SAI strategies.

What can the United Nations expect from SAIs regarding such matter (SDGs)?

There are several possibilities that are currently being discussed on an operational level. These include:

» Assessing the underlying data that is provided within country reports to the UN. Initially this may involve assessment of the readiness of

countries to report; in the long term there is a possibility to start providing assurance on key data sets (e.g. health or education information).

» There could be some form of indication of key challenges facing countries with regard to internal controls and susceptibility to fraud and corruption.

» Finally we could start assessing the effectiveness of policy formulation and evaluation. Looking at how countries use information coming from its public financial management and other key systems.

The mandates of policy-makers (like president, vice-president) in the several existing SAIs happen/run in different timeframes. Do you believe this lack of overlapping may hinder the evaluation the SDGs implementation?

A critical issue I've found throughout my career is that strategies are often technically written and formulated where implementation is usually decided by political priorities. Therefore to undertake SDGs in the long run (even 2030 isn't that short a term!!) coordination is a critical issue, but difficult to establish.

How do you think SAIs may encourage the balance between environmental, economic and social interests and, at the same time, foster sustainable development?

Some say that sustainable development is an oxymoron!! The three aspects (economic, social and environmental) are often tradeoffs and as the previous question are decided through a political lens. For

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example the creation of jobs may lead to the industrialization of fragile ecosystems. A SAI role is sometimes compromised by our only looking into policy implementation after the fact. To be engaged in this space I believe the crucial area

we can help with is the transparency element. Namely: ensuring the right information is available to the people making decisions in a format that is understandable.

Are you in knowledge of SAIs that have already added the SDGs on their work strategies and what kind of results have they achieved so far?

Only at a preparatory level. In essence many SAIs undertaking their performance audit strategy based on country risk assessment can adapt their results to link to the SDGs.

Which SAIs are involved on the elaboration of methodologies focused on SDGs?

TCU, GAO (US), ECA and Netherlands. We are also working with external partners such as OECD, UN and GIZ.

Could you mention a practical case in which an audit work had a positive effect or lead to



the promotion of sustainable development?

There are many examples from our colleagues involved with the Working Group on Environmental Auditing. Often we see key environmental areas covered by legislation for example, protection of water or air quality without the necessary capacity to implement such legislation. Several audit including joint audits have taken place around these areas. A complexity surrounds how to show commitment to sustainable development and measure the results of policies.

The Executive branch of governments have the main responsibility regarding the implementation and follow up on SDGs, but how may SAIs contribute to the incorporation of SDGs on government's routines and strategic goals?

Alignment of the executive branch to the administration is a complex matter. The key in my opinion is the information flows between the branches of government as well as between the levels of government (e.g. how is information shared between local and central government).

This links to transparency of information as well as its reliability. I believe the need to look more and more into application audits and the integration of data through the IT systems is crucial. The movement to encompass non-financial information assessments along with our annual assessment of the budget expenditure is going to be crucial.

Is there an international audit standard that could be used by

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all SAIs to the benefit of sustainable development?

At this stage, the Working Group on Environmental Auditing (WGEA) is putting together a new ISSAI but this isn't a standard for auditing. A discussion took place previously about whether environmental auditing was the 4th E (after economy, efficiency and effectiveness), however, I believe within the framework of ISSAI 100 using financial, compliance and performance audit we have the tools we need. What we don't have is enough expertise in the "how to?" As stated by colleagues from the TCU we don't have working groups on education or healthcare where most resources go.

Within the SDGs presented by the United Nations, which one, in your opinion, needs immediate attention by SAIs? Why?

I think this is where each country has to undertake a risk assessment and prioritize the key areas for their environment.

What is your understanding of "auditing using a sustainable development lens" and what is your advice to auditors in this subject?

As stated in question 9 it is applying the professional standards we have already and using them in the context of SDGs. I think a really interesting element is the question "do we need technical experts and teach them audit or do we need to teach auditors to become technical experts?" With limited resources bringing in experts as the standards suggest is not always feasible. Equally experts can be much more inclined to offer consultancy rather provide audit observations.

Do you have any suggestion on how to link the Key National Indicators (KNI) to the SDGs? Any views on how





a government should stablish priorities?

I think this is key. We are reaching out to the KNI working group to assist in this regard. As stated earlier, the more we expand our scope to auditing non-financial information on a cyclical basis similar to financial audit the better.

What lessons learned from the implementation of the Millennium Development Goals (MDGs) may be valuable on this new challenge, the implementation of SDGs?

This was the original intention of our “think tank’ for the SDGs. However, the risk is that we force fit previously results and make them sound authoritative. I don’t think we systemically looked at MDG information or reporting. Therefore, claiming any insights

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would be using hindsight inappropriately. The path of engaging external authorities such as the UN at this early stage is one of the innovations we have taken.

In which aspects transparency and accountability may influence the implementation of SDGs?

- » Performance (or non-financial) information
- » Assessing internal control environments
- » Transparency of country priorities.

Taking from your knowledge of the work done by the Brazilian Court of Accounts, would you say the Court is on the right path? What are your advice to the Court on the subject of SDGs?

During the GALF (Global Audit Leadership) meeting an extremely impressive presentation was made to the meeting regarding TCU strategy. My only concern is that the auditor to be relevant must be a mirror of the country. To what extent is Brazil (the whole country not just the executive) aligned to your strategy?