**Sustainable Development Goals – Audit Findings Framework**

**ABSTRACT**

The new Sustainable Development Goals (SDGs) were adopted by the International community in September of 2015 and are to be implemented by all countries between 2016 and 2030. The commitments taken on bring many challenges to national governments, with important implications to public policies in different areas, not only the environment. Due to their position in national systems, Supreme Audit Institutions (SAIs) have been called by the international community to contribute, within their mandates, to the success of the SDGs. This paper proposes a framework to gather and communicate, in a structured way, results of performance audits carried out by SAIs in topics covered by the SDGs.

**Keywords:** performance audit. INTOSAI. Sustainable Development Goals.

1. **INTRODUCTION**

In September of 2015, countries from all over the world gathered at the United Nations (UN) General Assembly, adopted a declaration entitled *Transforming our World: the 2030 Agenda for Sustainable Development*. As an integral part of this declaration, known as 2030 Agenda, there are 17 goals and 169 targets, the Sustainable Development Goals (SDGs). The SDGs represent global priorities, common challenges – in a bigger or
Therefore, the SDGs are at the same time ambitious and modest, innovative and commonplace, comprehensive and limited. Ambitious because, if implemented, they will substantially change our society, but they are also modest because they are mostly about commitments already undertaken, about unresolved issues that are urgent to guarantee basic standards of living to people and basic conditions for the environment. They are innovative because they tried to be objective, attributing targets and means of implementation to each goal, but again, many of these issues have already been debated to exhaustion in international fora. They are comprehensive because we have 17 goals and 169 targets to implement in 15 years, which will no doubt be a challenge; yet, some important issues have been left behind.

2. SDGS AND NATIONAL GOVERNMENTS

The efforts to achieve the SDGs will demand partnerships. Citizens, civil society and the private sector are already reflecting on how they can contribute to the fulfilment of the objectives, but it is recognized that the main responsibility will fall on national governments. Ultimately, they were the ones that made the commitment internationally. Therefore, will be accountable for its fulfillment and delivery of expected results to the society. Thus, the SDGs represent a big challenge to national governments: they have to be capable of dea-
ling with increasingly complex issues, in an integrated manner, because the quest to sustainable development requires a systemic approach, which takes into consideration the interlinkages between different areas, in a way that the solutions implemented are mutually supportive, instead of causing negative impacts.

Paragraph 63, which relates to the means of implementation of the SDGs, says that:

Cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks, will be at the heart of our efforts. We reiterate that each country has primary responsibility for its own economic and social development and that the role of national policies and development strategies cannot be overemphasized. We will respect each country’s policy space and leadership to implement policies for poverty eradication and sustainable development, while remaining consistent with relevant international rules and commitments (UNITED NATIONS, 2016, p.34).

Therefore, the SDGs, to be in fact achieved, will need to have an impact on national development strategies of countries, with important national policy implications in many areas.

3. THE SDGS AND THE SUPREME AUDIT INSTITUTIONS

The United Nations, in its resolution A/RES/66/209 “recognizes the important role of supreme audit institutions in promoting the efficiency, accountability, effectiveness and transparency of public administration, which is conducive to the achievement of national development objectives and priorities as well as the internationally agreed development goals, including the Millennium Development Goals” (UNITED NATIONS, 2012, p. 1).

Due to their position in national systems, their mandate over all areas of governmental expenditure, and their active cooperation in global and regional organizations, SAIs can positively work towards the successful achievement of the goals. SAIs, for example, can be instrumental to ensure national governments are placing these international commitments in their agendas and pursuing them with transparency and accountability.

A careful look at the goals and targets of the 2030 Agenda shows that SAIs are already familiar with many, if not all, of the SDGs issues, since, as mentioned before, they are recognized as essential development issues in which government action is traditional in all countries.

Aware of this opportunity, SAIs at the International Organization of Supreme Audit Institutions (INTOSAI), have promoted a series of meetings and debates about possible approaches for SAIs related to the SDGs. Four approaches have emerged as a consensus:

1. Assessing the readiness of national systems to report on progress towards the achievement of the SDGs, and subsequently to audit their operation and the reliability of the data they produce;
2. Undertaking performance audits that examine the economy, efficiency, and effectiveness of key government programs that contribute to specific aspects of the SDGs;

3. Assessing and supporting the implementation of SDG 16 which relates in part to transparent, efficient, and accountable institutions; and

4. Being models of transparency and accountability in their own operations, including auditing and reporting.

Although all of them can be linked to work or actions already being developed in many SAIs, the second approach, related to carrying out performance audit in topics covered by the SDGs, is certainly more common and directly applicable. A desktop survey carried out by SAI United Arab Emirates in websites of SAIs worldwide, which have content in English and Arabic, found examples of audits from 658 reports from 40 countries covering all SDG topics. This survey shows that there is a lot of knowledge in SAIs about issues covered by the new goals, knowledge that can already contribute to the discussions regarding implementation and results of the SDGs.

4. THE RESULTS FRAMEWORK

In order to collect all this knowledge and experience already in place in SAIs worldwide, and as part of the efforts for INTOSAI’s approach two, a framework was developed to communicate, in a structured way, results from performance audits that were already carried out by SAIs on the many issues covered by the SDGs, the SDG results framework. The instrument was based on findings from the Intosai Working Group on Environmental Auditing (WGEA) to the United Nations Conference on Sustainable Development (Rio+20), which identified 10 main factors that contribute to the poor performance of public policy addressing sustainable development areas (INTERNATIONAL ORGANISATION OF SUPREME AUDIT INSTITUTIONS, 2012). The four steps proposed by the instrument are described below.

» Step 1: Succinctly describe the audit conducted

In order to give readers the necessary context and basic information regarding the audit conducted, start with a brief description of the audit, including the following information: background and importance of the topic; objective and scope; approach and methodology.

» Step 2: Identify the objective or target which was the subject of the audit

Next, examine the list of 17 goals, 169 specific targets trying to identify which topics were addressed by the audit.

» Step 3: Analyze audit conclusions through defined risk factors

The ten factors identified by the WGEA survey can be used to conduct a sort of “risk assessment” describing factors that contribute to the poor performance of public policy addressing sustainable development areas. In this step, the main conclusions from the audit report can be summarized in one sentence and categorized into one or more factors from this list below:

1. Unclear/overlapping responsibilities – Due to the nature of the issues related to sustainable development, in many cases the institutional framework for sustainable development is cross-governmental and requires more work from governments in order to integrate economic, social, and environmental aspects. Governments have adapted to this new reality by creating more integration among ministries, departments and agencies, and programs and projects. However, there is not enough clarity regarding the specific role each one of those entities plays and what they are responsible for, resulting in overlapping responsibilities across agencies and departments. These overlaps compromise the effectiveness of policy coordination and duplicate efforts.

2. Lack of coordination between main stakeholders – sub-national levels and the national level/different ministries or government bodies/civil society/private sector, etc. The cross-governmental nature of the issues related to sustainable development described above requires not only clear definition of responsibilities, but also a high level of coordination between all those involved. Many of the issues encompassed by the SDGs are not solely the responsibility of one specific ministry or not even only of national governments. They occur at all levels, from local to global, and involve municipal, regional, and national governments. They also increasingly involve...
the active participation of civil society and business in the decision-making process, for example, through participatory councils. Governments need good integration and coordination of the work at all these different levels in order to implement policies and achieve the intended results.

3. **Absent or deficient policies or strategies** – Some governments have not yet created effective policy tools and systems to govern sustainable development. Some have not improved public policy tools and processes as recommended. Targets, objectives, or commitments may be in place for some policies, but they are not always supported by comprehensive and specific national, regional, or sectoral strategies, plans and adequate means of implementation. Without the involvement of all affected levels of government, an overall policy or strategy cannot be well implemented and achieve the desired national results.

4. **Insufficient assessment of the environmental/social effects of governmental policies and programs** – Governments are not using policy tools to ensure more timely consideration of environmental or social aspects before large sums are committed to a policy, program, or project. High-level regulatory impact assessment or strategic social environmental assessment is not a concern for many governments, which can lead to undesirable consequences that set back the sustainable development agenda.

5. **Lack of analysis (economic, social and environmental) supporting decisions** – Policy makers are not taking into account the three pillars of sustainable development—economic, social, and environmental aspects—when making decisions. Sustainable development governance requires better integration of economic, social, and environmental policies, particularly within the broader development planning frameworks. Trade-offs and unintended consequences of policies should be taken into consideration as well when deciding on a policy approach.

6. **Lack of long-term planning to implement policies and programs** – Issues requiring long-term planning, like climate change adaptation for example, sometimes do not have corresponding planning processes or plans in place. Sustainable development is about the future as much as it is about the present. Many times some issue might not be a problem now, but, if not addressed can have serious consequences in the future.

7. **Inadequate financial management of policies and programs** – Financial management problems can be caused by insufficient planning, resulting in unanticipated costs of implementing intended policies and programs. Other problems include the absence of an appropriate financial management framework to support the implementation of policies and programs, the lack of financial management skills, and the misuse of funds.

8. **Lack of enforcement of domestic legislation** – Many laws are not self-executing, and governments must ensure compliance with domestic environmental legislation by taking appropriate, effective, and proportionate policy measures. Compliance requires administrative capacities and strong government commitments to implement and enforce the regulatory framework.

9. **Deficient monitoring and reporting systems** – High-quality accountability and reporting systems are often lacking. Evaluations of key policy choices and instruments are not always in place. In the absence of a good evaluation, it is difficult for governments to report and measure their progress toward sustainable development or to identify where further policy action is required.

10. **Lack of data for decision-making** – Government bodies do not have sufficient and robust data to support their decisions and to evaluate their performance. There are problems in data availability, timeliness, quality, and accuracy. Overall, there is a lack of knowledge and information and a failure to use adequately the existing information to support management decisions.

» **Step 4: Considerations regarding audit conclusions and the achievement of the identified targets**

Since the objective of the framework is to gather information of audits carried out by SAIs on topics contained in the SDGs, the purpose of this last step is to conclude this effort. This is done by going back to the targets identified in step 2 and, in light of the conclusions and factors from step 3, reflecting on what can be identified as important findings regarding the implementation of the related goals and targets.
5. CONCLUSION

This framework was applied to three audits carried out by the Federal Court of Accounts – Brazil (TCU) in the environmental, housing and education areas, to demonstrate how it can be used and its potential to adapt to different audits in distinct topics. Throughout 2016 a “proof of concept” report is being developed. To that end, a group of countries is being invited to test the instrument in one or more audits in the areas of health and education (SDGs 3 and 4). The results will be compiled and will support conclusions about challenges and progress identified by SAIs in achieving the selected SDGs. These reports, and an evaluation of the instrument itself, will be presented at the XXII INCOSAI in December of 2016.

REFERENCES


