



INTOSAI WGEA Work Plan 2017-2019

Project 2.1 (h)

**Auditing and implementing the
United Nations Sustainable
Development Goals focusing on
environmental auditing**

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Acknowledgements & Foreword

The International Organization of Supreme Audit Institutions (INTOSAI) Working Group On Environmental Auditing's (WGEA) 2017-2019 Work Plan included the conduct of a project focused on developing criteria, characteristics, and principles for delivering the 2030 Agenda (Sustainable Development Goals) focusing on environmental auditing. This document incorporates the criteria and summarizes important information about the SDGs, the role of SAIs in strengthening the accountability, transparency, and integrity of government in implementing SDGs, and SAIs experiences on auditing SDGs. This guideline aims to (a) provide SAIs with general information, concepts and definitions to understand the importance of the 2030 Agenda and SDGs; (b) present an overview and some examples of SAIs experiences on auditing the preparedness of national governments to implement the 2030 Agenda and SDGs, focusing in the methodologies, approaches and tools used during the audit process; and (c) propose some possibilities of conducting environmental auditing with a SDG perspective, with examples and basic ideas of how to do it.

SAIs emphasized that governments often do not understand well the interest of SAIs in SDGs and why SAIs should assess preparedness. Another challenge faced by SAIs is how to work in a more integrated way by breaking internal organizational silos and sectoral organization. In this regard, SAIs emphasized the importance of having multi-disciplinary teams for conducting SDG audits. In addition, strengthening internal communication lines within SAIs and bringing in more specialized expertise related to the SDGs may contribute to overcome this challenge. This guideline provides concepts, tools, and examples to help the auditors in designing their own audit rather than presenting a step-by-step of how to carry out an audit on the 2030 Agenda and SDGs or of how to carry out an environmental audit on SDGs.

The work on this document was led by the SAI of Canada, the SAI of Brazil, and the SAI of Indonesia. We would like to acknowledge the efforts of the authors, the contributions made by the SAIs worldwide, and also the valuable input and help by the INTOSAI WGEA and its Steering Committee members.

We hope you will find this document useful and beneficial.

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EXPOSURE DRAFT



Acronyms and abbreviations

CESD	Commissioner of the Environment and Sustainable Development
COG	Center of Government
DO	Dissolved Oxygen
FOD	Fragmentation, Overlapping and Duplication
GAO	Government Accountability Office
GDP	Gross domestic product
GIS	Geographical Information System
HLPF	High Level Political Forum
IDB	Inter-American Development Bank
IDI	INTOSAI Development Initiative
INTOSAI	The International Organisation of Supreme Audit Institutions
ISSAI	The International Standards of Supreme Audit Institutions
KSC	Knowledge Sharing Committee
MDGs	Millennium Development Goals
MPAs	Marine Protected Areas
OAG	The Office of the Auditor General
OECD	Organization for Economic Co-operation and Development
Perpres	Peraturan Presiden/ Presidential Regulation
PNAPO	National Policy on Agroecology and Organic Production
SAI	Supreme Audit Institutions
SDGs	Sustainable Development Goals
SFM	Sustainable Fisheries Management
TCU	Tribunal de Contas da União/ the Brazilian Federal Court of Accounts
UNDESA	United Nations Department of Social and Economic Affairs
VNR	Voluntary National Review
WGEA	Working Group on Environmental Auditing
WOG	Whole of Government



Executive Summary

The INTOSAI Strategic Plan for the period 2017-2022 has included SDGs as a crosscutting priority. In line with the strategic intent of INTOSAI, the WGEA's 2017-2019 Work Plan proposed the development of an audit guideline on Delivering the 2030 Agenda (SDGs) focusing on environmental auditing. The objective of this Guide was to offer information, suggestions and guidance to SAIs that are planning to contribute to the implementation or the review of implementation of the 2030 Agenda, with a focus on environmental auditing.

This guideline is divided in three main parts. The first part contains background information on SDGs to contextualize and support the information discussed throughout this document. It provides concepts and definitions related to the 2030 Agenda and SDGs; describes of how SAIs can contribute to the achievement of SDGs; identifies INTOSAI and WGEA frameworks, guides and projects that can be helpful to audit SDGs; presents some possible sources of audit criteria; and discusses the interconnections among the environmental audits and the 2030 Agenda and SDGs. The second part consists of an overview of the audits that have already been carried out by SAIs to assess the preparedness on national governments to implement the 2030 Agenda and SDGs, highlighting some of the common findings and challenges faced during the audits. The third part of this guideline presents opportunities of how SAIs can incorporate some of the characteristics and principles of the 2030 Agenda and SDGs in their environmental auditing work. This part purpose is to provide some examples of how SAIs can contribute to SDGs when undertaking environmental auditing with a SDG perspective.

The concepts and principles presented in this guide are complex and far reaching. Their practical implementation varies from country to country based on national circumstances. This is why the case studies and examples are so important and rich as they stimulate the questions a SAI should ask itself in preparation for an audit. By reporting, sharing and discussing audit approaches and results, SAIs directly contribute to the implementation, follow-up and review of the SDGs within the context of each nation's specific sustainable development efforts.

EXPOSURE



1. Introduction

1. In September 2015, the member states of the General Assembly of the United Nations unanimously adopted the resolution “Transforming our World: The 2030 Agenda for Sustainable Development.” The 2030 Agenda includes 17 aspirational goals for the international community to be achieved as a whole, known as the Sustainable Development Goals (SDGs). These SDGs address many different global issues, such as poverty, hunger, education, health, economic growth, climate change, and so on.
2. The SDGs apply to all nations, developed and developing, large or small, insular or landlocked. To implement and achieve the SDGs, all national governments need to translate the SDGs across national structures, mandates, policies, plans and strategies. Government funding to implement policies, programs and services deployed to achieve the SDGs are all activities relevant to Supreme Audit Institutions (SAIs). In this regard, SAIs can work positively for the successful implementation of the 2030 Agenda because of their position on national systems, their mandate on all areas of government expenditure, and active cooperation in international organizations at the global level and regional levels. SAIs can be instrumental in supporting national governments implementing their international sustainable development commitments and pursuing them with transparency and accountability. Hence, SAIs can, through their mandates, make valuable contributions to national efforts to implement, monitor implementation, track progress, and identify improvement opportunities across the full set of the SDGs.
3. The INTOSAI community included the SDGs in its 2017-2022 Strategic Plan as one of four crosscutting priorities. Crosscutting priority 2 aims to contribute to the follow-up and review of the SDGs within the context of each nation’s specific sustainable development efforts and SAIs’ individual mandates¹. INTOSAI has identified four approaches through which INTOSAI and SAIs can support the implementation of SDGs²:

¹ <http://www.intosai.org/about-us/strategic-plan-of-intosai.html>.

² <http://www.intosai.org/about-us/sdgs-sais-and-regions.html>.



4. In line with this crosscutting priority 2 of INTOSAI, the WGEA's 2017-2019 Work Plan proposed the development of a guidance document on auditing the SDGs focusing on environmental auditing. In this regard, WGEA has a central role to play in providing SAIs with guidance and examples of how to conduct environmental audits under the SDGs perspective. The 2030 Agenda suggests a transversal, multilevel approach to sustainable development that considers the government as a whole (*whole-of-government approach*). Therefore, audit teams must be equipped with concepts and tools that allow them to conduct audits with this perspective. This is especially true in environmental auditing, given that environmental issues are complex and crosscutting, and auditing them demands more than a narrow, sectorial standpoint.
5. The objective of this guideline is three fold:
 1. to provide SAIs with the necessary information to understand the main features of the 2030 Agenda and SDGs;
 2. to present an overview and examples of SAIs experiences on auditing the preparedness of national governments to implement the 2030 Agenda and SDGs (**INTOSAI's approach 1**), focusing in the methodologies, approaches and tools used during the audit process;
 3. to propose some possibilities of conducting environmental auditing with an SDG perspective (**INTOSAI's approach 2**), with examples and basic ideas of how to do it.
6. It is important to highlight that this guidance does not present a step-by-step specific guidelines on how to carry out an audit on the 2030 Agenda and SDGs, or of how to carry out an environmental audit on SDGs. Rather, it provides concepts, tools, and examples to help the auditors in designing their own audit.
7. In addition, considering that auditing the 2030 Agenda and SDGs is an evolving topic, it is also important to highlight that this guidance reflects the status of knowledge on this topic at the time of drafting and that it will require updates as additional knowledge and experiences around the world accumulate.
8. Chapter 2 contains background information on the 2030 Agenda and SDGs to contextualize and support the information discussed throughout this document. It describes how SAIs can contribute to the achievement of SDGs; identifies tools that can be helpful to audit the SDGs and possible sources of audit criteria; and discusses the interconnections among the environmental audits and the 2030 Agenda and SDGs.
9. Chapter 3 provides examples of audits that have already been carried out by SAIs to assess the preparedness on national governments to implement the 2030 Agenda and SDGs (INTOSAI's approach 1). It also presents some SAIs experiences on auditing the implementation of SDGs, with a focus on the methodologies, audit tools or any other innovative approaches that were used by audit teams.
10. Chapter 4 presents examples of how SAIs can incorporate some of the principles and characteristics of the 2030 Agenda and SDGs in their environmental auditing work, by, for example, considering the integration of economic and social sustainability (**INTOSAI's approach 2**).

2. Background

2.a) The three aspects of sustainable development

11. Sustainable development is described as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” Sustainable development therefore calls for a *long-term* plan for the management of all resources that will allow societies to fulfill their economic and social needs while restoring or preserving the environment. Rather than being separate domains, society, the economy and the environment are fundamentally linked together. This means that the development in one domain inevitably affects the two others. To support sustainable development, decision making and planning need to consider the following two central principles of sustainable development:
 - Integration of environmental, economic, and social objectives (the “three pillars” of sustainable development) into decision-making
 - Consideration of a long-term horizon for decision making on development to ensure equity across on future generations (“intergenerational equity”).
12. The emphasis on the integration of environmental, economic, and social objectives is tied to an aspiration that decisions should take into account the positive and negative effects, or costs and benefits in all three domains and lead to actions advancing progress in all three directions. This emphasis on integration was largely intended to address unsustainable patterns of decision-making such as those based on short-term economic benefits that did not account for social and environmental costs.
13. There have been several international agreements that attempted to address the social, economic or environmental problems of the world. As most of them focused more or less exclusively on either the social, the economic or the environmental aspect of development, gains in one domain have often been realised at the expense of one or the other two domains.

2.b) The 2030 Agenda and SDGs

14. With the adoption in 2015 of the United Nations Resolution “Transforming our World: The 2030 Agenda for Sustainable Development,” countries around the world committed to ending poverty through an integrated and balanced approach to sustainable development. The 2030 Agenda includes 17 SDGs (figure 1).

Figure 1: The seventeen Sustainable Development Goals



Source: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

15. With a 15-year implementation period from 2015 to 2030, the 2030 Agenda and the SDGs are a plan of action aimed at people, planet, prosperity, partnership and peace (figure 2).

Figure 2: The Five Ps of Sustainability



Source: <http://www.oneworldcentre.org.au/global-goals/agenda-2030-and-the-sdgs/>

16. The core principles and characteristics of the 2030 Agenda and SDGs that guide the implementation process and are reflected in the SDGs and targets are³:

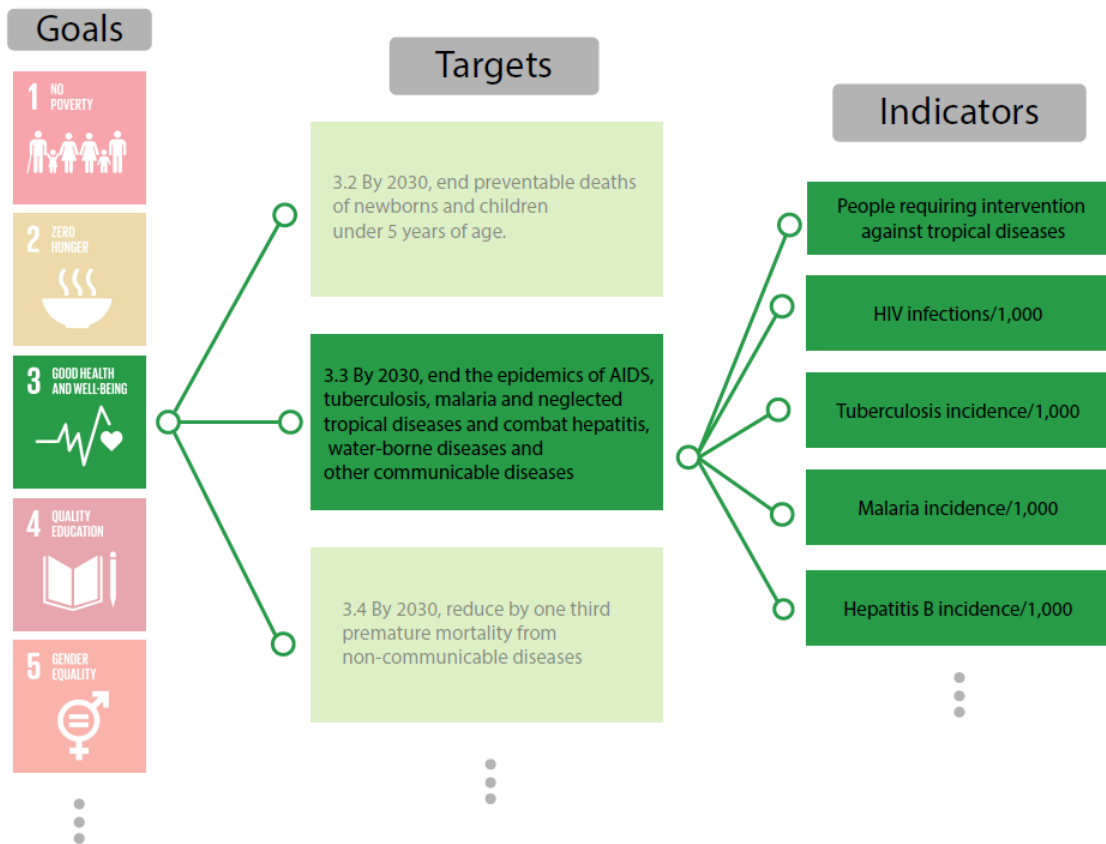
- **Universality:** the 2030 Agenda is universal in scope and pledges all countries to contribute towards the achievement of the SDGs. The Agenda is applicable to all countries, taking into account different national realities, capacities and levels of development.
- **Interdependence between the three dimensions of sustainable development:** the 2030 Agenda recognizes that the economic, social and environmental dimensions are linked and interdependent. The achievement of the 2030 Agenda calls for an integrated and balanced approach to achieve sustainable development.

³ <https://sustainabledevelopment.un.org/sdgs>.

- **Inseparability and indivisibility of the SDGs:** the 2030 Agenda and the SDGs have been designed to cover the three dimensions of sustainable development by fully integrating them under the 17 SDGs. The SDGs are interconnected in a web-like manner by the targets under the SDGs that reflect the many crosscutting elements of the 2030 Agenda. To ensure sustainable development is achieved, it is important that all governments address the SDGs in their entirety instead of approaching them as individual goals.
- **Inclusiveness:** the 2030 Agenda calls for the participation of all to contribute to its implementation, without distinction of any kind as to race or ethnicity, colour, sex, language, religion, political or other opinion, national or social origin, property, birth, disability or other status. The Agenda seeks to benefit all people and does not leave anyone behind, reaching the most vulnerable and needy people, wherever they are.
- **Multi-stakeholder engagement:** the 2030 Agenda calls for collaborative partnerships among all stakeholders, mobilizing and sharing knowledge, expertise, technology and financial resources, to support the achievement of the SDGs.
- **Long-term agenda:** the 2030 Agenda requires longer-term direction (through 2030) towards sustainable development, with monitoring and evaluation processes that can identify achievements, challenges, gaps and critical success factors.

17. The 2030 Agenda is an ambitious plan of action for all countries to achieve the 17 SDGs, which unfold in 169 targets. In addition, 232 indicators were also defined in order to measure and monitor progress achieved by the international community as a whole towards the targets and goals (figure 3).

Figure 3: SDGs unfolded in targets and indicators



Source: Adapted from <http://www.agenda2030.org.br>



18. These 232 indicators were also defined in order to measure and monitor progress achieved by the international community as a whole towards the targets and goals (figure 3). Indicators will require the collection of reliable data that will be key for decision-making to implement the SDGs. These data will be important to ensure that no level or group of population is left behind.

2.c) Whole-of-government approach and governance for the implementation of the 2030 Agenda and the SDGs

19. The integration of the three dimensions of sustainable development and the inclusiveness feature of the 2030 Agenda aim to ensure that all members of society will participate in and benefit from implementation of the SDGs. At the national government level, this means adopting an integrated governmental “**whole-of-government**” perspective so that the SDGs can be addressed from the economic, social and environmental viewpoints in planning, executing, monitoring, and evaluating governmental activities.
20. Furthermore, national governments, in aiming for a more just and inclusive society, may undertake consultations or actively involve all society’s stakeholders at different stages of preparations and implementation of the 2030 Agenda. This approach is referred to a “**whole-of-society**” approach and anticipates how each member of society can contribute towards the SDGs.⁴
21. “Whole-of-government” is an overarching term that refers to an approach that emphasizes a strategy that is common to the entire government. It aims to address the systemic issues of institutional and **policy coherence** within a national government. A whole-of-government approach systematically cuts across silos between government ministries and agencies to ensure that action by government are fully aligned and coordinated, making use of synergies and avoiding contradictions across government action. Target 14 of SDG 17 explicitly requests to enhance policy coherence for sustainable development.
22. The strengthening of the role and performance of national governments is crucial for the successful implementation of the 2030 Agenda. This strengthening should be associated to improvements in governance. According to the definition proposed by the International Federation of Accountants⁵, governance is the organizational structure adopted to ensure that the results desired by stakeholders are defined and achieved. This structure can be administrative, political, economic, social, environmental and legal, among others. In this context, the strengthening of national government pursuing good governance will be associated with its ability to exercise the functions under its responsibility.
23. Good governance in public sector helps delivering:
-

⁴ Finland’s approach to sustainable development and the 2030 Agenda offers a good example of this approach. See https://sustainabledevelopment.un.org/content/documents/1519Vnk_J1117_Government_Report_2030Agenda_KANSI_LLA_netti.pdf

⁵ <https://www.ifac.org/publications-resources/good-governance-public-sector>



- Clarity in roles, responsibilities, power and authority
 - Organizations' accountability and transparency
 - Quality information and support to decision-making
 - Effective risk management mechanisms, as well as an internal control system to support it
 - Clarity about products and services delivered by government
 - Quality programs and services
 - Social, economic and environmental benefits to citizens
 - Performance evaluation and compliance
 - Finances control
24. Without good governance and a whole-of-government approach, national governments are unlikely to be effective and efficient in delivering results on the 2030 Agenda. For example, actions across the government will likely: lack technical background in the formulation of national plan; be incoherent and/or lead to competition between public policies; lack strategic vision with poorly formulated national objectives and goals; not be adequately monitored and readjusted for maximum impact.

2.d) The role of SAIs in strengthening the accountability, transparency, and integrity of government in implementing SDGs

25. The SDGs targets and indicator framework are at the centre of the 2030 Agenda's *Follow-up and review* system for measuring, monitoring progress and reporting progress. They are also especially well suited for SAIs to perform audits because they provide a source of clear criteria on a wide range of topics. In turn, SAIs have the opportunity to foster the integration and advancement of the SDGs in a national context.
26. The SDGs are integrated and indivisible, balancing the three aspects of sustainable development. As such, most government strategies, policies, programs and services or actions could affect progress towards the SDGs. This broad relevance, illustrated by the wide range of the SDGs topics, provides many options for SAIs that wish to conduct audits on the SDGs.
27. The 2030 Agenda recognizes the essential role of national parliaments in ensuring accountability for the effective implementation the 2030 Agenda. In doing so, SAIs contribute to achieving Goal 16 which aims, in part, to : Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. In addition, the 2016 High Level Political Forum (HLPF)⁶, which focused on "Ensuring that no one is left

⁶ The HLPF is the main United Nations platform on sustainable development for the follow-up and review of the 2030 Agenda for Sustainable Development the Sustainable Development Goals at the global level.



behind”, highlighted the importance of the role of SAIs as their mandate cuts across all government institutions at all levels⁷.

28. SAIs and their auditors have an important and direct role to play in the implementation of the 2030 Agenda and SDGs. They can support good governance by ensuring accountability and transparency of government through objective, rigorous, and practical analysis of how programs, laws, regulations and sustainability targets are managed, implemented and monitored nationally and internationally.
29. Just as a whole-of-government approach that fosters policy coherence requires the government to employ different ways of thinking and managing, SAIs and auditors need to think differently in developing approaches to audit the 2030 Agenda and the SDGs. While this is a field in active and early development, it is already clear that auditing government performance with a narrow scope that focuses on either the economic, the social or the environmental performance in silo is not sufficient for SAIs to meaningfully contribute to the 2030 Agenda. Auditors need to develop and use innovative approaches that integrate the three aspects of sustainable development. Some examples are provided in Chapters 3 and 4.
30. The INTOSAI Strategic Plan for the period 2017-2022 has included SDGs as a crosscutting priority. INTOSAI has identified four approaches through which Supreme Audit Institutions can fulfil their role and contribute to the implementation of SDGs⁸:
 1. Assessing the preparedness of national governments to implement the SDGs.
 2. Auditing the performance of activities implemented by the government that contribute to achieving specific aspects of the SDGs.
 3. Assessing and supporting the implementation of SDG 16, which relates in part to transparent, efficient, and accountable institutions.
 4. Being models of transparency and accountability in their own operations, including auditing and reporting.

2.e) INTOSAI, WGEA and other frameworks, guides and projects

31. There are many frameworks, guides and project outcomes available to SAIs to help them in their audits of sustainable development. Because the SDGs cover subjects that are social, economic and environmental, this means that many, if not all, of the topics that SAIs audit can be examined through the lens of sustainability using the SDG targets and indicators.
32. The **International Standards of Supreme Audit Institutions (ISSAI)** Framework offers a collection of professional standards and best practice guidelines for public sector auditors, officially authorized and endorsed by INTOSAI. The subjects covered that are directly relevant to the SDGs are the

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[https://sustainabledevelopment.un.org/content/documents/2328Global%20Sustainable%20development%20report%20016%20\(final\).pdf](https://sustainabledevelopment.un.org/content/documents/2328Global%20Sustainable%20development%20report%20016%20(final).pdf)

⁸ <http://www.intosai.org/about-us/sdgs-sais-and-regions.html>.



environment, sustainable development, disaster-related aid and public debt. Guidance on E&SD auditing include:

1. ISSAI 5110 – Guidance on Conducting Audit Activities with an Environmental Perspective
 2. ISSAI 5120 – Environmental Audit in the Context of Financial and Compliance Audits
 3. ISSAI 5130 – Sustainable Development: The Role of Supreme Audit Institutions
 4. ISSAI 5140 – How SAIs may co-operate on the audit of international environmental accords
33. A section of INTOSAI's website is dedicated to the SDGs⁹, including the document "A practical guide to government SDGs preparedness review", based on the experiences and reflections of seven SAIs that conducted a review in accordance with the seven steps INTOSAI model¹⁰.
34. The **INTOSAI WGEA** proposes a broad selection of guidance materials¹¹ that can be used for environmental and sustainable development performance audits on the SDGs. Some of the topics on which guidance is available include:
- Energy Savings 2016
 - Market Based Instruments for Environmental Protection and Management 2016
 - Environmental Impact Assessment 2016
 - Auditing Government Efforts to Adapt to Climate Change and Ocean Acidification in the Marine Environment 2016
 - Auditing Waste Management 2016
 - Land Use and Land Management Practices in Environmental Perspective 2013
 - Impact of Tourism on Wildlife Conservation 2013
 - Sustainability reporting – Concepts, Frameworks and the Role of Supreme Audit Institutions 2013
35. A wide range of audit reports is also available from INTOSAI WGEA's website¹². Audits are organized by sustainable development goal, by country, or by issue and environmental agreement. As new audits reports are being published, they are added to the list.
36. The **INTOSAI Development Initiative** (IDI) is the INTOSAI body that works across the organisation's strategic goal areas and supports SAIs in developing countries. It hosts a library that contains guidance and papers including on auditing the SDGs¹³, including the guidance on "Auditing Preparedness for Implementation of Sustainable Development Goals – Guidance for Supreme Audit Institutions – version 0".

⁹ <http://www.intosai.org/about-us/sdgs-sais-and-regions.html>

¹⁰

http://www.intosai.org/fileadmin/downloads/downloads/1_about_us/SDGs_and_SAIs/id782_SDGs_Netherlands.pdf

¹¹ <https://www.environmental-auditing.org/publication/>

¹² <https://www.environmental-auditing.org/audit/>

¹³ <http://www.idi.no/en/idi-library/global-public-goods/auditing-sustainable-development-goals?tag=>



37. The 2030 Agenda recognizes the importance of gender equality in achieving sustainable development and includes gender equality and empowerment of women and girls as a stand-alone goal, SDG 5. Gender equality is also a crosscutting theme reflected in other goals. The **Canadian Audit and Accountability Foundation**, in partnership with the **International Institute for Sustainable Development** developed guidance on auditing gender equality and the SDGs.¹⁴ This guide helps auditors understand gender equality and its place in the 2030 Agenda. It also helps auditors plan either an audit focused on SDG 5 or an audit that examines gender equality within other SDGs, such as water, agriculture or energy. The guide suggests a list of indicators that gender equality is at risk, questions to understand how prepared the government is, and illustrative examples.

2.f) Possible sources of audit criteria

38. As noted above, virtually all subjects and activities that are normally examined by SAIs are eligible for an audit on the SDGs. Suitable criteria can be drawn from the Goals and targets of the SDGs. Other sources include Bi- or Multilateral International Agreements or legislation, national legislation, government objectives, promises and commitments. Operational and performance standards adopted by the audited government, ministry or agency are also potential sources, as are generally accepted procedures and practices in other organizations with comparable activities.
39. Depending on the specific objective of the audit and which aspect of the SDGs it covers, possible sources of criteria include:
1. International (intergovernmental) agreements and standards:
 - The 2030 Agenda for sustainable development Resolution, including any the SDGs and targets.
 - United Nations multilateral agreements in areas that are covered by the 2030 Agenda. Examples include:
 - Convention on biological diversity
 - Paris Agreement
 - Basel Convention
 - UN-HABITAT
 - Other international organisations such as the OECD
 - The International Organization for Standardization (ISO standards) published a document that provides an overview of how ISO standards that contribute directly to the UN Sustainable Development Goals
 2. National obligations:
 - Sustainable development acts and regulations
 - Environmental acts and regulations
 - National directives, policies, strategies and plans
 - Specific commitments made on the area audited

¹⁴ <https://www.caaf-fcar.ca/images/pdfs/practice-guides/Practice-Guide-to-Auditing-the-United-Nations-Sustainable-Development-Goals-Gender-Equality.pdf>

- Recommendations to previous audits
 - Recognized good or best practices
3. Criteria developed specifically for the audit using analysis and comparators (criteria requiring more effort to ensure their suitability):
- Comparable activities or operations
 - Best practices nationally or internationally, determined through benchmarking or consultation
 - Standards the auditors developed through the analysis of a task or activity

2.g) Interconnections among challenges in environmental audits and characteristics of the 2030 Agenda and SDGs

40. Environmental auditing is usually defined as performance, compliance or financial audit addressing the approach taken by responsible bodies (e.g. government) to a specific environmental problem, or environmental policies, or programmes, as well as their performance in managing environmental issues (ISSAI 5120).
41. Working with environmental themes presents its own challenges, and those challenges become amplified by the characteristics of the 2030 Agenda. Some of those challenges faced by SAIs in conducting environmental audits are (ISSAI 5110):
- The crosscutting nature of environmental issues
 - Existence of multiple stakeholders, government areas and organizations involved in environmental matters
 - Environmental damage is often consequence of market failures (externalities)
 - Difficulty in evaluating monetarily natural resources
 - Scarcity of information and effectiveness indicators for environmental policies and programs
 - Impact in environment is often felt in the long term
42. There are a strong similarity between those challenges and the characteristics of the 2030 Agenda (table below). As such, the 2030 Agenda does not bring any novelties to environmental auditors, since environmental audits often address social, economic and future-generation aspects. However, it does shed light on some aspects that are often neglected by SAIs when carrying out environmental audits.

Table 1: Similarities between environmental auditing challenges and the 2030 Agenda

Challenges working with environmental themes	Characteristics and principles of the 2030 Agenda
Crosscutting nature of environmental issues	<ul style="list-style-type: none"> • Integrated nature of the SDGs (3 dimension of sustainable development) • Interconnections among goals or policies and programs
Existence of multiple stakeholders, government areas, and organizations involved in environmental matters	<ul style="list-style-type: none"> • Multi-stakeholder engagement • Inclusiveness
Scarcity of information and effectiveness indicators for environmental policies and programs	Performance assessment through indicators and information systems
Impact in environment is often felt in the long-term	Long-term agenda



43. Considering the similarity between the environmental auditing challenges and the characteristics of the 2030 Agenda, SAIs can contribute to the implementation of the 2030 Agenda and SDGs by incorporating a SDG perspective in their environmental audit work. When addressing a specific environmental problem, or environmental policies or programmes, as well as when assessing the government performance in managing environmental issues, SAIs may include some of the characteristics and principle of the 2030 Agenda into the environmental auditing process. Chapter 4 of this guideline presents some possible ways and examples of incorporating a SDG perspective in environmental auditing.

3. Overview of SAIs experiences on auditing the 2030 Agenda and SDGs

44. This chapter provides an overview and some examples of successful SAI experiences in auditing the 2030 Agenda and SDGs (INTOSAI approach 1), focusing primarily on the methodologies, approaches and tools used during the audit process. Common findings and challenges faced during these audits are briefly summarized.
45. The main purpose of this chapter is to share experiences in a way that SAIs can learn from each other and inspire further audits on SDGs, contributing to the INTOSAI's approach 1. It aims to allow SAIs to replicate the methodologies and audit tools used by other SAIs, adapt them to their own context, or develop their own tools to audit the SDGs. However, this guidance is not proposing a specific model or approach for auditing the 2030 Agenda or SDGs.
46. Though relatively small, the number of audits by individual SAIs and coordinated or cooperative audits among or by groups of SAIs on the 2030 Agenda is continually increasing. Under the IDI-KSC capacity development programme on "Auditing Sustainable Development Goals", over 80 cooperative audits supported by the IDI through this programme are assessing preparedness of national governments to implement the 2030 Agenda and SDGs over the 2017-2018 period. These performance audits are being conducted by SAIs of AFROSAI, ARABOSAI and OLACEFS, which are using the model presented in the guidance produced by IDI-KSC "Auditing Preparedness for Implementation of Sustainable Development Goals". *15 Lessons learned from the programme will be globally available through the IDI-KSC community portal in 2019.*
47. Furthermore, SAIs around the world have been carrying out individual or coordinated audits related to the 2030 Agenda and SDGs by themselves or with the support of other SAIs. Some SAIs have used the methodology provided at the guidance produced by IDI-KSC to audit nation's preparedness for the implementation of SDGs. Other SAIs have used the INTOSAI's seven steps model to review government SDGs preparedness. Both models are complementary and presented below.

¹⁵ <https://www.idi.no/en/idi-cpd/auditing-sustainable-development-goals-programme>



48. The information about SAIs experiences on auditing SDGs was gathered from the last one WGEA survey, on the INTOSAI website: “SDGs: SAIs and Regions” (link: <http://www.intosai.org/about-us/sdgs-sais-and-regions.html>), and the IDI website (link: <http://www.idi.no/en/idi-cpd/auditing-sustainable-development-goals-programme>). The baseline of mapping SAIs experiences on auditing SDGs was early 2018.
49. Some three years after the entry into effect¹⁶ of the 2030 Agenda, most of the related audits conducted so far by SAIs aimed at assessing the country's preparedness to implement the entire 2030 Agenda. At this stage, few audits examining governments' performance at implementing the 2030 Agenda or the SDGs had been performed. Three examples related to implementation of SDGs are provided in section 3.b.
50. Section 3.a provides examples of SAIs experiences on auditing national preparedness to implement the 2030 Agenda or SDGs, and section 3.b presents examples of other audits related to SDGs. The last section provides information about the main findings and challenges faced by SAIs in these exercises.

3.a) Preparedness of national government to implement the 2030 Agenda and SDGs

51. Preparedness can be understood as the way a government is organizing itself to implement and achieve the 2030 Agenda and SDGs. In this regard, a number of initiatives have been launched within INTOSAI to support SAIs in making important contributions towards reviewing and auditing the preparedness of national governments to implement the SDGs.
52. The INTOSAI capacity development programme on “Auditing SDGs” by the INTOSAI Development Initiative (IDI), in cooperation with INTOSAI Knowledge Sharing Committee (KSC), and the INTOSAI model for reviewing countries' preparedness to implement the SDGs are examples of these initiatives.

¹⁶ The 2030 Agenda came into effect on 1 January 2016.
See http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E



The capacity development programme on “Auditing Sustainable Development Goals”

As a contribution to the INTOSAI and SAI efforts in supporting the implementation of SDGs, the IDI, in cooperation with KSC, launched a capacity development programme on “Auditing the SDGs”. The purpose of the programme is to support high quality audits of SDGs by SAIs, including audits that examine preparedness for implementation of the 2030 Agenda. One of the products of the programme was the development of a guidance to support SAIs in conducting performance auditing of preparedness for implementation of SDGs. The IDI/KSC guidance “Auditing Preparedness for Implementation of Sustainable Development Goals”¹⁷ provides three broad audit objectives that can help SAIs in auditing preparedness. It was based on the United Nations’ common reporting guidelines for voluntary national reviews at the High Level Political Forum (HLPF)¹⁸. The key elements from HLPF guidelines (national ownership; institutional framework; integration and inclusiveness; means of implementation; baselines, monitoring and reporting; and lessons learned from MDGs) were grouped into three broad audit objectives:

- 1) Assessing to what extent the government has adapted the 2030 Agenda into its national context.
- 2) Evaluating whether the government has identified and secured resources and capacities (means of implementation) needed to implement the 2030 Agenda.
- 3) Verifying whether the government has established a mechanism to monitor, follow up, review and report on the progress towards the implementation of the 2030 Agenda.

Further information on this capacity development programme can be found at: <http://www.idi.no/en/idi-cpd/auditing-sustainable-development-goals-programme>.

53. To help guide auditor’s work, INTOSAI members¹⁹ have developed a model with seven steps for the review of a government’s preparedness.²⁰ This model covers key elements of the policy-making cycle. These two models, by IDI and INTOSAI, are complimentary in that the 3 IDI objectives can be examined using the 7 step model, either through a review or an audit.

¹⁷ <http://www.idi.no/en/elibrary/cdp/auditing-sustainable-development-goals-programme/807-auditing-preparedness-for-implementation-of-sdgs-a-guidance-for-supreme-audit-institutions-version-0-english/file> (accessed on 20 September 2018).

¹⁸ https://sustainabledevelopment.un.org/content/documents/11819Voluntary_guidelines_VNRs.pdf

¹⁹ The Netherlands Court of Audit, in collaboration with European Court of Audit and other SAIs partners developed the INTOSAI SDGs preparedness model for the review of countries’ preparedness to implement, follow-up and review the SDGs. The model was presented and endorsed by INTOSAI during the XXII INCOSAI Meeting in 2016.

²⁰ http://www.intosai.org/fileadmin/downloads/downloads/1_about_us/SDGs_and_SAIs/id782_SDGs_Netherlands.pdf



The INTOSAI seven steps model for the review of countries' preparedness to implement the SDGs

1. Political commitment and the recognition that there is a national responsibility to apply the SDGs.
2. Building public awareness of the SDGs and encouraging dialogue and participation of different stakeholders.
3. Allocating responsibilities at a ministerial or other appropriate level, allocation of appropriate financial means and other resources, and establishment of accountability arrangements.
4. Preparation of detailed plans to apply the SDGs at national and subnational levels, including setting out the role of different governmental and non-governmental stakeholders and defining how the various goals and targets are to be achieved in an integrated and coherent manner.
5. Designing and establishment of the systems to measure and monitor the SDG goals and targets.
6. Setting baselines – the situation at the start of the process - for the different indicators, against which to judge progress made throughout the SDG lifecycle.
7. Monitoring and reporting arrangements on the progress of SDGs, involving all relevant stakeholders.

54. The seven steps can be used as a whole or they can be collapsed to fewer steps to better fit national circumstances or how a government's works. Each of the seven steps can also be adjusted to reflect national specificities in terms of sustainable development requirements. For example, step 3 partly asks whether a government has allocated responsibilities at the appropriate level. That can be summarized by asking whether the national government has developed an appropriate whole-of-government governance model or structure for the implementation of the 2030 Agenda and SDGs. Possible sources of criteria can include any legislation, policy or directive that highlights how the government has to organize its activities in order to achieve results for a stated objective.
55. The experiences presented in this chapter were chosen to provide specific examples of audits to assess national preparedness using variations or combinations of the INTOSAI and IDI models. These successful auditing examples may be instructive for SAIs that are planning to audit preparedness to implement the 2030 Agenda for the first time
- SAI Canada carried out an audit using the INTOSAI's seven steps model to review government preparedness for implementation of SDGs at the federal level.
 - The SAI of Ghana participated in the IDI-SDC programme on Auditing SDGs and conducted an audit based on the IDI-KSC guidance to determine the extent of Government of Ghana's preparedness for the implementation of the SDGs.
 - In Latin America, twelve SAIs participated in a coordinated audit using an audit model developed by the SAI of Brazil based on governance criteria to assess preparedness of national governments to implement the 2030 Agenda and SDGs.



- The SAI Indonesia conducted an audit assessing government preparedness to implement SDGs in Indonesia, looking at national and sub-national levels to assess horizontal and vertical coherence.
56. In addition to the examples of audits on preparedness presented in this guidance, the SAIs in Algeria, Iraq, Jordan, Morocco, the Netherlands, the Palestinian Authority and Tunisia worked together on government SDG preparedness reviews and prepared a summary report that provides useful information on how to use the seven steps.²¹

3.a.1) SAI Canada experience on auditing preparedness for implementation at the federal level using the INTOSAI's seven steps model

Audit objective

57. In January 2017, the Office of the Auditor General (OAG) of Canada, the SAI of Canada, started planning an audit based on the commitment by the federal government to implement the 2030 Agenda. Because this commitment was made some 15 months before, and given the complexity of the 2030 Agenda, SAI Canada decided to perform an audit to determine whether the Government of Canada was prepared to implement the 2030 Agenda and the SDGs.
58. Preparedness had never been audited before and the first step was to define what being prepared meant in the Canadian context. It became clear early in the planning phase of the audit that little had been done in relation to the 2030 Agenda. Nevertheless, SAI Canada decided to perform the audit because it could contribute to raising awareness within government and because the audit results would provide a baseline from which to measure the federal government's progress in achieving the SDGs in future audit work.

Scope

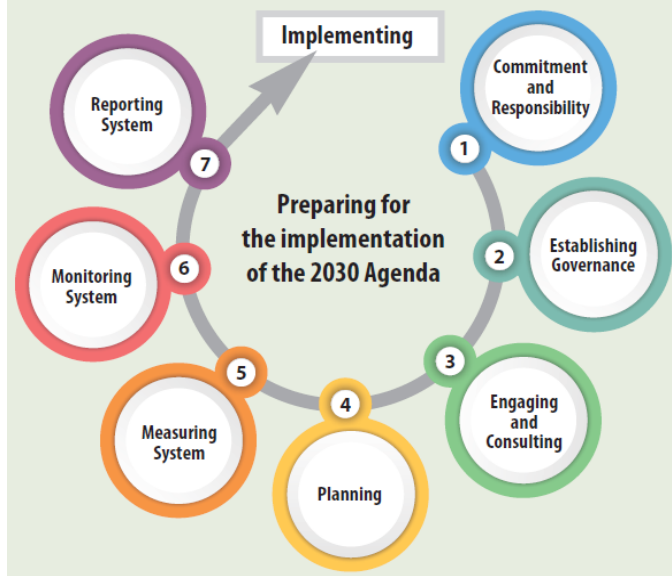
59. Though the audit considered whole-of-government preparations, the audit examined action taken by 7 federal organizations, including 5 that had been identified to lead on behalf of the Government of Canada, between October 2015 and November 2017. Organisations included:
- Employment and Social Development Canada (lead)
 - Environment and Climate Change Canada (lead)
 - Global Affairs Canada (lead)
 - Indigenous and Northern Affairs Canada (lead)
 - Status of Women Canada (lead)
 - the Privy Council Office (a central agency)
 - Statistics Canada (federal statistical office)

²¹ http://www.intosai.org/fileadmin/downloads/downloads/1_about_us/SDGs_and_SAI/id782_SDGs_Netherlands.pdf

Audit model and audit criteria

60. To define what being prepared meant in the Canadian context, SAI Canada considered the INTOSAI 7-step model²² because it provided a framework outlining the key governance steps that matched the general policy cycle of the federal government. Each step was translated into a criterion drawn from Canadian commitments and sources. For example, the SAI used the federal government's commitment to the 2030 Agenda, federal legislation, directives, strategies or plans on achieving results, on managing horizontal initiatives, and on communications.

The following 7 essential steps of preparing for implementation were examined:



61. Having criteria from Canadian sources allowed SAI Canada to perform the audit at a reasonable level of assurance based on the Canadian Standards for Assurance Engagements. The adapted criteria for the audit were the following:

- There is a whole-of-government governance model for the implementation of the sustainable development goals involving collaboration between the Privy Council Office and lead departments. (Steps 1 and 2)
- Lead departments have identified the programs, policies, or services to achieve the sustainable development goals and related targets. (Steps 3 and 4)
- Statistics Canada has prepared a data framework to measure results on global indicators. (Step 5)

²² INTOSAI's SDG preparedness model: Sustainable Development Goals - How can INTOSAI contribute to the 2030 Agenda for Sustainable Development? (2017)



- There is a domestic system to measure results of policies and programs identified to achieve national goals and targets that reflects the Canadian context and includes baselines for all indicators. (Steps 5)
- There is a system for monitoring results and for reporting on progress in implementing the 2030 Agenda and the sustainable development goals. (Steps 6 and 7)

Data collection and data analysis methods

62. The auditors conducted multiple interviews with federal officials; they collected and reviewed information provided by each federal organisation as well as information publicly available. For example, the audit team reviewed and verified documentation provided by Statistics Canada that would be used to measure results on the global indicators. This work included verifying all possible sources identified by the statistical agency to measure the associated global indicator.

Conclusion

63. Despite not having audited all the departments and agencies of the federal government, SAI Canada was able to conclude on the whole-of-government preparedness because five specific departments had been identified to lead the preparations. SAI Canada examined how these five departments managed the preparations approach and the extent to which they coordinated with other federal departments, provincial government and stakeholders in doing so.
64. SAI Canada found that despite making a clear commitment, the Government of Canada had not developed a formal approach to implement the 2030 Agenda and the SDGs. The five federal organizations identified to lead the 2030 Agenda preparations worked together with the Privy Council Office (central agency) after the adoption of the 2030 Agenda to begin preparing a national approach.
65. Despite some specific action by each organization, there was still no federal governance structure based on clearly articulated roles and responsibilities for each organisation at the end of our audit. There was no communication plan and no engagement strategy on how to include other levels of government and Canadians in a national dialogue on the 2030 Agenda. There was no implementation plan or system to measure, monitor, and report on the progress in achieving the goals.
66. SAI Canada also found that Statistics Canada had coordinated with other federal organizations and relevant stakeholders in order to collect information on possible data sources to monitor and report on the global indicators. As a member of the UN Inter-agency Expert Group on SDG Indicators, Statistics Canada took early action to develop a data framework to collect Canadian data on the global indicators. With no national framework to monitor and report on national indicators, Statistics Canada used the global indicator framework to report Canada's progress. While possible data sources were identified for 68% of the global indicators, results were not yet available to Canadians.
67. The Government of Canada accepted the recommendations made by the audit addressing each of the gaps found by the audit cited above.
68. The report was tabled in Parliament and presented in a press conference by SAI Canada's Commissioner of the Environment and Sustainable Development (CESD) in accordance with usual requirements and practices. In the spirit of the 2030 Agenda and to promote engagement and inclusiveness, the CESD and audit Principal also presented the audit results in a webinar involving interested stakeholders who could ask questions get answers on the audit and its results.
69. The OAG CESD published the audit report on "Canada's Preparedness to Implement the United Nations' Sustainable Development Goals" at
70. http://www.oag-bvg.gc.ca/internet/English/parl_cesd_201804_e_42985.html .

Guidance and tools used

- INTOSAI's SDG preparedness model: Sustainable Development Goals - How can INTOSAI contribute to the 2030 Agenda for Sustainable Development? (2017)



- INTOSAI Development Initiative: Auditing Preparedness for Implementation of Sustainable Development Goals - Guidance for Supreme Audit Institutions (2017)
- OAG's Environment and Sustainable Development Audit Guide (2017)
- OAG performance audit training: Fundamentals of E&SD adapted to the SDGs (2017)
- OAG Sustainable Development Strategy integrates the SDGs (2018)

3.a.2) SAI Ghana experience on auditing Ghana's preparedness for the implementation of SDGs based on the IDI-KSC Guidance on Auditing SDGs

Audit objective

71. The purpose of the audit was to determine the extent to which government had: adopted the 2030 Agenda into the national context; identified and secure resources and capacities needed; and established mechanisms to monitor, follow-up, review and report towards the implementation of the 2030 Agenda.

Audit approach

72. The audit adopted the whole-of-government approach and the "all-inclusive approach" to take into account all stakeholders involved in the implementation process.

Data collection and data analysis methods

73. The audit team reviewed documents, administered questionnaires and interviewed key persons to corroborate information gathered to come up with evidence on the preparedness of the country in the implementation of the SDGs. It was performed a stakeholder and RACI analysis²³ on institutional structures, statistical analysis on data production for SDGs baseline indicators, content analysis of documents, interviews, questionnaire and comparative analysis of audit criteria and situations/conditions found.

Focus areas and lines of enquire

74. The audit focused on:
- Adoption of SDGs into the national context
 - Policies, strategies and processes to integrate and national development plans align SDGs into
 - Legal and institutional framework in place
 - Public Awareness
 - Resources and capacities identified and secured
 - Funding arrangements
 - Internal and external sources of funding
 - Budgetary allocation
 - Capacities required

²³ RACI is an acronym derived from **R**esponsible, **A**ccountable, **C**onsulted and **I**nformed. It is a matrix, which describes the roles and responsibilities of entities/persons in completing activities.



- Capacity needs assessment of implementing agencies
 - Mechanism for monitoring and evaluation, reviews, reporting and follow-up on SDGs implementation
75. Based on these focus areas, four main lines of enquire were formulated:
- 1) Has the government put in place integrated policies/strategies for the implementation of the SDGs?
 - 2) Has the government put in place legal and institutional structures for the implementation of the 2030 Agenda?
 - 3) Has the government identified and secured resources and capacities needed for the implementation of the 2030 Agenda?
 - 4) Are measures in place to monitor and evaluate, follow-up, review and report on the implementation of the SDGs?

Findings and conclusion

76. The Government of Ghana to a large extent has demonstrated its commitment and preparedness for the implementation of the 2030 Agenda, though there issues to be addressed. The main findings were: i) the risk that the change in government may discontinue some SDGs programmes and activities; ii) the low level of public awareness on SDGs; iii) gaps in the current funding arrangements for the implementation of SDGs; iv) delays in preparation and approval of the development plans, which constrains the analysis and appraisal of resources and capacities of sector agencies; v) lack of detailed specific monitoring activities for the national monitoring mechanism for SDGs in place; and vi) the need of training and orientation on SDGs to the government staff.
77. The “all-inclusive approach” involving all stakeholders in the implementation process made the audit very important since the integrated development of policies and strategies will help to ensure that no one and no sector is left behind.

3.a.3) Coordinated audit in Latin America on auditing national preparedness to implement the SDGs, based on governance criteria

78. In 2017, the Brazilian Federal Court of Accounts (TCU) led a coordinated audit in Latin America, in which participated the SAls of Argentina, Chile, Costa Rica, Ecuador, Guatemala, Mexico, Peru, the Dominican Republic, Venezuela, Paraguay and the audit institution of the province of Buenos Aires, the capital of Argentina.

Audit objective

79. The objective of the audit was to evaluate the preparation of Latin American governments to implement the 17 Sustainable Development Goals. In addition, the audit analysed the preparation for implementation of SDG target 2.4, which deals with sustainable food production systems.



Audit criteria

80. The coordinated audit used the whole-of-government approach, adopting good governance practices as **audit criteria**²⁴.

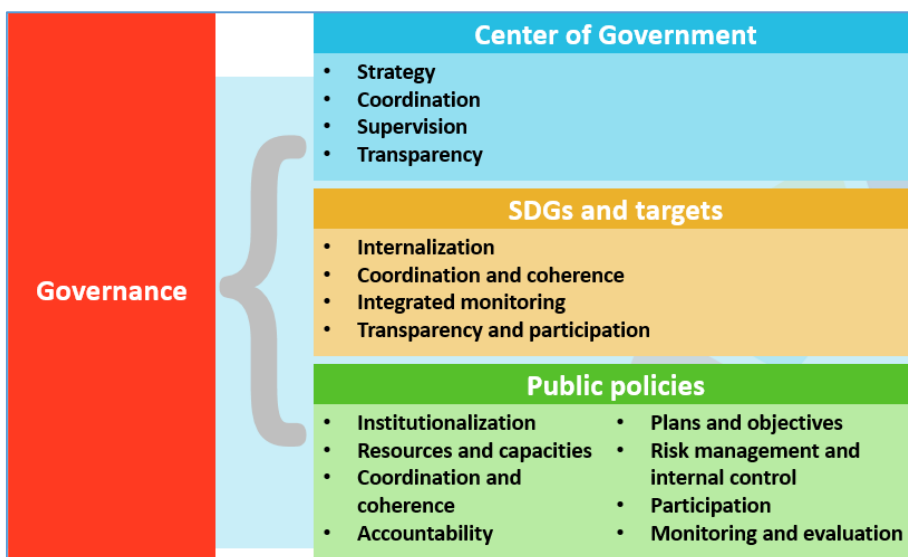
Audit definitions

81. In this audit, the concept of preparation was understood as the presence of governance structures - such as strategy and planning, coordination and political articulation, supervision and monitoring, and transparency and accountability - that enable the implementation of the Agenda in an integrated and coherent way over a long-term horizon.
82. Governance is necessary at various levels of the public sector. It is necessary within institutions and their activities, it is necessary for public policy implementation, and it is necessary within the Center of Government, for example. In the coordinated audit, the focus of governance was at the Center of Government and Public Policies levels.

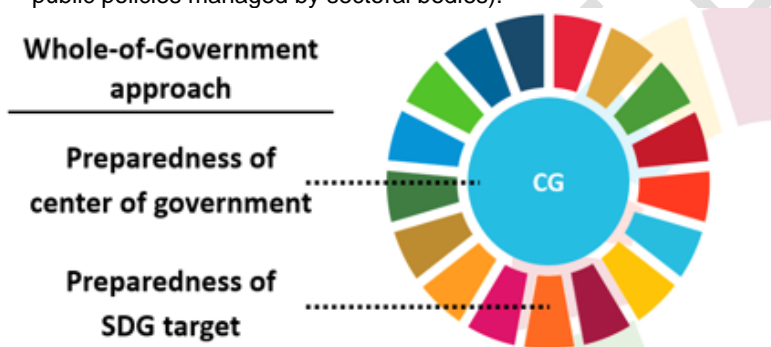
Audit model

83. The audit model was based on the notion that there is a gap between the Center of Government and the implementation of public policies. While the Center of Government is responsible for the government's general coordination, it is usually not able to follow the entire governmental activity. At the same time, governance within each public policy per se may not be enough for satisfying the need of coordination and coherence among the many existing policies. There is a need for a mid-level of governance that involves many policies oriented towards a common goal. The SDGs, as a results framework, helps with that, providing useful result-oriented groupings of policies. As such, the audit used the concept of governance in SDGs and SDGs targets implementation, as the mentioned necessary mid-level of governance.

²⁴ The audit criteria was based on the following bibliography: TCU's Guidelines for Governance Assessment of the Center of Government (2016); IDB's Governing to Deliver: Reinventing the Center of Government in Latin America and the Caribbean (2014) and TCU's Framework for Evaluating Governance of Public Policies (2014).



84. The audit evaluated the preparation of national governments to implement the SDGs at the level of the Center of Government (strategic bodies responsible for institutionalizing the 2030 Agenda within the government itself) and at the level of the SDG target (the scope of which will be given through public policies managed by sectoral bodies).



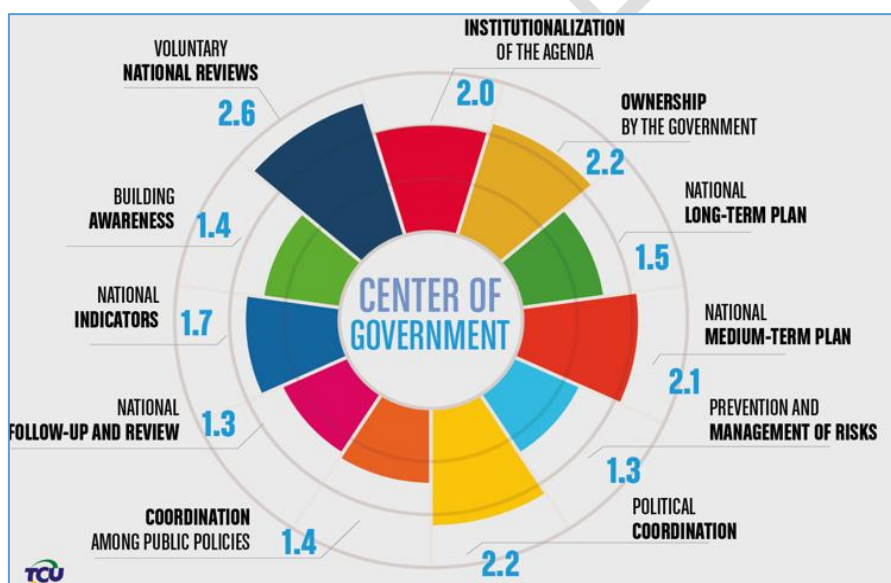
The governance components evaluated at each level were as follows:

LEVEL OF GOVERNANCE	GOVERNANCE COMPONENT
CENTER OF GOVERNMENT (CoG)	C1. Process of institutionalization and internalization
	C2. Government involvement in 2030 Agenda
	C3. Strategic management: National long-term plan
	C4. Strategic management: National medium-term plan
	C5. Prevention and risk management
	C6. Political articulation
	C7. Coordination of public policies
	C8. National monitoring and evaluation strategy
	C9. National Indicators
	C10. Awareness of Agenda 2030 in the country

	C11. National Voluntary Report
SDG TARGET	M1. Alignment between public policies
	M2. Horizontal Coordination of the SDG Target
	M3. Monitoring and evaluation
	M4. Mechanisms of social participation

Audit tools

85. In order to carry out the evaluation, the participating SAIs used standardized techniques and tools. In addition to traditional audit tools, two innovative techniques were used: the Governance Assessment Scale in SDGs, as well as the SDG Radar.
86. On the Governance Assessment Scale in SDGs, the evaluation of the 11 governance components for the CoG and the 4 components for the SDG target (table above) was carried out for each one of the 11 SAIs. Each of the governance components was evaluated on a scale divided into 4 levels:
- No implementation (zero degree);
 - Establishing (grade 1);
 - Developing (grade 2);
 - Optimized (grade 3).
87. The data obtained in the Governance Assessment Scale in SDGs served as input for the elaboration of the SDGs Radar, which allows communicating in a clear and simple way the results of the evaluation of the preparation of the national governments for the implementation of Agenda 2030 and the SDGs.



88. In the radar above, each governance component's grade corresponds to the average of the grades appointed for the 11 national governments that were evaluated in the coordinated audit. For more information on the Governance Assessment Scale on SDGs and SDG Radar methodologies, see the annexes of this guide.

Audit findings

- The main findings of the coordinated audit were:
- Deficiencies in the process of institutionalization of the 2030 Agenda.

- Absence of long-term planning strategy to the implementation of the 2030 Agenda in most Latin American countries.
- Lack of integrated risk prevention and risk management mechanisms at the national level for the implementation of the 2030 Agenda.
- Deficiencies in the processes of monitoring and evaluating SDGs implementation and of preparation of Voluntary National Reviews (VNRs).
- Deficiencies in the coordination of public policies related to the SDG target 2.4, which deals with sustainable food production systems.

Conclusion

89. The results of the audit indicate that there is mobilization of national governments for the implementation of SDGs, both at the center of government level and the sectoral level. However, the preparation of these countries is still in an incipient stage, with several challenges related to the implementation of the Agenda.
90. The most critical point is the fragmentation of the public sector. The SDGs are characterized by the interconnection between their targets and the need for an integrated government action to achieve them. The SAIs pointed out to various types of fragmentation, including poor coordination among ministries, non-integrated monitoring systems and misalignment of public policies. The coordination and integration of government actions are the area where there is greater room for improvement. Thus, SAIs in Latin America should seek, in their future work, to stimulate their national governments to adopt a culture of integrated action and joint working.

Further information on the coordinated audit can be found at: <http://www.olacefs.com/medio-ambiente-comtema/>.

3.a.4) SAI Indonesia experience on auditing preparedness for implementation of SDGs in Indonesia

Audit objective

91. The audit of SDGs implementation preparedness is intended to assess the effectiveness of government efforts in adopting SDGs into the national context, sustaining and securing the resources and capacities needed, and establishing a mechanism to monitor, follow up, review, and report on the progress towards implementation of the 2030 Agenda.

Scope

92. Audit on SDGs implementation preparedness looks at government efforts relating to central government planning and budgeting processes, as well as data measurement design. The audit covers the Ministry of National Development Planning, Ministry of Finance, and Statistics Indonesia. The audit was conducted at the national and sub-national levels to assess horizontal and vertical coherence. The audit scope was the government effort from January 2016 to the first semester of 2018. The key actors in this audit are listed below.

What	Who	
Policy	Raising Awareness	Ministry of National Development Planning
	National Ownership	Ministry of National Development Planning
	Policy Coherence	Ministry of National Development Planning / Sub-national Planning Agency (East Kalimantan and Riau Provinces)
	Integration of Three Dimensions	Ministry of National Development Planning / Sub-national Planning Agency (East Kalimantan and Riau Provinces)
Means of Implementation	Identification of Funding	Ministry of National Development Planning
	Prioritization of Funding	Ministry of National Development Planning
	Secure Long-Term Funding	Ministry of Finance
	Non-Finance	Ministry of National Development Planning
Data	Responsibility	Ministry of National Development Planning

	Indicators and Baselines	Statistics Indonesia
	Data Quality	Statistics Indonesia
	Participatory Reporting	Statistics Indonesia

Audit steps, methodology, sources of data, data collection, and analysis

93. The audit process has phases that consist of planning, fieldwork, reporting, and follow up as briefly explained below.

a. The planning phase has been conducted from October until December 2017:

Planning				
Understanding Subject Matter: Presidential Regulation and 2017 VNR	Holding Focus Group Discussions: 1. with experts from Padjajaran University 2. with the Ministry of National Development Planning, Ministry of Finance, Statistics Indonesia, and Ministry of Home Affairs	Determining audit scope: preparedness of Whole of Government Agenda using target 16.6 to choose key areas as samples of horizontal and vertical coherence in policy (poverty reduction)	Developing audit design matrix: 1 audit objective, three questions, 12 sub questions, and 47 criteria. It included developing tools for data collection	Develop tools for data collection and analysis: document analysis, content analysis, interview, physical check and questionnaire.

b. The fieldwork phase was carried out from January to May 2018. The steps are detailed below.

Fieldwork		
data/evidence collected: Presidential Regulation, 2017 VNR, draft SDGs National Action Plan, metadata indicators, NMDP, RMDP, draft communications strategy.	- data/evidence analysis (document analysis, network analysis, RACI analysis, content analysis) - interview, physical check and questionnaire	Develop audit findings matrix: conditions, criteria, causes, effects, evidence and analysis, recommendations.

c. Reporting phase, conducted from May to June 2018, is explained below.

Reporting			
Draft Report	Audit comments	Finalize report	Issue and publication

d. Follow-up phase will be according to the steps below.

Follow-up			
Implementation of recommendations	Audit of implementation of SDGs	Feed into national sustainable development reports	Feed into Voluntary National Report

- The evidence was collected mainly from government websites, interviews, focus group discussions, questionnaires, and inquiry on obtaining relevant information about the entities



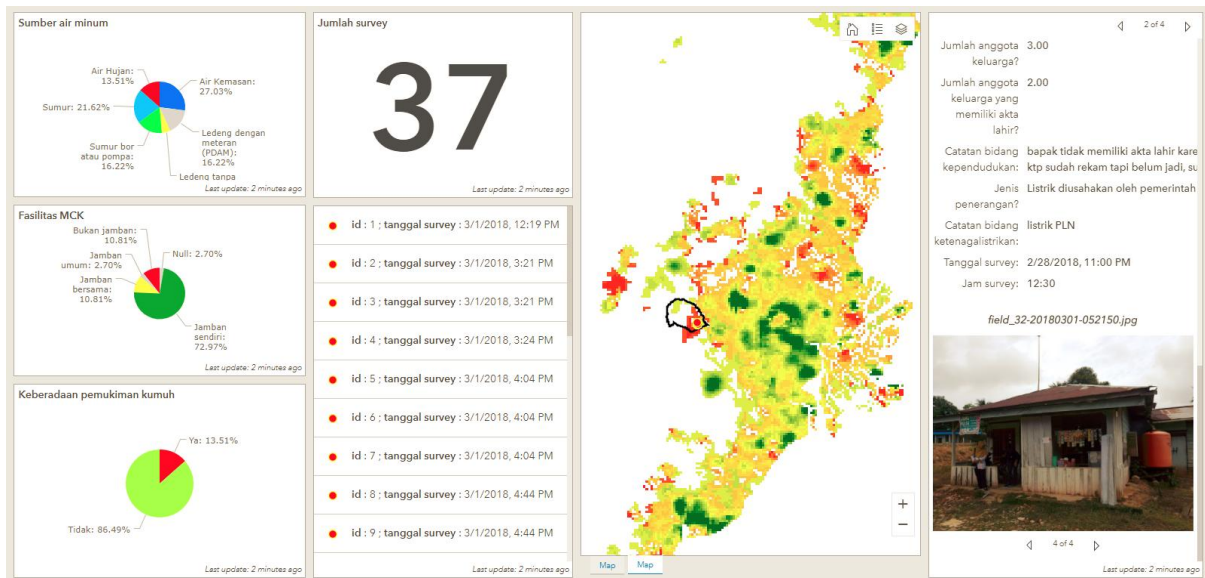
- The analysis of audit evidence is conducted to examine any gaps between the actual condition and the audit criteria. Several key procedures to analyze the audit evidence in this engagement are policy review, document analysis, network analysis, and descriptive statistics
- Audit conclusions are inferred from evidence examination. These conclusions are presented according to the SAI of Indonesia regulation on the methodology to formulate conclusions
- As one of the countries committed to achieving the SDGs, Indonesia has completed several actions to adopt the 2030 Agenda in the national context. Among others are the Presidential Regulation (Perpres) No. 59 of 2017 on the Implementation of SDGs was established in July 2017 as a legal basis for engaging and directing ministries and all stakeholders to participate in achieving the 2030 Agenda and Voluntary National Review in 2017.

Audit Criteria

94. The audit criteria were developed and formulated according to several sources, primarily:
- Interim Reference Guide to UN Country Teams – Mainstreaming the 2030 Agenda for Sustainable Development-Reference Guide;
 - Addis Ababa Action Agenda of the Third International Conference; on Financing for Development (Addis Ababa Action Agenda) A/RES/69/313 UN General Assembly 2015;
 - Conference of European Statisticians’ Road Map on Statistics for Sustainable Development Goals;
 - Report of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators; and
 - Presidential Decree (Perpres) No. 59 of 2017 on the Implementation of SDGs.

Standards and tools used

95. The international standards used for the audit are:
- ISSAI 300 Fundamental Principles of Performance Auditing
 - ISSAI 3000 Standard for Performance Auditing
 - ISSAI 3100 Guidelines on Central Concepts for Performance Auditing
 - ISSAI 3200 Guidelines for the performance auditing process and Indonesian Public Sector Audit Standards of 2017
96. To assess the “no one left behind” principle, SAI of Indonesia conducted sampling tests at the sub-national level in the provinces of East Kalimantan and Riau. In selecting the locations, BPK used information derived from an expert and geospatial analysis. Based on the geospatial analysis using the NASA-NOAA satellite images of average stable light in 2009-2013, we can assume that these lights are proxy for the scale of economic activities. The more stable the lights are in the night, the more human activities are happening at night, which can be associated with more complex and diverse economic activities in that area. SAI of Indonesia used Geospatial technology to show the difference in the scale of stable light in 2009-2013. The red color means that there was less stable light in that area in 2013 compared to 2009. The decrease of the stable light intensity can be a signal of “Left Behind,” and needs to be checked on the ground.



Audit results

97. The result of the audit shows that Government efforts are adequately effective in preparing for SDGs implementation. The government has shown the ability to adopt SDGs in its national planning. However, there are rooms for improvement as described below.

- Mechanism to ensure the sustainability of SDG programs across government cycles is not yet available.
- The efforts to ensure the availability of funds to implement, monitor, and report SDG programs are yet adequate.
- Data disaggregation at the city and municipal level has not been able to be generated.

3.b) Other SAIs experiences on auditing the 2030 Agenda and SDGs

98. This section provides information about successful SAIs experiences in auditing SDGs that were **not** directly assessing preparedness for implementation of the entire 2030 Agenda. The experiences were selected with focus on the methodologies, audit tools or any other innovative and creative instrument or device used to audit SDGs.

99. The SAI of Brazil conducted an audit to assess the national preparedness to implement a specific SDG target (target 2.4, which deals with sustainable food production systems) using innovative audit tools.

100. The SAI of Indonesia developed a strategy in auditing SDGs based on the HLPF themes.

101. The SAI of Indonesia used Geographical Information System (GIS) to monitor recommendations from audits that affect the outcome of SDGs.

102. These experiences may encourage other SAIs to replicate these innovative models, strategies and audit tools, adapt them to their own context, or develop their own methodologies and tools to audit the SDGs.

3.b.1) SAI Brazil experiences on auditing national preparedness of SDG target 2.4, based on governance criteria 4 using innovative tools for SDGs audits

103. In 2016 and 2017, the Brazilian Federal Court of Accounts (TCU) carried out two performance audits assessing the preparedness of the national government to implement SDG target 2.4, which deals with sustainable food production systems. In the audit was developed four innovative audit tools: the SDG Scoring Matrix; the Fragmentation, Overlap and Duplication Evaluation Guide adapted for SDG auditing; the Governance Assessment Scale in SDGs and the SDG Radar.

Audit objectives

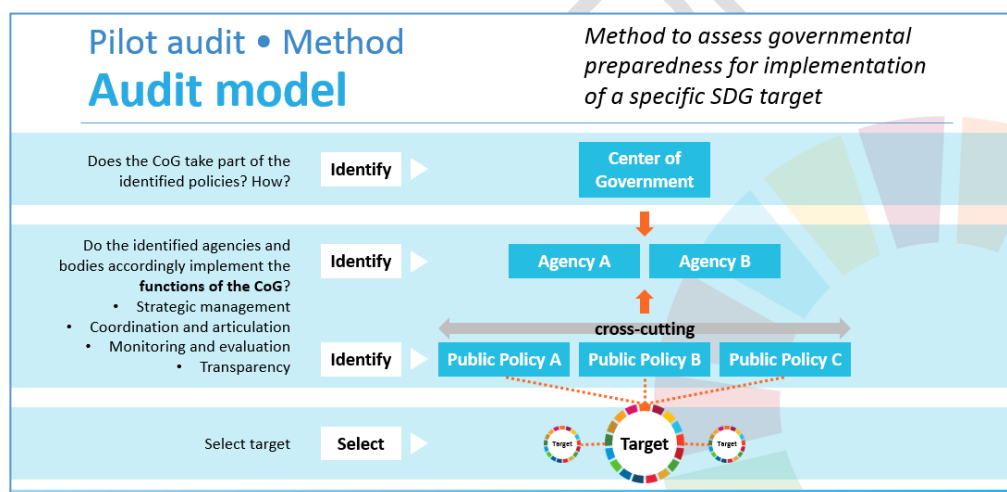
104. The objective of these audits was to evaluate the preparation of the Brazilian Federal Government to implement a specific SDG target 2.4, which deals with sustainable food production systems.

Audit criteria

105. Both audits used the whole-of-government approach, adopting good governance practices as audit criteria²⁵.

Audit model and tools

106. The audit model adopted to assess governmental preparedness for implementations of a specific SDG target was the follow:



²⁵ The audit criteria was based on the following bibliography: TCU's Guidelines for Governance Assessment of the Center of Government (2016); IDB's Governing to Deliver: Reinventing the Center of Government in Latin America and the Caribbean (2014) and TCU's Framework for Evaluating Governance of Public Policies (2014).



107. First, one of the 169 SDGs targets was selected in order to deepen the analysis in a field of government action. The audit team developed a specific audit tool to make this selection: the **SDG Scoring Matrix**, which is a tool for classifying, scoring and ordering the SDG targets based on predefined criteria and selection factors such as materiality, significance and auditability. For more information about the SDG Scoring Matrix, see Annex 1. Using this audit tool, the SDG target 2.4 was selected:

Target 2.4: By 2030 ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality

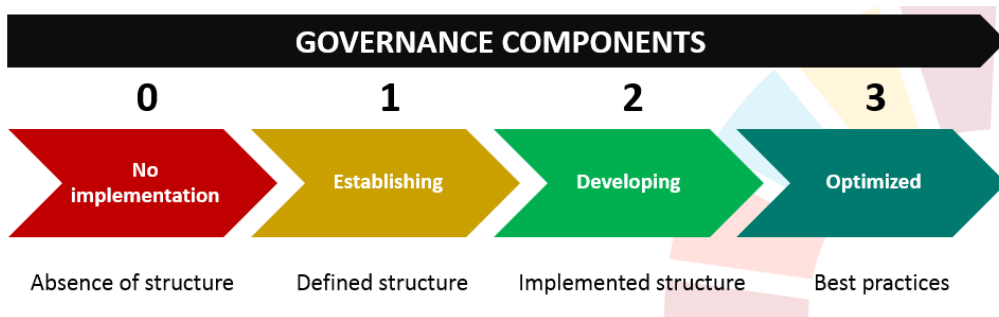
108. From the text of the target 2.4, a key theme was identified to carry out the audit analysis, which was “sustainable food production systems”. Then, the main plans, programs, public policies and government incentives related to this issue were identified.

109. The analysis of the preparation sought to verify the presence and functioning of governance structures to implement this target, such as coordination, monitoring and social participation. In addition, the audit investigated the occurrence of fragmentation, overlapping, duplications and gaps²⁶ among the main plans, programs, public policies and government incentives identified, based on a methodology adapted from the guide developed by the Government Accountability Office (GAO): *Fragmentation, Overlap and Duplication Evaluation Guide*²⁷. The methodology adapted and used by the SAI of Brazil in the audit allowed the identification of these issues and a reasoned judgment on the stage of governance of government bodies in the implementation of the SDG target under analysis, specifically regarding the alignment between the public policies examined. For more information about the **Fragmentation, Overlap and Duplication Evaluation Guide adapted for SDG auditing**, see Annex 3.

110. In order to carry out the evaluation of governance structures, two innovative techniques were developed: the Governance Assessment Scale in SDGs, as well as the SDG Radar. The **Governance Assessment Scale in SDGs** tool was designed for preparedness assessment in both Center of Government (CoG) and SDG target levels based on governance components. It divides preparedness into governance components and establishes an evaluation scale that ranges from 0 to 3, where 0 means null preparedness and 3 means optimized preparedness.

²⁶ Fragmentation occurs when more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need, and opportunities exist to improve service delivery. Overlap happens when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them. Duplication occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries. Gap occurs when there is a lack of an important part in a process, such as absence of policies, programs, actors, institutional mechanisms, processes and activities, benefits or beneficiaries.

²⁷ https://www.gao.gov/framework_duplication/overview

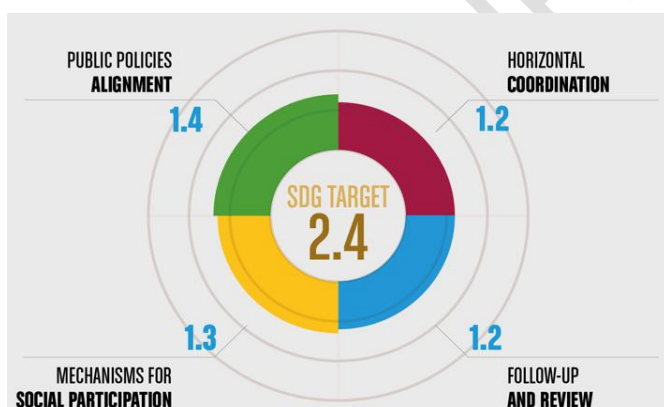


111. The components of governance observed in the audits were:

LEVEL OF GOVERNANCE	GOVERNANCE COMPONENT
SDG TARGET	M1. Alignment between public policies
	M2. Horizontal Coordination of the SDG Target
	M3. Monitoring and evaluation
	M4. Mechanisms of social participation

112. The data obtained in the scale serves as input for the elaboration of the **SDG Radar**, which is a tool designed for a quick and simple understanding of the governments' preparedness for implementing the SDGs.

113. The radar below illustrates the results of the audits regarding the implementation of the SDG target 2.4 by the Brazilian government.



For more information on these two techniques, see Annex 2 of this guide.

Audit findings

114. The main finding in the first audit, related to the SDG target 2.4, was the lack of horizontal coordination and the presence of misalignment between the main public policies related to target 2.4, such as contradictions between policies to promote the transition in agriculture towards more sustainable production (using less pesticides) and tax incentives to use pesticides. Instead of promoting reduced consumption of pesticides in the country, the government encourages its use by means of tax reliefs granted to importers, producers, and sellers of pesticides. To reduce taxation, the Brazilian government encourages the use of these products and acts in a way that is both

contradictory and counterproductive to the goals of the policies that seek to ensure sustainable systems of food production, generating inefficiencies that undermine the achievement of the target.

115. Based on the results of the first audit, a second audit was carried out with emphasis on tax exemption granted to the import, production, and sale of pesticides, which affects the intention of the Brazilian government to promote a transition in agriculture towards more sustainable systems of food production. The audit verified that the tax exemption granted to pesticides in Brazil is not periodically monitored or evaluated by the government, and these concessions do not consider the toxicity and danger to the environment of these products. Consequently, the government has not managed over 2.5 million dollars from annual tax waivers. Additionally, it has not internalized the social and environmental costs of pesticides use.

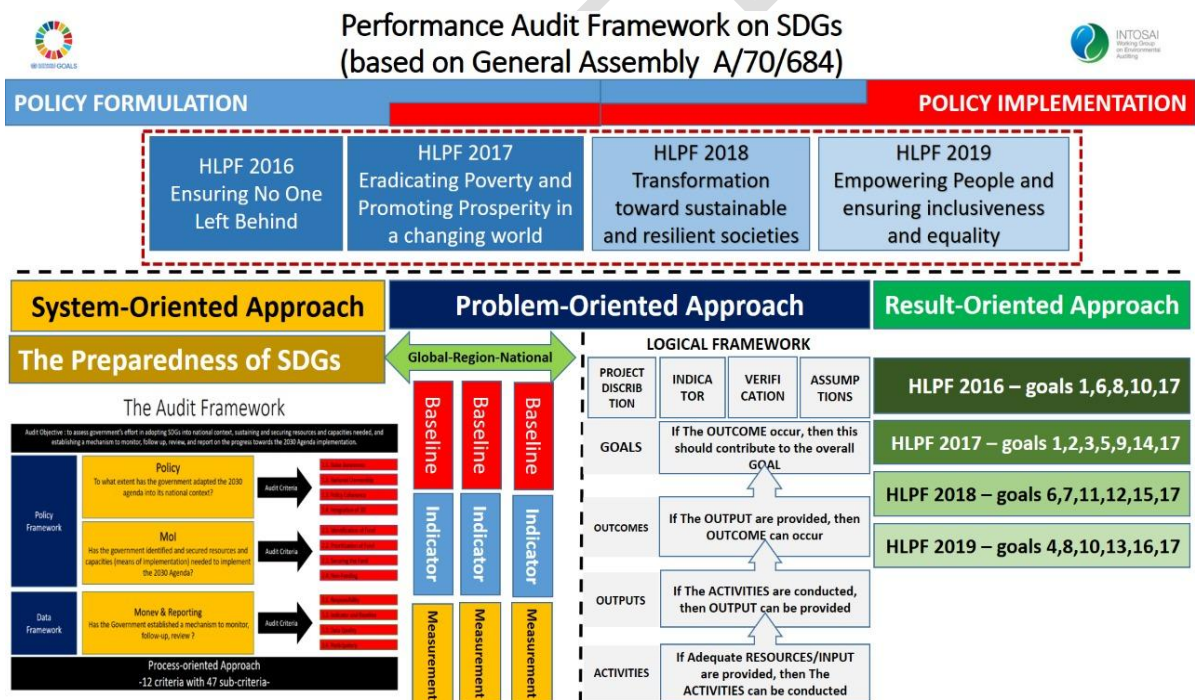
Conclusion

116. The whole-of-government approach and the audit tool Fragmentation, Overlap and Duplication Evaluation Guide adapted for SDG auditing were used to assess SDG target 2.4, allowing for a crosscutting look at the current policies in order to assess how they interact with each other and to identify misalignments and inefficiencies called blind spots. One of the identified misalignments was the concession of tax reliefs to pesticides, which affects the sustainability of food production in Brazil.

Further information on the audit can be found at: <https://portal.tcu.gov.br/biblioteca-digital/auditoria-coordenada-ods.htm>.

3.b.2) SAI Indonesia experience in auditing SDGs based on HLPF themes

SAI of Indonesia tried to link performance audits in SDGs with the HLPF Themes, as follow.



For more information on the Performance Audit Framework on SDGs, see Annex 4.

Context

117. In 2017, the theme was “Eradicating poverty and promoting prosperity in a changing world.” The goals related to this theme were Goals 1, 2, 3, 5, 9, 14, and 17. The Government of Indonesia has

submitted the Voluntary National Review (VNR) based on this theme. Thus it was easier for SAI Indonesia to do a review of the information contained in the VNR.



118. By 2020, the Government of Indonesia targets to establish 20 million hectares of Marine Protected Areas (MPAs). Indonesia is also focusing on the management effectiveness of the MPAs in ensuring the improvement of the people's welfare. In addition, some goals need to be achieved by the Indonesian government, among others are shown below.

GOALS	Implementing Agency
 <p>Increased production of capture fisheries to 6,982,560 tons in 2019 (2015: 6,299,290 tons). <i>-Marine Protected Areas (MPAs)-</i></p>	Coordinating Ministry of Maritime Affairs; Ministry of the National Development Planning Agency; Ministry of Finance; Ministry of Marine Affairs and Fishery; Provincial and District Government.
 <p>The establishment of a strategic port to support sea tolls at 24 ports by 2019. <i>-Sea Toll Program-</i></p>	Coordinating Ministry of Maritime Affairs; Ministry of the National Development Planning Agency; Ministry of Finance; Ministry of Transport; Provincial and District Government.
 <p>Increased export growth of non-oil and gas products by 5% in 2019 (2015: -9.8%). <i>-Anti-IUU Fishing Program & Prohibition of Transshipment-</i></p>	Coordinating Ministry of Economy; Ministry of the National Development Planning Agency; Ministry of Finance; Ministry of Trade; Provincial and District Government.
 <p>Increased coverage of National Health Insurance (JKN) in 2019 at least 95% (2015: 60%). <i>-National Health Insurance for Fisherman-</i></p>	Coordinating Ministry of Human Development and Culture; Ministry of the National Development Planning Agency; Ministry of Finance; Ministry of Health; Provincial and District Government.
 <p>The increasing of food consumption indicated by Food Harvest Scale (PPH) score reached 92,5 (2014: 81,8), and fish consumption level become 54,5 kg / capita / year in 2019 (2015: 40,9 kg / capita / year). <i>-Eat Fish Movement Campaign-</i></p>	Coordinating Ministry of Economy; Ministry of the National Development Planning Agency; Ministry of Finance; Ministry of Agriculture; Ministry of Marine Affairs and Fishery; Provincial and District Government.
 <p>The decline of poverty rate in 2019 to 7-8% (2015: 11.13%) <i>-Micro credits to the fisheries sector-</i></p>	Coordinating Ministry of Human Development and Culture; Ministry of the National Development Planning Agency; Ministry of Finance; Ministry of Social Services; Ministry of Village, Development of Disadvantaged Regions, and Transmigration; Ministry of Education and Culture; Ministry of Religious Affairs; Provincial and District Government.

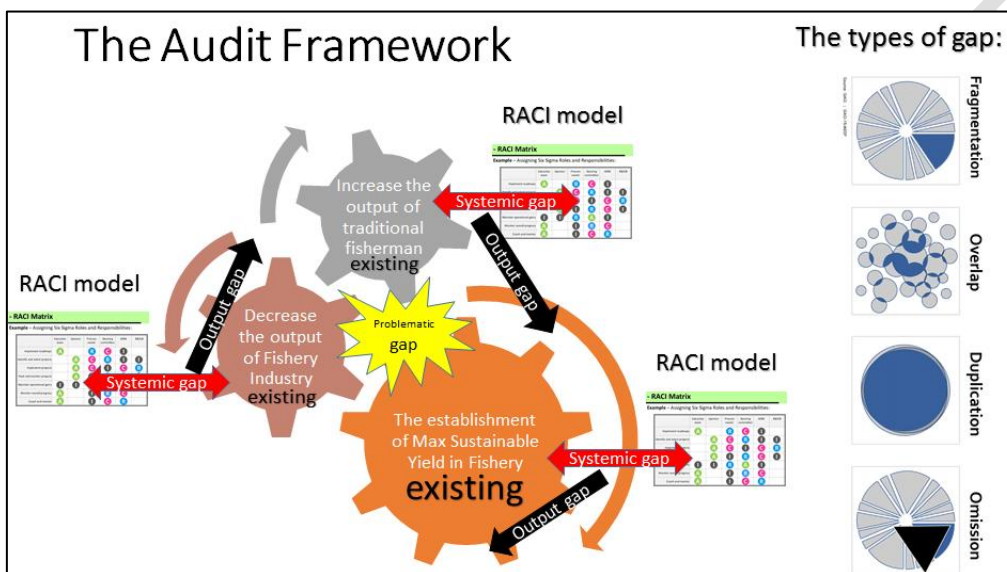
119. Based on this, Indonesian Government has appointed the implementing agencies to be responsible for the specific goal and target of SDGs. The implementing agencies consist of several ministries and provincial/district local government. For example, the implementing agencies of Goal 14 are Coordinating Ministry of Maritime Affairs; Ministry of the National Development Planning Agency; Ministry of Finance; Ministry of Marine Affairs and Fishery; Provincial/District Local Government. The number of agencies involved can lead to gaps in the form of fragmentation, overlap, duplication and omission.

120. In 2017, SAI of Indonesia conducted an audit to assess the effectiveness of government policy related the prohibition of the use of trawls and seine nets in the territorial fishery management in Indonesia. The Ministry of Marine Affairs and Fisheries in 2015 has issued Ministerial Decree No 2/2015 about the Prohibition of Use of Fish Trawls and Seine Nets in Fisheries Management Areas and change it to the ministerial decree No. 71/2016 about the fishing line and fishing gear placement in Fisheries

Management Area. The purpose of the issuance of this regulation is to reduce the use and practices of destructive fishing gear in Indonesian waters to realize sustainable fisheries development. The Ministry of Marine Affairs and Fisheries considers that trawls and seine nets are unsustainable fishing gear.

Audit framework

121. The SAI of Indonesia has a role in auditing the Indonesian government's efforts in the implementation of the SDGs. With the appropriate approach and audit framework, the possibility of fragmentation, overlap, duplication and omission can be identified in a systematic way. One of the proposed audit frameworks for VNR 2017 is shown below.



122. The stakeholders mapping of whole-of-government (WoG) can be scrutinized by using RACI model, so the roles and responsibilities of each agency can be clarified for mapping the types of the gap. RACI model is a tool that can be used for identifying roles and responsibilities during organizational change process and is an abbreviation of Responsible, Accountable, Consulted, and Informed.

123. The Sustainable Fisheries Management (SFM) Framework is also used as an audit framework. SFM is an integrated process that seeks to attain an optimal state that balances ecological, economic, social and cultural objectives for fisheries²⁸. As with the concept of SDGs, the concept of SFM should not focus only on the ecological aspects but also on the economic and socio-cultural aspects.

²⁸ Food and Agriculture Organization of the United Nations, 2013.



Findings and recommendation

124. From the VNR 2017, the Government of Indonesia identified main challenges for SFM Indonesia as follows:

- Challenges in the utilization of fishery and marine resources are, among others, ineffective management of MPAs. This requires increased institutional and infrastructure facilities in managing MPAs (environmental issue).
- Another challenge is to ensure that combating Illegal, Unreported, and Unregulated (IUU) fishing leads to full utilization of productive fishery potentials. This requires adequate facilities, infrastructure, and human resources to utilize fishery potentials that were previously stolen by foreign vessels (economic issue).
- One more challenge is to assist small-scale fishers while preventing the occurrence of overfishing. Therefore, regulation to arrange the utilization of funding aid for small-scale fishers by maintaining the sustainable use of fish resources needs to be prepared (social issue).

125. The main findings of the audit were the policies potentially affected the welfare of fishermen and the related industries (such as company, crew, traditional/small fisherman, and market). It is estimated that there would be a decline in the supply of fish processing unit which would affect the social and economic. The Ministry of Marine Affairs and Fisheries already formulated the effort to resolve the effect, among others are the replacement of fishing vessels, aid, financial credit, and accelerate the licensing process of the fishing vessels replacement even though still not give the adequate solutions.

126. SAI of Indonesia recommended that the Minister of Marine Affairs and Fisheries establishes a coordination mechanism between ministries/agencies, local governments, and stakeholders to optimize the development policies, more accurate in determining performance indicators to measure the level of welfare of fishermen, and considers the social and economic impacts of the policies.

3.b.3) SAI Indonesia experience on monitoring recommendations using Geographical Information System (GIS) for SDGs Audit

127. The SAI Indonesia carried out an audit related to water pollution management in Brantas Watershed. The monitoring of the recommendations proposed in the audit is through Geographical Information System (GIS) for SDGs Audit.

Audit objective

128. The objective of this audit was the effectiveness of the watershed management at Brantas river basin. This audit was conducted based on a risk-based approach and using Geographical Information System to select audit sample.

Scope

129. The scope of audit covers the activities of the Central Government and Local Government and other relevant agencies in the Brantas river basin management that includes conservation efforts of water resources.

Context

130. The reasons for SAI Indonesia to audit Brantas River Management are the development of the major cities in the Brantas River, resulting in increased demand for clean water and raw water. In addition, the high concentration of population and industry in urban areas raises issues such as the emergence of slums area on the banks of the river. The river water quality is depending on the pollutants that contaminate Brantas watershed. Dominant pollutant sources that pollute Brantas River are industrial waste, domestic waste, and agricultural waste.

Audit findings

131. The findings of the audit are: the inventory of pollutant sources is not accurate and less reliable as a reference, and the Ministry of Environment has not determined the maximum load capacity of Brantas river.



- For industrial waste, there are still weaknesses in the process of licensing and oversight of the businesses that could potentially produce wastewater.
- For domestic waste, the ineffectiveness of sanitation pilot program of the Central Government in the absence of awareness of the Government to make the construction of sanitation facilities for domestic wastewater as a priority program.

Conclusion and recommendations

132. The impact of those findings is the quality degrades the water quality of Brantas river. The degradation of water quality may increase the cost of water utilization for economic activities. According to the calculation model, the social cost of an impact of water quality decrease in Brantas River is projected at about USD 2.04 Million.

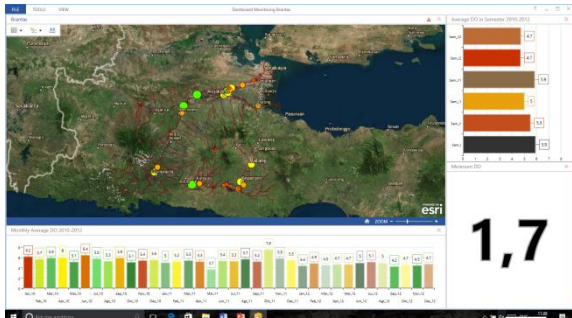
133. SAI recommendations are:

- The Ministry of Environment should establish the threshold of the pollutant load capacity in the Brantas river basin.
- The Government should create an integrated program in implementing sanitation projects and encourage Local Government, which has not yet City Sanitation Strategic Plan, to immediately prepare it. The sanitation programs should be carried out by the large-scale approach and comprehensive. It is necessary to provide incentives and disincentives to encourage the local government to build the city scale proper sanitation by the Minimum Service Standards.
- The Minister of Environment should develop an integrated control program for domestic waste in the Brantas river basin together with the Local Government.

Recommendations monitoring using GIS

134. SAI of Indonesia enhanced the monitoring of the recommendation using the Portal for SDGs Audit. This portal can monitor the outcome of each goal, for a specific watershed. The field indicators related to the watershed management for the environment is Dissolved Oxygen (Goal 6). While to measure the economic indicator, the stable light data from NASA has been used to proxy the GDP growth in that area (Goal 8). For the Social indicator, the annual change of the stable light is used to proxy the GINI ratio²⁹ (Goal 10). The summation of these three indicators can be reflected in the trend of the poverty rate in the region (Goal 1). The audit of Brantas Watershed Management is also related to the HLPF theme of 2017 (Goal 3 and 14) and the HLPF theme of 2018 (Goal 6).

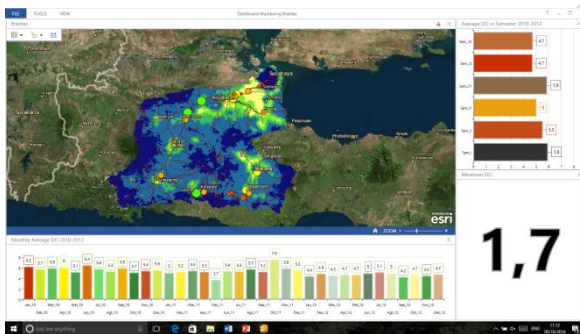
²⁹ GINI ratio is a measure of statistical dispersion intended to represent the income or wealth distribution of a nation's residents, and is the most commonly used measurement of inequality.



Goal 6. Using Dissolved Oxygen (DO) monthly data as a proxy to water stress index



Goal 8. Using stable light satellite analysis as a proxy for the Indicator of GDP



Goal 10. Using the annual change of the steady light as a proxy for the Indicator of GINI ratio.

3.c) Common findings and challenges on auditing the 2030 Agenda

135. This section focuses on presenting the common audit findings and some of the challenges faced by SAIs on auditing preparedness for implementation of the 2030 Agenda and SDGs.



136. In July 2018, the IDI and the United Nations Department of Social and Economic Affairs (UNDESA) organized the meeting on “SAI contributions to the 2030 Agenda and the Sustainable Development Goals”. During the meeting, SAIs from different regions presented the emerging findings and challenges from the audits they have conducted on preparedness for the implementation of the SDGs.

137. According to the meeting report³⁰ and the auditing experiences presented previously in this guideline, the emerging common findings of the audits on preparedness for the implementation of SDGs are:

Institutional framework	Risks of duplications and overlaps in institutional structures for SDG implementation.
	Lack of clear definition of roles and responsibilities of some of the key actors in the implementation of the SDGs.
	Absent of deficient long term planning for the implementation of the 2030 Agenda
	Deficiencies in the stakeholder engagement process around SDGs, such as awareness raising efforts do not target all the relevant stakeholders (e.g., municipalities, private sector)
Policy Coherence and Integration	Deficiencies in the horizontal integration, with some SAIs reporting that little attention has been paid to policies synergies and trade-offs, and that governmental agencies continue working in silos.
	Deficiencies in the vertical integration, with lack of support from the national level to integrate the SDGs at the sub-national level
Means of Implementation	Inadequate alignment of budgets to the SDGs, with national budgeting objectives and priorities disconnected with the SDGs
	Budget execution and monitoring is done in silos, without considering the integrated approach required by the SDGs
	Capacity constraints and deficits in line agencies responsible for activities related to the implementation of SDGs
	Problems of articulation between governmental agencies, for example, lack of articulation between human resources, budget processes, and the production of reliable statistical data
Monitoring and evaluation	Deficient monitoring and reporting systems, for example, some SAIs reporting that the data producers work in silos and do not share data
	Lack of definition of responsibility to lead agencies for monitoring, follow up, review and reporting on SDGs
	Outdated national statistical data in relation to SDG indicators
	National data produced are not representative of sub-national levels
	Lack of coherent monitoring and evaluation across levels of government

³⁰ <http://workspace.unpan.org/sites/Internet/Documents/UNPAN98666.pdf>



138. In regard to the common challenges SAIs are facing when auditing preparedness for the implementation of SDGs, SAIs emphasized that governments often do not understand well the interest of SAIs in SDGs and why SAIs should assess preparedness. Concerning this issue, SAIs need to explain to governments that the timing and nature of the audits of SDGs preparedness is different compared to traditional audits. The audits of preparedness take place at the beginning of the policy cycle and lead to conclusions and recommendations that should be part of governments' action plans to strengthen SDG implementation.
139. Another challenge faced by SAIs is how to work in a more integrated way by breaking internal organisational silos and sectoral organisation. In this regard, SAIs emphasised the importance of having multi-disciplinary teams for conducting SDG audits. In addition, strengthening internal communication lines within SAIs and bringing in more specialised expertise related to the SDGs may contribute to overcome this challenge.
140. Other SAIs highlighted the challenges related to the capacities and skills required to understand and analyse governance and policy issues and to assess the integrated approaches required by the SDGs. SAIs should strengthen their professional competences and address some of these new capacity needs. In this regard, IDI has issued a guidance on performance audits of preparedness and is supporting SAI teams to conduct the preparedness audits. The guide produced by the Netherlands Court of Audit based on the experiences and reflections of seven SAIs that conducted a review of national preparedness may help SAIs. There are also training efforts underway focused on auditing preparedness such as the new MOOC which will be launched by OLACEFS in the latter half of 2018. In addition, one of the planned outputs of the IDI-KSC programme on "Auditing the SDGs" is a compendium of lessons learned and audit findings on preparedness, to be developed in 2019.

4. Environmental Auditing with SDGs perspective

141. The objective of this chapter is to discuss how SAIs can contribute to SDGs when undertaking audits on a specific environmental issue, or environmental policies or programmes, even though the topic and scope of the audit are not directly related to a specific SDG or target. The focus is to provide guidance on how to audit those environmental issues, policies and programmes with a SDGs perspective, in accordance to INTOSAI's approach 2. It means that in addition to conducting the environmental audit as usual, the audit team should consider the principles and characteristics of the 2030 Agenda.
142. Traditional environmental audits usually examine individual environmental policies, programmes and agencies in silos. An environmental audit with an SDGs perspective has a broader and more comprehensive view and considers the linkages between the environmental policy under audit and other policies, programmes and agencies that it may affect. It may look at key principles of Agenda 2030, like integration, policy coherence and multi-stakeholder engagement.
143. Merely conducting an audit of an environmental program or policy covered under one or many of the 17 goals and 169 targets will not necessarily constitute an environmental audit with an SDGs perspective in itself. An audit with an SDG perspective is more than, it is more than tagging a specific SDG to the audit. For instance, if a SAI is carrying out an environmental audit on wastewater management policy and merely links the audit with the SDG 6 (clean water and sanitation), it does not qualify it as an audit with a SDG perspective. However, for example, if this SAI assesses the integration and coherence of the water management policy with other related or affected environmental, economic and/or social policies, or checks if these policies are aligned and contributing to the achievement of the SDG 6, it does mean the SAI is conducting an audit with a SDG perspective.
144. The first section of this chapter provides advice of how to incorporate a SDGs perspective in environmental audits by considering the principles and characteristics of the 2030 Agenda and SDGs during the audit process.



145. The second and third sections bring some reflections about the use of the whole-of-government approach and the analysis of public policies coherence as a mean of conducting environmental auditing with a SDGs perspective.

146. We hope that by incorporating some characteristics and principles of the Agenda 2030 and SDGs in our traditional way of carrying out environmental audits, we may encourage governments to break down traditional policies, programmes and sectors silos and create policy coherence in an integrated manner at the regional, national, subnational and local levels. In addition, we may stimulate SAIs to use the approaches and tools developed to audit the 2030 Agenda and SDGs while addressing the usual challenges faced by environmental audits, such as the crosscutting nature of environmental issues.

4.a) Considering the principles and characteristics of the 2030 Agenda and SDGs when carrying out environmental audits

147. The **2030 Agenda** brings a **new framework** that **emphasizes** some principles and characteristics that national governments need to incorporate in their policies and programmes to the implementation of the SDGs. Some of these aspects are:

- Multi-stakeholder engagement
- Inclusiveness (all parts of society or sub-populations, especially the poorest and most vulnerable people should be included. No one should be left behind)
- Interconnections among goals or policies and programs
- Integration of the three dimensions of sustainable development in public policies
- Performance assessment through indicators and information systems
- Long-term, multi-generational view

148. Some SAIs have mandates that are restricted to financial or compliance audits, while others will extend to performance audit. The 2030 Agenda was adopted unanimously by all members of the United Nations General Assembly. As such, it applies to all governments the same way and SAIs do not need to have a specific mandate to conduct environmental audits with a SDGs perspective including the consideration of the principles and characteristics of the 2030 Agenda.

149. This section sets out a range of possibilities to include some principles and characteristics of the 2030 Agenda and SDGs in an environmental audit. This might serve as an instrument in assisting auditors in incorporating a SDG perspective in their work. It does not mean that SAIs should change their usual standards of auditing, such as the standards established by INTOSAI for planning, gathering evidence, analyzing and reporting, but only that SAIs should integrate a SDG perspective in their typical audit activities.

150. Based on the KSC-IDI Draft Guidance “Auditing Preparedness for Implementation of Sustainable Development Goals”, which lists some important principles that SAIs may look at when auditing preparedness and implementation of SDGs, we propose an adaptation of this list for auditors conducting environmental audits. SAIs may look at some characteristics and principles of the 2030 Agenda and SDGs in their process of auditing environmental issues whenever possible:

- **Examine complexity and interconnections** - A key principle of the SDGs is that they are integrated and balance the three dimensions of sustainable development (economic, social and environmental). An environmental audit with a SDG perspective will need to look at the linkages between these three dimensions, for example by focusing on the environmental policy’s potential impacts (good or bad) on economic growth, its ability to achieve environmental sustainability, and social inclusion. The assessment of governance and whole-of-government approach as well as the analysis of policies integration and coherence can be used effectively in environmental auditing to examine these linkages between the three dimensions of sustainable development. Information and examples of how to proceed are presented in section 4.b and 4.c.



- **Wide stakeholder engagement in the audit process** - in examining environmental issues a SAI may have to look beyond its traditional mechanisms for collecting evidence and consult with a wider set of stakeholders throughout the audit process, while preventing bias and preserving independence. Some guidance and usual audit tools may help SAIs to identify and engage different stakeholders to collaborate in the audit process, such as the IDI “Guidance on Supreme Audit Institutions’ Engagement with Stakeholders”, which helps SAIs formulate and implement strategies aimed at enhancing stakeholder engagement. The guidance describes a comprehensive set of mechanisms by which SAIs can engage with stakeholders. Further, it brings out various models and tools that the SAI can use to select and prioritize its stakeholders for greater audit impact. Besides the IDI guidance, SAIs may use the “mapping stakeholders³¹”, “analysis of stakeholder expectation³²” and “RACI analysis³³” as audit tools to identify, classify, determine the role of various stakeholders and understand their expectations and needs. They may also be useful in clarifying roles and responsibilities and identifying duplication, overlapping, fragmentation and/or gap situations in public policies and programmes.
- **Audit performance information** - The SDGs are a results framework. As such, definition of a system of performance indicators, collection of data on the indicators and reporting on that data assumes great significance for the implementation of the SDGs. When carrying out environmental audits with a SDG perspective, SAIs will need to look at environmental performance information and develop capacity and approaches for auditing environmental performance information and environmental performance measurement systems. The WGEA research paper “Environmental Data: Resources and Options from Supreme Audit Institutions” may be an excellent source of information in this regard by identifying some tools and methods that can be used by SAIs to audit environmental performance information.
- **Focus on inclusiveness** - SAIs will also need to expand their traditional way to examine economy, efficiency and effectiveness of the environmental issues, policies, programmes or organizations by including questions about inclusiveness in their audit planning. For example, SAIs may introduce some lines of enquiry in the audit process, such as does the environmental policy has mechanisms to identify and include someone who was left behind?

151. The following sections of this chapter will provide information on and examples of how SAIs can embed a SDG perspective into environmental auditing, by adopting the whole-of-government approach and analyzing policy integration and coherence in the audit.

4.b) Using the whole-of-government approach in environmental auditing

³¹ <http://www.idi.no/en/idi-cpd/sai-engaging-with-stakeholders>

³² <http://www.idi.no/en/idi-cpd/sai-engaging-with-stakeholders>

³³

[https://sustainabledevelopment.un.org/content/documents/2328Global%20Sustainable%20development%20report%202016%20\(final\).pdf](https://sustainabledevelopment.un.org/content/documents/2328Global%20Sustainable%20development%20report%202016%20(final).pdf)



152. The economic, social and environmental challenges proposed by the 2030 Agenda are very similar with those challenges faced in environmental audits, due to their crosscutting and complexity features. Those challenges can not be dealt separately by fragmented policies, programmes and organizations.
153. The use of the whole-of-government approach in environmental audits can help to increase integration, coordination and good governance of public policies, programmes and organizations that affect the environment in a positive or negative manner. A different perspective is taken into account in the planning, implementation, monitoring and evaluation of government actions during the audit process. It means expanding the set of stakeholders, policies and programs in the scope of the audit and looking at the interactions between them, identifying blind spots that are not perceived when auditing individual policies, programs or organizations.
154. The WoG approach may involve changes in the processes normally used by SAIs when carrying out environmental audits, bringing a new perspective for the analysis, such as:
- Shifting focus from individual environmental policies, programmes and organizations, to look at the links and interactions of different policies, programmes and organizations, shedding light to possibly blind spots.
 - Examining the integration and coordination of environmental policies across sectors (horizontal policy integration and coherence) and across all levels of government, that is, national, subnational and local levels (vertical policy integration and coherence).
 - Considering the crosscutting nature of environmental problems and the balance between economic growth, social development and environmental protection.
 - Working with many stakeholders as possible throughout the audit process.
 - Assessing environmental governance complexity in a comprehensive and integrated framework.
155. The following boxes describe the experiences of SAI of Brazil and SAI of Indonesia in using the whole-of-government approach in environmental auditing.

BOX 1: Brazil experience using the whole-of-government approach on auditing the National Policy on Agroecology and Organic Production (PNAPO)

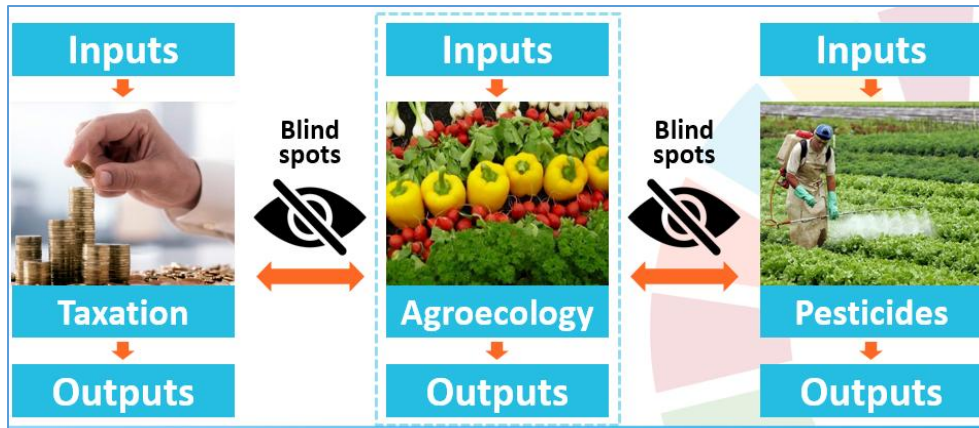
The SAI Brazil carried out a performance audit in 2016 related to sustainable food production systems (SDG target 2.4) using the whole-of-government approach. Instead of looking solely the economy, efficiency and effectiveness aspects of the National Policy on Agroecology and Organic Production (PNAPO) in Brazil, the audit examined the inter-linkage of this policy with other public policies and crosscutting issues.

One of the audit findings was the poor integration and coherence between the PNAPO and public policies related to taxation of pesticides.

The PNAPO aims to articulate and implement programmes and actions fostering the transition from an agricultural production model that is aggressive to the environment and massive in use of pesticides to a sustainable food production model, based on organic and agroecological practices.

However, instead of encouraging the reduction of excessive consumption of pesticides in the country, some Brazilian public policies induce the use of pesticides in agriculture, such as tax exemptions granted for the importation, production and retailing of pesticides. By reducing the price of pesticides by means of tax exemptions, the Brazilian government encourages the use of these products and acts in a contradictory and counterproductive way in relation to the objectives of PNAPO.

If the audit had not adopted a whole-of-government approach and had it focused solely on auditing PNAPO, it would have failed to identify the blind spots in the interaction of this policy with the tax exemptions to pesticides.



BOX 2: Indonesia experience using the whole-of-government approach on auditing licensing of vessels and fishing gear

The SAI Indonesia used the WoG approach in the performance audit on licensing of vessels and fishing gear.

The Government of Indonesia, specifically the Ministry of Marine Affairs and Fisheries, in 2015 has issued a regulation on the prohibition of the use of trawls and seines nets in the territorial fishery management in Indonesia. The purpose of the issuance of this regulation is to realize sustainable fisheries development. The Ministry of Marine Affairs and Fisheries considers that trawls and seine nets are unsustainable fishing gear. The use of such tools results in the decline of fish resources and threatens the environmental sustainability of fish resources because they are less selective in catching fish. Trawls and seines nets that are economically viable and can be consumed only between 18-40% and 60-82% are bycatch and cannot be utilized (discard).

The implementation of this regulation raises pros and cons among many people in Indonesia. The government has not given adequate solutions for fishers who have been using trawls and seine nets in fishing. In addition, the government has not provided a comprehensive review related to the implementation of the policies/regulations regarding social, economic and environmental aspects. The concept of the new regulation should not only focus on environmental aspects but also focus on economic and social aspects as well. It is also necessary to review the roles and responsibilities of each government agency not only to their respective program but also for other related programs.



Fishery management authorities tend to be more concerned with biological aspects of fishery resources than with the economic performance of fishers³⁴, and it is similar to the condition in Indonesia. The research stated that both the sustainable management of fish stocks and the efficient utilization of resources associated with fishery production (such as labour, capital) are crucial to maximizing the social benefits of the fishing industry.

The mapping of stakeholders that have been impacted by the ban, need to synchronize with other policies that are inter-governmental, how to increase the capacity of small and local fishers, foreign investors to do business in Indonesia, and so forth. The interlink among multi-stakeholders was audited with the WoG approach.

The results of the performance audit on licensing of vessels and fishing gear show that the social impact for the fishermen with the lowest income had a problem to access the microfinancing scheme for replacing their vessels and fishing gear. The establishment of the ban cantrang fishing tool has a significant impact on the economy of fisheries. The impacts include economic impacts and social impacts. The economic impact related to the loss of income from business activities overall, while the social impact reflected in the loss of livelihood. The ban of cantrang puts pressure on the source of the living supports of the family economy, especially fishers, either fisherman owner and fisherman of the labourer (skipper and crew), unloading force fish in ports, collectors, and boats. It again shows that the shifting gear of the three dimensions has to synchronize to ensure that the transition period runs smoothly. SAI Indonesia recommended to the Ministry of Marine Affairs and Fisheries to establish a working group from all departments and agencies of the government to improve the coordination with the stakeholders.

156. The adoption of the WoG approach may produce effects in several stages of the audit process:
- Planning: in the elaboration of audit questions, in the choice of audit tools and techniques and in the definition of the audit teams;
 - Conducting: in the engagement with several stakeholders; and
 - Reporting: in the proposal of recommendations and in the definition of a communication strategy.
157. The WoG approach denotes a change in the way things are done, both in the government and in the SAIs. In the long term, it may increase the integration and coherence of public policies, programs and organizations. On the other hand, it presupposes a greater effort in the beginning from governments and SAIs, since they will need to develop capacities, change cultures, interact with different actors, etc. In fact,

³⁴ R. Sharma, Khem and P. Leung, "Technical Efficiency of the Longline Fishery in Hawaii: An Application of a Stochastic Production Frontier," *Marine Resource Economics*, Volume 13, pp. 259–274, 1999.



processes that involve many stakeholders usually take more time, and may need from the audit team skills to engage with them. For that reason, it is always necessary to reflect if the problem that the audit is facing really demands an integrated solution from the government, or if it can be solved in a simpler way. However, when the WoG approach is used in the right situation, this may bring very positive results.

158. The WoG approach brings a new way for SAIs and auditors deal with environmental issues. There is no recipe for using the WoG approach in environmental audits. It is a new perspective that adds to the existing ones to strengthen the work of the SAIs.

4.c) Analyzing policy integration and coherence

159. The multidimensional nature of environmental issues – similar to that of SDGs – requires a crosscutting view of different policies. It is necessary to understand the interrelationships between economic, social and environmental policies, in order to leverage their synergies. A major problem for national governments is to align these policies considering their complexity and the need to include various public and private actors in the implementation of these policies.
160. It requires from the national governments a whole-of-government approach, focusing on the integration and coherence of public policies, as well as the mobilization, use and effective allocation of available resources - public, private, national and international. It is noteworthy that the SDG target 17.14 calls for countries to increase policy coherence for sustainable development, which is part of the means of implementing the 2030 Agenda.
161. The integration and coherence of public policies is essential to capitalize on the synergies between different sectoral policies at different governmental levels (local, subnational, national and regional levels). It helps government to manage potential trade-offs and inconsistencies between the objectives of economic, social and environmental policies, as well as coordinate the role of different actors in order to align any inconsistencies to an end common. Coordination and coherence of public policies is a persistent challenge for national development as well as effective governance.
162. In this sense, it is necessary for national governments to ensure the coherence of actions between different levels of government (vertical coherence), to consider interactions between economic, social and environmental areas (horizontal coherence), to assess the impact of policies in order to align or reformulate policies that have negative effects, and to monitor progress and policy coherence.



163. According to the Organization for Economic Co-operation and Development (OECD) ³⁵, national governments must meet this challenge by creating institutional mechanisms and processes to harmonize and manage policy objectives and interests. One of these mechanisms include political coordination and coherence to resolve conflicts or inconsistencies between public policies.
164. To assess integration and coherence of environmental policies in an environmental audit with a SDG perspective, SAIs may need to assess the government performance in a cohesive, coordinated and holistic way, considered the whole-of-government approach. This presupposes an integrated analysis of the coherence between the environmental policy selected in the audit and other public policies, which can be done, for example, through the Fragmentation, overlapping and duplication (FOD) method³⁶, the FOD adapted method for SDG auditing (detailed in the annex of this guide), and the analysis of roles and responsibilities to identify FOD.
165. Thus, it is possible to analyse the interactions between different public policies regarding the same environmental problem, which would not be possible in a performance audit whose scope was limited to an individual environmental program or environmental policy. This assessment enables a broader and more in-depth understanding of the challenges faced by public administration when addressing environmental issues.
166. The following box describes the experience of SAI Brazil in analysing the integration and coherence of policies related to sustainable food productions systems.

BOX 3: Brazil experience in analysing the integration and coherence of policies related to sustainable food production systems

The SAI Brazil carried out an audit in 2016 related to sustainable food production systems (SDG target 2.4). One of the audit findings was the absence of horizontal coordination between public policies related to sustainable food production systems. This configuration contributes to the misalignment of public policies related to pesticides.

Recently, Brazilian government policies have begun to address issues related to the environmental sustainability of food production systems, such as the National Policy on Agroecology and Organic Production (PNAPO) and the Low Carbon Agriculture Plan (ABC).

However, public policies that induce unsustainable food production practices still predominate. As a result of this dichotomy between policies, there is a misalignment between the actions taken by the Federal Government regarding the use of pesticides in the agricultural sector.

³⁵ <http://www.oecd.org/dac/sustainable-development-goals.htm>

³⁶ https://www.gao.gov/framework_duplication/overview

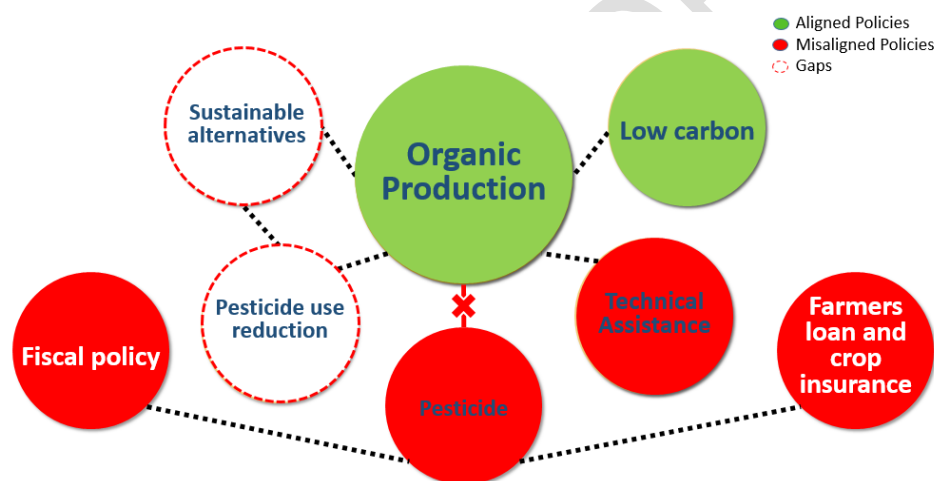
Instead of encouraging the reduction of excessive consumption of pesticides in the country, **agricultural credit and insurance policies** generally induce the use of pesticides in agriculture to mitigate the risk of loss of production from pests, diseases and weeds. There is insufficient incentive to developing and disseminating sustainable alternatives that can gradually replace the more toxic pesticides in pest control.

In addition, government encourages access to pesticides and their use by farmers by reducing the price of pesticides through **tax exemptions** granted for the importation, production and interstate retailing of these products.

Besides that, the technical assistance and rural extension public services (ATER) are not sufficient to provide continuous support to Brazilian rural farmers. The lack of public ATER services results in a dependence of some rural farmers on suppliers of pesticides, which provide technical assistance and credit coupled with the use of their products.

This way, the Brazilian government encourages the use of pesticides in the agriculture sector and acts in an uncoordinated and inconsistent way in relation to the objectives of the policies that seek to guarantee sustainable food production.

The misalignments between public policies verified in the audit are represented in the following scheme:



Source: TCU (2017)

5. Conclusion

167. Because of their mandates and their independence, INTOSAI and individual SAIs have the opportunity to play an important role in the implementation of the 2030 Agenda and in achieving the SDGs. This has been formalized in INTOSAI's 2017-2022 Strategic Plan as one of the five priorities to "Contribute to the follow-up and review of the SDGs within the context of each nation's specific sustainable development efforts".
168. To put this priority into action, INTOSAI proposed to contribute in four areas by assessing the preparedness of national government to implement the SDGs; by auditing specific programmes that contribute to the SDGs; by contributing to SDG 16 by



promoting transparent, efficient, and accountable institutions; and by being models of transparency and accountability themselves. The objective of this Guide was to offer information, suggestions and guidance to SAIs that are planning to contribute to the implementation or the review of implementation of the 2030 Agenda, with a focus on environmental auditing.

169. Chapter 2 of this Guide provides background information on the 2030 Agenda and SDGs and introduced its essential concepts, characteristics and terms. It highlighted that the 2030 Agenda and the SDGs are different from other UN resolutions and agreements in that they ask that national governments pursue the long-term improvement of their economy, society and the environment in a balanced manner. In approaching this challenge, national governments need to better coordinate across all areas and levels of government, and to work towards coherence among policy and program objectives.
170. In the drafting of this Guide, it became clear that whole-of-government coordination and policy coherence can be translated into concrete action in multiple ways, based on national circumstances, political systems and government structures. In addition, most governments are only just starting to prepare or implement the SDGs. That is why the Guide proposed factors to consider, avenues to explore and examples of how some SAIs have approached their audit rather than a definitive stepwise approach to planning and conducting an audit.
171. Planning an audit on preparedness to implement the SDGs relies on what being prepared means in a particular country, which can be established by looking at national good governance or policy delivery models. In the case of whole-of-government preparedness, leading ministries responsible for establishing a whole-of-government approach should be identified and the preparations that they have done examined. This is what chapter 3 proposed, along with steps commonly taken by governments to prepare for the implementation of the SDGs and approaches to determine the audit model, references and tools.
172. Auditing the preparedness to implement, or the implementation of specific SDGs or targets may not require auditing the whole-of-government. A narrower scope can be defined, based on which ministries have mandates and responsibilities related to the SDGs or targets considered. Coordination among these ministries should be examined as well as the coherence across the economic, social and environmental aspects of the policies or programs planned or implemented by these ministries. This is important because this is how a government and a SAI can integrate the 3 pillars of sustainable development in their activities. For a SAI, it is a way around auditing the whole of the government and the 17 SDGs at once.
173. Chapter 4 provided guidance on how to do an environmental performance audit while considering the SDGs. Similar to auditing the government's performance one SDG or a target, it is possible to carry out an environmental audit while respecting the integrated nature of SDGs. To ensure that the environmental pillar of sustainable development is not audited in silo, it is important to examine whether the government has incorporated economic and social objectives and impacts in the environmental policy or program being audited. An environmental audit with an SDGs perspective has a broader and comprehensive view of the inter-linkages between different policies, programmes and that should be reflected in the coordination across relevant government ministries.
174. The concepts and principles presented in this guide are complex and far reaching. Their practical implementation varies from country to country based on national circumstances.



While performance audit standards remain, there are as many audit approaches possible as there are different approaches by governments to prepare for, or implement the SDGs. This is why the case studies and examples are so important and rich as they stimulate the questions a SAI should ask itself in preparation for an audit. These examples are also concrete suggestions on how to approach particular audits. By reporting, sharing and discussing audit approaches and results, SAIs directly contribute to the implementation, follow-up and review of the SDGs within the context of each nation's specific sustainable development efforts.

Annexes

The audit tools presented in this section have been observed to answer to the challenges of SDG audits efficiently. However, it must be clear to SAIs that these tools are merely suggestions, and that SAIs are free to adapt them or choose other tools that may allow them to conduct environmental audits considering the characteristics of the 2030 Agenda.

Annex 1: The Scoring Matrix

The SDG Scoring Matrix is a tool for classifying, scoring and ordering the SDG targets based on predefined criteria and selection factors. The final result of such Matrix should be an objective ranking of the targets, assisting with the selection of the audit topic.

In order to structure and implement the Matrix, SAIs can take the following steps:

Step #1 – Narrowing the number of possible audit topics

The SDG targets are the rows in the Matrix. Each target included in the Matrix should be assessed against a number of predefined selection factors.

Depending on the circumstances, analyzing all the 169 targets can be too costly, time-consuming and unnecessary. For example, it may be set from the very beginning of the process that the audit will focus on a specific area, such as education; in this case, the audit team will include a limited number of targets in the Scoring Matrix.

For that reason, it may be good practice to apply some sort of filtering, and preselect the targets that will be assessed against the chosen criteria. For instance, SAIs can limit the analyses to targets of specific SDGs, concerning a certain area (such as healthcare), or goals that expire earlier (in 2020, for instance), or even a combination of many filters. Targets that were audited in the recent past can be excluded from the Matrix.

The preselection can also be done taking into account the priorities established on the strategic plan of the SAI.

Step #2 – Defining the criteria

After preselecting the targets that will appear in the matrix, the next step of the selection process is to define the criteria that will be used to prioritize the potential audit topics. According to ISSAIs, important criteria to consider are:



- Materiality: the financial, political and social significance of the topic (ISSAI 300/33);
- Significance: potential impact of the theme on the promotion of significant benefits for public finance and administration, the auditee or the general public, taking into account available resources (ISSAI 3000/90 and 95);
- Auditability: appropriateness of the theme for an audit (ISSAI 3000/90 and 94)
- Consistent with SAI strategic planning: SAI strategic planning should be considered in the process of prioritizing SDG targets (ISSAI 3000/90 and 92).

However, those criteria are somewhat vague and must be specified in further details, namely the selection factors (see step #3, below).

Step #3 – Choosing the selection factors

Selection factors are parameters for assessing and comparing the potential audit topics. Their function is to identify whether the topic is material, risky, able to add value etc. In that sense, each selection factor must reflect a predefined criterion. For example, in order to assess materiality (criterion), a SAI may consider, as a selection factor, the amount of budgetary resources available to programs associated with each target (selection factor).

Step #4 – Establishing rating scales and weights

As previously mentioned, the result of the Scoring Matrix should be an objective ranking of the SDG targets. In order to do so, auditors can assign a numerical scale (for example, 1 to 5) to the assessments of each selection factor.

It is also possible to frame the assessments into a limited number of categories. Then, a numerical value is assigned to a specific category. For instance, if analyzing the amount of budgetary resources available to the SDG targets, it could be established three categories: the targets whose budget varies from zero to \$ 100 million, the ones above \$ 100 million up to \$ 500 million, and, finally, the ones above \$ 500 million. After categorizing the assessments, each class of target receives a specific grade. For example, the targets that fall into the first category are assigned 1, the targets that fall into the second range receive 3, and the targets above \$ 500 million are valued 5.

Criteria can be weighed too. For instance, if the strategic plan of the SAI points toward the prioritization of risky subjects, the selection factors related to vulnerability may have their grades multiplied by 2, while the remaining selection factors stay unaltered. The relative weight of each criterion will depend on the unique circumstances of the SAI, and can even vary over time.

Step #5 – Obtaining data on chosen selection factors

Auditors filling in the Matrix must examine the preselected targets against each selection factor. In doing so, they will end up collecting information on public bodies, programs, indicators, legislation and previous works related to the targets. The information can be noted in the Matrix itself, in a textual field designed for that.

The extent and depth of the research should take into account the time and resources available to the team, and the details of how to assess the targets or which sources of information to use may be object of specific instructions. Common information sources are legislation, strategic plans of the government or its agencies, performance reports, budget documents, financial

statements, organizational charts, internal evaluations, program inventories, statistics, news coverage, and so on.

Ultimately, the information contained within the Matrix will enable auditors to comprehend key aspects of the analyzed targets, as well as allow an overall understanding of certain SDGs and even of the entire agenda. Eventual difficulty in finding or collecting data on a specific target may be indicative of the feasibility of running an audit on the topic.

Step #6 – Rating and ordering the audit topics

After gathering relevant data and making the assessments, the audit team can classify the SDG targets according to the established categories. Then, scores are assigned for each selection factor to each of the targets, depending on the category it fits in. For each target, a total score is calculated, taking into consideration the predefined weight of each criterion.

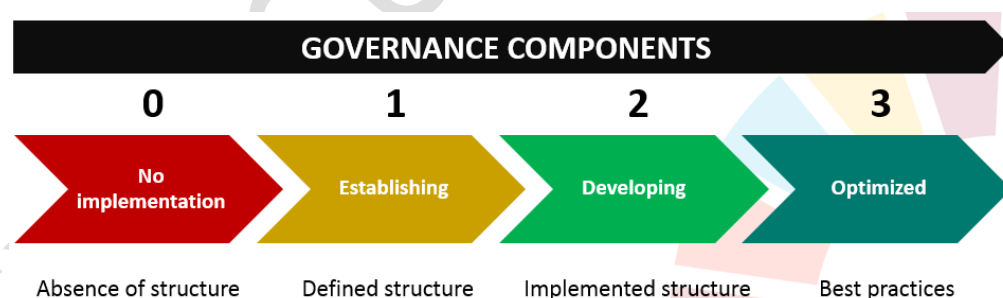
The process results in a list of potential audit topics ranked from the highest score to the lowest. The total scores should be indicative of the priority of the topics for a performance audit.

Annex 2: SDG Radar and Governance Assessment Scale in SDGs

The Governance Assessment Scale in SDGs, developed based on a study by the Inter-American Development Bank (IDB, 2014), provides a step-by-step approach to assessing the governance components selected by the audit team according to the degree of implementation:

- Not implemented (zero degree);
- In implementation (grade 1);
- In development (grade 2);
- Optimized (grade 3).

The figure below illustrates the scale:

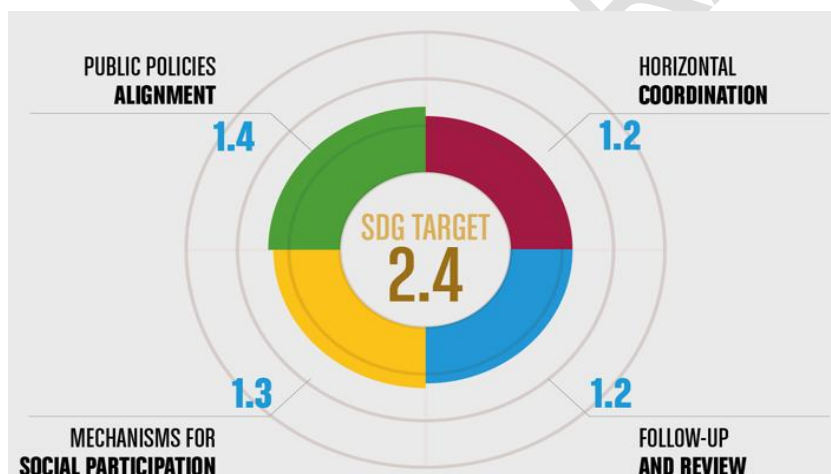
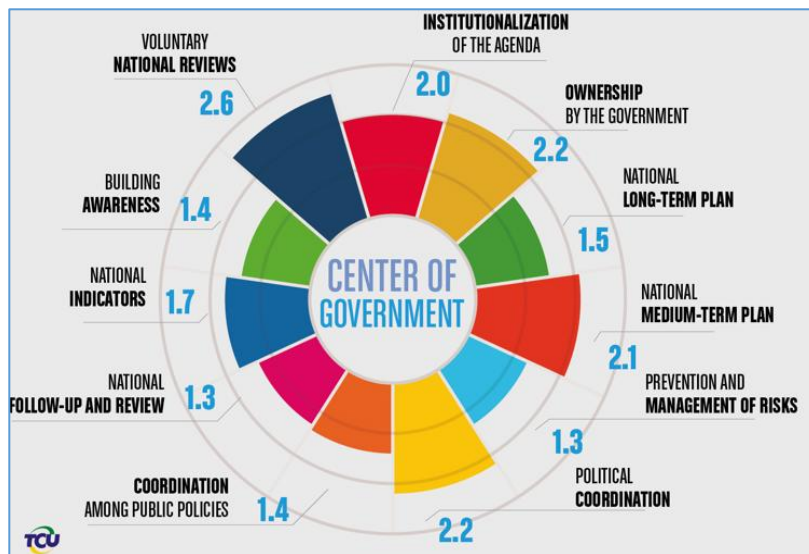


The components observed in this evaluation are:

CENTER OF GOVERNMENT				
GOVERNANCE COMPONENT	NO IMPLEMENTATION (0)	ESTABLISHING (1)	DEVELOPING (2)	OPTIMIZED (3)
C1. Process of institutionalization and internalization	Unidentified initiatives	Process in planning	Process in implementation	Process, attributions, targets and national indicators defined
C2. Government involvement in the 2030 Agenda	Unidentified initiatives	Actions for SDGs in few institutions	Actions for SDGs in some institutions	Actions for SDGs in various institutions
C3. National long-term planning	Unidentified initiatives	Defined competencies	Process for the elaboration of the long-	Existence of a long-term plan

			term plan defined	
C4. National medium-term planning	Unidentified initiatives	Defined competencies	Process for the elaboration of the medium-term plan defined	Existence of a medium-term plan
C5. Prevention and risk management	Unidentified initiatives	Defined competencies	Existence of mechanisms to identify risks	Existence of mechanisms to treat risks
C6. Political articulation	Unidentified initiatives	Informal definition of assignments	Formal definition of assignments	Existence of mechanisms to involve actors
C7. Coordination of public policies	Unidentified initiatives	Defined competencies	Existence of mechanisms to identify misalignments	Existence of actions to promote alignment
C8. National monitoring and evaluation strategy	Unidentified initiatives	Strategy defined	Existence of mechanisms and structures for monitoring	Existence of mechanisms and structures for evaluation
C9. National Indicators	Unidentified initiatives	Definition process established	Processes of data production and indicator calculation defined	Data collection routines implemented
C10. Awareness of Agenda 2030 in the country	Unidentified initiatives	Isolated and uncoordinated actions	Awareness strategy in preparation	Awareness strategy in execution
C11. National Voluntary Report	Unidentified initiatives	Defined competencies	Process defined	Report prepared and disseminated
SDG TARGET				
M1. Alignment between public policies	Unidentified initiatives	Public policies related to the target identified	Alignment mechanisms defined	Public policies aligned and coherent
M2. Horizontal Coordination of the SDG Target	Unidentified initiatives	Coordination structures for some policies	Coordination structures for various policies, but acting as silos	Integrated coordination structures
M3. Monitoring and evaluation	Unidentified initiatives	Individual monitoring structures and systems	Mechanisms for integration of structures and systems	Mechanisms for cross-evaluation and feedback
M4. Mechanisms of social participation	Unidentified initiatives	Available data	Channels of communication available	Feedback from the public considered in the policy review

The data obtained in the scale serves as input for the elaboration of the **SDG Radar**, which is a tool designed for a quick and simple understanding of the governments' preparedness for implementing the SDGs. It also allows data consolidation and easy communication of the results.



How to read the SDG Radar?

The SDG Radar is divided into sectors according to the number of governance components evaluated, with 11 sectors for the Center of Government and 4 sectors for the SDG target. Each sector of the radar corresponds to a specific governance component. The level of implementation of each component, which varies from 0 to 3, is represented in the sector segments, according to the scheme below. The colored segments indicate the level of implementation of the component, which in the scheme corresponds to level 2 ("developing").



Annex 3: Fragmentation, Overlap and Duplication Evaluation Guide adapted for SDG auditing

To be capable of implementing the SDGs respecting the crosscutting nature of many of the goals and targets, national governments must act in an integrated and coordinated way across all its levels. This way of acting may be compromised by the existence of fragmentation, overlaps, duplications, and gaps among public policies and programs.

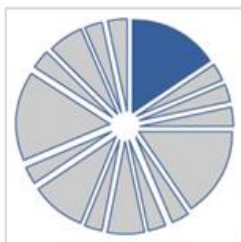
The Government Accountability Office (GAO) has created a guideline for identifying this fragmentation, overlapping and duplication occurrences, addressed to both public policy analysts (such as auditors) and policymakers.

The SAI Brazil has adapted the GAO's material for use in a SDG audit and include the identification of "gaps" among public policies and programs. Despite its use in a SDG audit, the adapted GAO's tool could also provide valuable information in an environmental audit with a SDG perspective. Considering that, the adaptation of this analytic tool is presented in this guideline as an option for assessing integration and coherence of public policies.

The following concepts are used:

- **Fragmentation:** occurs when more than one government institution (or more than one unit within a government institution) is involved and working in the same area and there are opportunities to improve service delivery.
- **Overlap:** occurs when multiple government institutions or programs have similar goals, engage in similar activities or strategies to achieve their goals, or have the same target audience.
- **Duplicity:** occurs when two or more government institutions or programs are performing the same activities or providing the same services to the same beneficiaries.
- **Gap:** occurs when there is a lack of an important part in a process, and may be absence of policies, programs, actors, institutional mechanisms, processes and activities, benefits or beneficiaries.

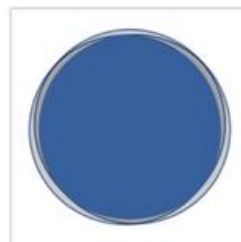
Fragmentation



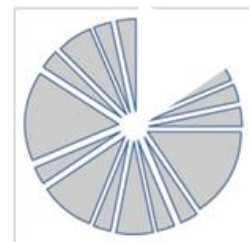
Overlap



Duplication



Omission



The steps proposed in the adaptation are:

1. Identify fragmentations, overlaps, duplications, and gaps in the main policies and programs related to a defined SDG or SDG target:
 - a. Identify factors that influence the achievement of the SDG or the SDG target
 - b. Based on that, identify the main policies related to the SDG or the SDG target
 - c. Collect essential information about these policies
 - d. Collect additional information, if necessary
 - e. Define a key policy or program (central theme) for the achievement of the SDG or the SDG target
 - f. Identify interconnections between the key policy or program and the other selected policies/programs



- g. Check for the existence of fragmentations, overlaps, duplications, and gaps among the policies
 - h. Confirm the findings with the responsible institutions' managers
2. Identify potential effects of these occurrences in the assessed policies and programs:
- a. Identify positive and negative effects of the fragmentations, overlaps, duplications, and gaps occurrences
 - b. Consider the necessity of further evaluations
 - c. Confirm the effects with the responsible institutions' managers

First, the audit team analyzes the factors that influence the topic of auditing and, from these factors, identify the main public policies related to the SDG or SDG target. Next, essential information on these public policies is collected, such as: objectives and potential outcomes; beneficiaries, clients and target population; key benefits, services and products; institutions responsible. These and other additional information can be obtained through legislation, management reports, previous work by the SAI itself, official databases, expert opinions, etc.

Based on this information and the prior knowledge of the audit team in the theme, a key policy is selected to achieve the SDG or SDG target, serving as a basis for identifying fragmentations, overlaps, duplications and gaps. Then, the interrelations between the key policy and the other identified public policies are analyzed, intersecting the information collected in the previous stage.

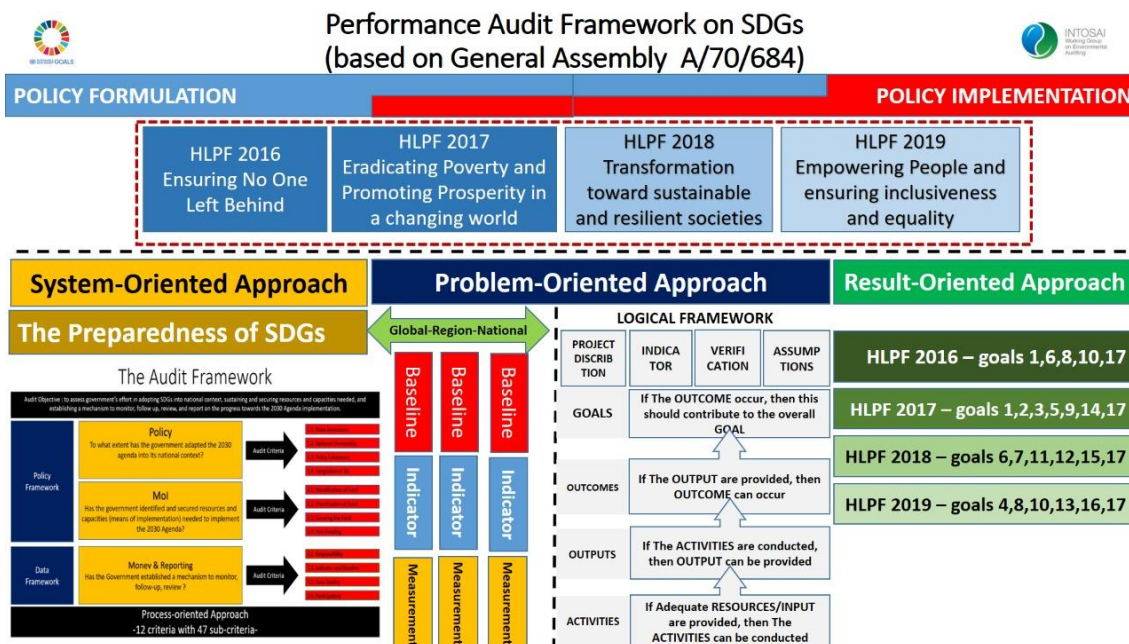
These analyzes will allow the identification of fragmentations, overlaps, duplicities and/or gaps between the selected key policy and other public policies. After the identification, it is appropriate to confirm the team's findings with colleagues in the technical unit, public managers, experts and/or other relevant stakeholders.

Then, the negative, positive, potential and real effects of the fragmentations, overlaps, duplications and gaps identified are evaluated. It is important to emphasize the need to consider the positive effects, if any, and not only the negative ones. Depending on the case, the need for further evaluation of these effects may be verified. Finally, these effects can also be confirmed with other colleagues, managers, specialists and other actors.

With the results of such analysis, the audit team will be able to propose recommendations that contribute to the elimination or reduction of the negative effects of fragmentations, duplications, overlaps and gaps, or to enhance their positive effects, if there are any.

Annex 4: Performance Audit Framework on SDGs

Below is an example of a framework for auditing SDGs based on the United Nations plan for the topics to be examined at different HLPF years. From the framework below, we can see that the audit of the first four years review of HLPF will have three kinds of approaches.



In 2016, the UN focused on the preparedness of SDGs. This preparedness is a critical part that requires a proper policy formulation. Thus in 2017, SAIs could conduct a performance audit on policy making. One of the approaches which can be implemented for a performance audit on policy making is the systemic-oriented approach.

INTOSAI Working Group on Environmental Auditing (WGEA) has offered several guidelines within the environmental auditing scope. One of them is the ISSAI 5130, where this document offers an overview of the concept of sustainable development and includes practical guidance to SAIs how to integrate sustainable development into their audit work as the concept of sustainable development may be reflected in the strategies, policies, and operations of governments and individual agencies.

The systemic-oriented approach which is described in the ISSAI 5130 Chapter 3 (revised version) does not explain specifically on auditing the preparedness phase of SDGs, but SAI can get a thorough understanding on identifying the sustainable development concept in the strategy and policy level. Chapter 3 offers not only targets and indicators but also a list of potential questions for the audit on a government's sustainable development strategy and the integration of sustainable development across a government's strategies and broader activities. The ISSAI 5130 chapter 3 points that SAI must also assess the national sustainable development strategies characteristic, whether its framework builds on existing strategies, policies, and processes to ensure coherence among them and the presence of the sustainable development element. This step is particularly relevant in countries that have several strategies for development with different frameworks, origin, focus, and time frames.

For the systemic oriented approach, SAI of Indonesia has used the RACI model to clarify the roles and responsibilities in cross-functional of the Government Agencies. This framework is supported with RACI chart. The first letter of RACI is R. R means Responsible, this can be interpreted as the agency which does the work to achieve the tasks or goals. The second letter is A which means Accountable. In this case, accountable is the agency which is accountable for the correct and thorough completion of the task. The third letter of RACI is C which means Consulted. Consulted means that agency which provides information and will be communicated with regarding decisions and tasks. The last letter is I, which stands for Informed, the agency that need to kept informed of progress or need to know about the decisions or actions.

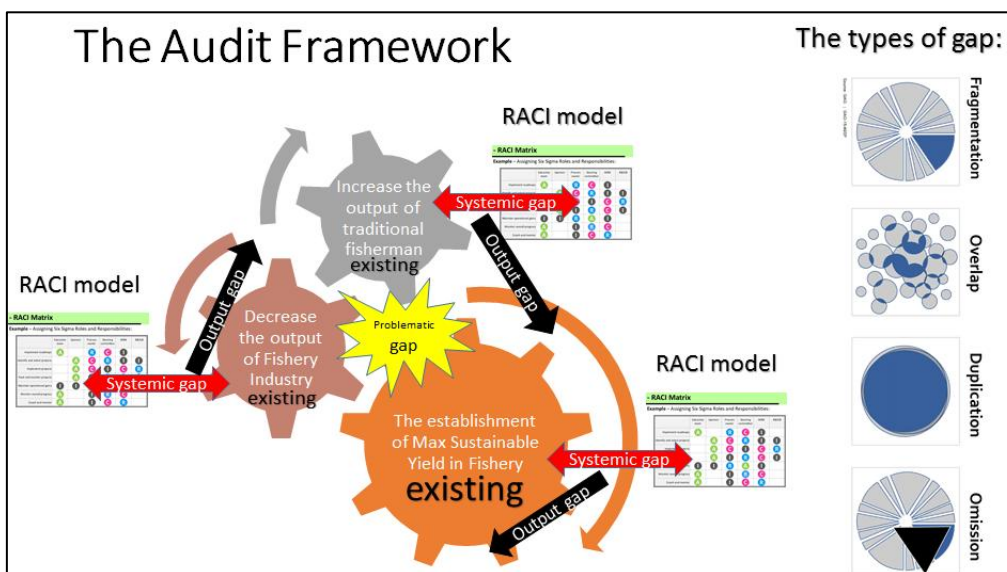
	Coordinating Ministry of Maritime Affairs	Coordinating Ministry of Economy	Coordinating Ministry of Human Development and Culture	Ministry of National Development Planning Agency	Ministry of Finance	Ministry of Marine Affairs and Fisheries	Ministry of Trade	Ministry of Health	Ministry of Agriculture	Ministry of Social Service	Ministry of Village, Development of Disadvantaged Village, and Transmigration	Ministry of Education and Culture
Increased production of capture fisheries to 6,982,560 tons in 2019	R			R	R	R						
The establishment of a strategic port to support sea tolls at 24 ports by 2019	R			R	R							
Increased export growth of non-oil and gas products by 5% in 2019 (2015: -9.8%)		R		R	R		R					
Increased coverage of National Health Insurance (JKN) in 2019 at least 95% (2015: 60%)			R	R	R			R				
The increasing of food consumption indicated by Food Harvest Scale (PPH) score reached 92,5 (2014: 81,8), and fish consumption level become 54,5 kg / capita / year in 2019 (2015: 40,9 kg / capita / year)		R		R	R	R			R			
The decline of poverty rate in 2019 to 7-8% (2015: 11.13%)		R	R	R	R				R	R		

SAIs can conduct a performance audit on each SDGs goals using result-oriented approaches since it is related to policy implementation in a program level with an output that can be measured. According to the ISSAI 300, output or a result-oriented approach is an approach that assesses whether the outcome or output objectives have been achieved as intended or whether programs or services are operating as intended. Using TCU (SAI Brazil) Audit Findings Framework on SDGs and Logical Matrix Analysis, SAIs can create a link for the existing government program or project to the specific goals in SDGs. As we know that the program will produce the output, and the target and indicator of SDGs are at the impact level. This level of indicators gap can be eliminated by using logical framework matrix that links the indicators from the output level, cumulative outcomes, and their final impact which is reflected in the indicator of SDGs.

In the ISSAI 5130, SAIs can also get a guideline on auditing programs and issues using a sustainable development lens. For this approach, SAIs can use the ISSAI 5130 Chapter 4 (revised version) to reflect the integrated, indivisible, and interlinked nature of the goals and the three dimensions of sustainable development including cross-cutting issues as well as new emerging issues, the forum also arranged several themes as a framework for reviewing all 17 goals. In the remainder of the current HLPF cycle under the auspices of the economic and social council, the themes decided are:

- For 2016: "Ensuring no one left behind";
- For 2017: "Eradicating poverty and promoting prosperity in a changing world";
- For 2018: "Transformation toward sustainable and resilient societies";
- For 2019: "Empowering people and ensuring inclusiveness and equality."

SAIs of Indonesia perform a performance audit in 2017 with a problem-oriented approach. This approach will mix the policy formulation and policy implementation stages since the complexity of the three component of economic, social, and environmental need to be addressed by advanced analytical tools.



The concept of SDGs should not only focus on environmental aspects but also focus on economic and social aspects as well. It is also necessary to review the roles and responsibilities of each government agency not only to their respective program but also to other related programs. But in Indonesia, fishery management authorities tend to be more concerned with biological aspects of fishery resources than with the socio-economic performance of fishermen.

From the picture above, the three pillars of economy, social, and environment are represented as the three connected gears. In this case, the prohibition of trawls and seines nets are expected to protect the environment (the environment gear rotate to clockwise). As the consequences, the economy and the social gears would be affected. That was the basic concept of the framework.

Annex 5: Risk Assessment Approach to integrate the SDG targets in SAI Canada's 5-year strategic plan

In order to have a better understanding of the risks associated with each of the 169 SDG-targets in the Canadian context and to identify targets that could potentially be audited in a 5-year horizon, SAI Canada came-up with a 4-step approach to assess the risk level of the SDG-targets. The process is described below.

1- Assign the 169 targets among performance audit portfolios

For assigning the 169 SDG-targets, a small team of auditors looked at which government entity was contributing to a specific target and assigned the target to the SAI Senior Manager responsible for auditing the entity. The Senior Managers reviewed the targets assigned to their Portfolio to confirm responsibility or propose changes.

2 - Assess the level of risk associated with each target

Once responsibilities were discussed and agreed on, the second step was for Senior Managers to assess the risk level associated with the targets for Canada. Targets were rated high, medium or low risk based on the Managers assessment of the impact of Canada not achieving the target and likelihood of not achieving it.

3- Assess the "auditability" of targets

The third step was to determine the auditability of the target. If a target is "auditable", it means that the area/topic addressed by the target is under the SAI mandate (SAI Canada audits one level of government – the federal level) and information or evidence required to audit the target is available and can be



obtained relatively efficiently. Senior Managers determined whether the target was auditable, not auditable or maybe auditable based on these criteria. "Maybe auditable" means that the target can be audited as long as only specific elements of the target is looked at.

4 - Determine potential performance audits using the SDG lens

Finally, the fourth step was for Senior Managers to indicate whether the target/topic should be included in an audit and if so, when in the next 5 years.

Note that this 4 steps approach was performed by Senior Managers and teams based on their knowledge of the issue and of the entities audited. Managers and auditors used their professional judgement, audit experience and expertise and conducted additional research when needed. Results of this assessment are documented in an Excel Database including relevant links and references to entities mandate and programs.

EXPOSURE DRAFT