




INTOSAI
Working Group
on Environmental
Auditing



Environmental Audit and the Sustainable Development Goals: A discussion paper



This publication was prepared by the INTOSAI Working Group on Environmental Auditing (WGEA). The WGEA aims to encourage the use of audit mandates and audit methods in the field of environmental protection and sustainable development by Supreme Audit Institutions (SAIs). The WGEA has the mandate to

- help SAIs gain a better understanding of the specific environmental auditing issues,
- facilitate exchange of information and experiences among SAIs, and
- publish guidelines and other informative material.

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Acknowledgements & Foreword

The International Organization of Supreme Audit Institutions (INTOSAI) Strategic Plan for the period 2017-2022 has included SDGs as a crosscutting priority. In line with the strategic intent of INTOSAI, the Working Group On Environmental Auditing's (WGEA) 2017-2019 Work Plan proposed the development of an audit guideline on Delivering the 2030 Agenda (Sustainable Development Goals) focusing on environmental auditing. The Supreme Audit Institution (SAI) of Brazil, the SAI of Canada, and the SAI of Indonesia volunteered to lead the development of the audit guideline "Auditing and implementing the United Nations Sustainable Development Goals focusing on environmental auditing". During the completion of the guideline, we received some inputs and comments that needed to be addressed before clear guidance can be offered. However, as we progressed in our work, we encountered some challenges, mainly that there was not enough time to incorporate all the inputs and agreed that we needed to change the initial project to this discussion paper.

The discussion paper aims to provide important information about what is the 2030 Agenda and SDGs, as well as examples of audits that were already carried out in this area. We would like to acknowledge the efforts of the authors, the contributions made by the SAIs worldwide, and also the valuable inputs and help by the INTOSAI WGEA as well as its Steering Committee members, IDI and UNDESA.

We hope you will find this document useful and beneficial.



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**Quality Assurance Certificate of the
Chair of INTOSAI Working Group on Environmental Auditing (WGEA)**

This is to certify that ***Environmental Audit and the Sustainable Development Goals: A Discussion Paper*** which is placed at level three of Quality Assurance as defined in the paper on “Quality Assurance on Public Goods developed outside Due Process” approved by INTOSAI Governing Board in November 2017 has been developed by following the Quality Assurance processes as detailed below:

- i. The project proposal was developed by the team with consultation of INTOSAI WGEA Steering Committee Members;
- ii. The project was discussed during the 15th INTOSAI WGEA Steering Committee Meeting at Washington D.C- USA. in 2017 and further discussed during parallel session of 18th INTOSAI WGEA Assembly Meeting in Bandung-Indonesia;
- iii. The project output draft was circulated among team members, steering committee members, and has gone through more than 30-day exposure (from 22 March to 10 May 2019) for comments at INTOSAI WGEA website and circulated among WGEA members.

The product developed is consistent with relevant INTOSAI Principles and Standards. The structure of the product is in line with the drafting convention of non-IFPP documents.

The product is valid until 30 September 2020 and if it is not reviewed and updated by 30 September 2020, it will cease to be a public good of INTOSAI developed outside the Due Process.

Jakarta, July 2019

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Quality Assurance Certificate

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Based on the assurance provided by the Chair of the **Working Group on Environmental Auditing** and the assessment by the Goal Chair, it is certified that the **Environmental Audit and the Sustainable Development Goals: A Discussion Paper** which is placed at level **3(three)** of Quality Assurance as defined in the paper on "Quality Assurance on Public goods developed outside Due Process" approved by the INTOSAI Governing Board in November 2017, has been developed by following the Quality Assurance process as detailed in the Quality Assurance Certificate given by the Working Group Chair.

The product is valid till **30th September 2020** and, if not reviewed and updated by **30th September 2020** it will cease to be a public good of INTOSAI developed outside the Due Process.

A handwritten signature in blue ink, appearing to read "Rajiv Mehrishi".

Rajiv Mehrishi
Chair of INTOSAI Knowledge Sharing and
Knowledge Services Committee

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Acronyms and Abbreviations

AFROSAI	African Organization of Supreme Audit Institutions
ARABOSAI	Arab Organization of Supreme Audit Institutions
CESD	Commissioner of the Environment and Sustainable Development
ECA	European Court of Auditors
FLR	Forests and Lands Rehabilitation
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
MOOC	Massive Open Online Courses
MEA	Multilateral Environmental Agreement
OAG	The Office of the Auditor General
OLACEFS	Organization of Latin American and Caribbean Supreme Audit Institutions

SAI	Supreme Audit Institutions
SD	Sustainable Development
SDGs	Sustainable Development Goals
TCU	Tribunal de Contas da União/ the Brazilian Federal Court of Accounts
UN	United Nation
UNDESA	United Nation Department of Economic and Social Affairs
WGEA	Working Group on Environmental Auditing

Executive Summary

This discussion paper is divided in four main parts. The first part contains concepts and definitions on sustainable development, the 2030 Agenda and SDGs to contextualize and support the examples presented throughout this document. The second part presents how the models of sustainable development have evolved in terms of how the economic, social and environmental pillars relate to each other and what are the implications for auditors when it comes to defining audit concepts and approaches for environmental auditing. The role of SAIs in contributing to the implementation of the SDGs is also discussed. The 2030 Agenda recognizes the essential role of national parliaments in ensuring accountability for the effective implementation of the 2030 Agenda. In doing so, SAIs contribute to achieving Goal 16 in relation to building effective, accountable and inclusive institutions at all levels. It also describes how SAIs can contribute to the achievement of SDGs; and identifies INTOSAI and WGEA frameworks, guides and projects that can be helpful to audit SDGs.

The third part of the discussion paper presents an overview and some examples of how SAIs have and can contribute to SDGs when undertaking environmental auditing in the context of the SDGs. It reports on specific audits that have already been carried out by SAIs to assess the preparedness on national governments to implement the 2030 Agenda and SDGs. In addition, it presents examples of environmental audits performed by 3 SAIs that propose models on how to do the work with an SDG perspective. Finally, this part highlights some of the common findings and challenges faced by national governments in preparing for or implementing the SDGs as well as challenges encountered during the audits. Among these is the issue of funding; the challenges of developing or adapting institutional frameworks to implement the SDGs across government; the issue of integrating sustainable development and striving for policy coherence; and finally the gap in availability and reliability of information and data for implementation and monitoring.

The fourth part poses some of the questions that need to be discussed and agreed among SAIs in order for SAIs to best support national governments in tackling their SDG implementation challenges. Among these are how to adapt environmental auditing in the broad context of sustainable development and in the specific context of the SDGs. Next steps are proposed to clarify these important concepts before WGEA or other INTOSAI colleagues are able to provide clear guidance on auditing the SDGs. Given the principles, concepts and scope underlying the SDGs, this discussion paper concludes that a whole-of-INTOSAI approach to take the steps we propose and answer the questions we pose is probably the most appropriate avenue. We propose that this is for SAIs to best way to fulfil their role and add the most value to the implementation of SDGs.

Introduction

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.”¹ The 2030 Agenda includes 17 aspirational goals for the international community to be achieved as a whole, known as the Sustainable Development Goals (SDGs). The SDGs address many different global issues, such as poverty, hunger, education, health, economic growth, climate change, and so on.

To implement and achieve the SDGs, national governments may need to integrate the SDGs within their national structures, mandates, policies, strategies and plans. Government funding that contributes to implementing policies, programs and services deployed to achieve the SDGs is an activity 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 within national systems, their mandate on all areas of government expenditure, and active cooperation in international organizations at the regional and global levels. Specifically, SAIs can make valuable contributions to national efforts to implement SDGs, monitor their implementation, track progress, and identify improvement opportunities across the full set of the SDGs.

The INTOSAI community included the SDGs in its 2017-2022 Strategic Plan as one of crosscutting priorities, which 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 mandates². In line with this crosscutting priority, the WGEA’s 2017-2019 Work Plan proposed the development of a guidance document on auditing the SDGs focusing on environmental auditing.

One of the characteristics of the 2030 Agenda and SDGs is the integration of economic, social and environmental dimensions. In this case, to carry out an environmental audit on relevant SDGs it is essential to also consider the economic and social dimensions. This means that auditing the SDGs requires a broader approach than the one focusing on a narrow, sectorial standpoint focusing on environmental considerations alone.

Besides that, the subject matter and information to provide guidance on auditing the 2030 Agenda and SDGs are extensive and evolving, basis for constant updating as more and more work is conducted in this field. Therefore, the publication of a static document at one point in time would not be sufficient. In this regard, the publication of a guidance that would be updated only every 6 years appears not to be the best option. Rather, once

¹ <https://sustainabledevelopment.un.org/post2015/transformingourworld>

² <http://www.intosai.org/about-us/strategic-plan-of-intosai.html>

such guidance is developed, it will probably require more frequent updates as additional knowledge and experiences around the world accumulate.

The objective of this discussion paper is to outline some of the challenges we have faced in drafting the guidance on how to conduct environmental auditing with a SDG perspective and propose some options to be discussed in the next WGEA Assembly, regarding the feasibility of developing a specific guidance on auditing the SDGs focusing on environmental auditing (chapter 4). In addition, this document provides information to understand the main features of the 2030 Agenda and SDGs (chapter 1) and the evolution of environmental auditing (chapter 2), also presenting some examples of SAIs experiences on auditing the 2030 Agenda and SDGs (chapter 3). The key questions that need answering and the steps to develop the answers are proposed in chapter 4.

Chapter 1

Background

THE THREE ASPECTS OF SUSTAINABLE DEVELOPMENT

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.”³ Sustainable development therefore calls for a *long-term* plan for the management of all resources that will allow societies to fulfil their economic and social needs while restoring and 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 sustainability and equity across future generations (“intergenerational equity”).

THE 2030 AGENDA AND SDGS

The 2030 Agenda is an ambitious plan of action for all countries to achieve the 17 SDGs (figure 1), 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.

3 <http://www.un-documents.net/our-common-future.pdf>

Figure 1: The seventeen Sustainable Development Goals⁴



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. In addition, the achievement of the SDGs calls for an integrated and balanced approach of the economic, social and environmental dimensions.

The 2030 Agenda is universal in scope and applicable to all countries, taking into account different national realities, capacities and levels of development. The Agenda seeks to benefit all people and does not leave anyone behind, calling for the participation of all to contribute to its implementation. It requires a collaborative partnerships among all stakeholders to support the achievement of the SDGs. 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.

⁴ <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

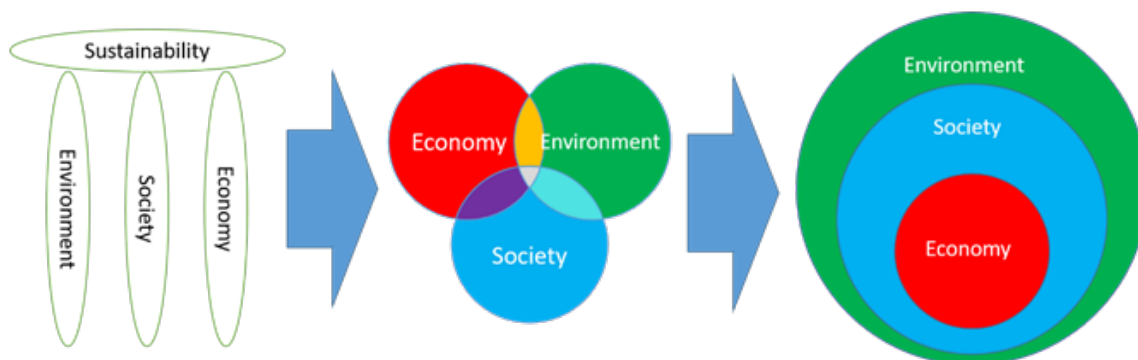
Chapter 2

Environmental audits in the context of sustainable development and the SDGs

HISTORICAL OVERVIEW OF THE CONCEPT OF SUSTAINABILITY

The working model of sustainable development at the basis of this traditional environmental auditing has evolved over time. The first model that emerged was illustrated as a three-legged stool, where the three pillars are required to support our livelihoods. However, this model proposed that the economy, society, and the environment were separated and equal. A subsequent model represented sustainable development as three-overlapping-circles where the three pillars are interconnected. This model also had a downside since it proposed that the economy can exist independently from the environment and society. The most recent model, (see figure 2 below) however, represents the environment and its natural resources as the ultimate limit to other aspects of development. To be sustainable, economic development cannot exceed the finite limits of the resources that society and the environment can sustain levels⁵.

Figure 2: The illustration of the evolution of three sustainable development model



⁵ Giddings, B., Hopwood, B., and O'Brien, G (2002). "Environment, Economy, and Society: Fitting Them Together into Sustainable Development", *Sustainable Development*, 10, 187-196

In line with the early models of sustainable development, environmental auditing conducted by SAIs has traditionally examined the performance of government activities that aim to preserve and rehabilitate the environment. This type of audit typically focused on environmental outcomes with less attention, if any, to social and economic aspects. Although there are multiple examples across SAIs that this approach resulted in environment governance improvements worldwide, the new emphasis on sustainable development and the adoption of the UN SDGs calls for a rethinking of what is an environmental audit in this new context. This means that adopting sustainable development as a framework for auditing environmental programs or activities requires the consideration of the economic and social aspects that either caused the initial environmental problem, or that are impacted by the environmental program or activity implemented by the government.

As for environmental auditing, SAIs can make significant contributions in achieving sustainable development and the SDGs by conducting performance audits on government programmes that support sustainable development or more specifically one or several SDGs. In order to provide precise and beneficial recommendations, the auditor must consider the three pillars of sustainability in conducting audits and composing recommendations. In term of environmental audit, conducting it with an SDGs perspective means that the auditor not only has to consider environmental aspects, but also economic and social aspects.

WGEA has previously carried out audits related to sustainable development that has presented in ISSAI 5130 - Sustainable Development: The Role of Supreme Audit Institutions. The main challenge of auditing the sustainable development issues referring to the document is the scope for performance audit of national and local sustainable development strategies is very wide. In measuring the performance and progress as a key area of audit, SAI needs to determine the sustainable target and indicator. With the availability of target and indicators will allow SAI to audit 3 broad areas: an audit of target to see if they are realistic and are based on proper understanding and evidence about what needs to be done, an audit of indicators to see if they are relevant and reliable, or an audit on progress revealed by comparing indicators with the associated targets.

Main difference between conducting environmental audit with SDGs perspective and environmental audit with the perspective of sustainable development in broader context is the presence of 17 Goals, 169 targets and 232 indicators on SDGs that make the audit scope clearer. Those targets and indicators listed on SDGs could be used to specify the audit scope when SAI conducting the sustainable development audit. Some issues to consider for auditing Sustainable Development Goals at the program level by referring to the ISSAI 5130 are:

1. Selecting topic for the audit

The approach adopted by SAIs need not differ from the processes normally used by SAIs to select topics for performance audit. However, in identifying topics, SAIs may wish to look at the High Level Political Forum (HLPF)⁶. HLPF is defined to set the priority themes to be undertaken at global level annually. Thus, it is suggested to consider the HLPF theme as reference in selecting the audit topics since the lesson learned of the audit will be shared at the global level. On the other hand, SAI may also select their topics based on the priority of their respective government.

2. Scoping and designing

The audit will also include more entities because complex environmental problems require crosscutting solutions that involve multitude stakeholders. When deciding the scope of the audit, SAIs need to decide whether to look across the work of a number of the organizations. Since the nature of SDGs involves multi stakeholders, there is a need to use whole of government approach.

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.

3. Defining the linkage between economic, environment and social aspects.

The SD principles have moving forward from the principles of trade off or balance between economic, environment and social dimension into integration and coherence of three dimension (nested model) which become the new principle of SDGs.

THE ROLE OF SAIS IN STRENGTHENING THE ACCOUNTABILITY, TRANSPARENCY, AND INTEGRITY OF GOVERNMENT IN IMPLEMENTING SDGS

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.

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.

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 HLPF, which focused on "Ensuring that no one is left behind", highlighted the importance of the role of SAIs as their mandate cuts across all government institutions at all levels⁷.

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.

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 Chapter 3.

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.

7 [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)

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

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.

Several audit results have become examples of cases in ISSAI 5130 - Sustainable Development: The Role of Supreme Audit Institutions, such as: SAI of UK Audit related Land Reclamation in the United Kingdom, SAI of South Africa audit of freshwater resources and water services, SAI of Peru Environmental Audit and National Heritage, SAI of Jordan Integrated crop management systems and SAI of Indonesia Conservation of Indonesia's National Forest. In the audit reports mentioned, SAI has disclosed about environmental impacts and social impacts as well as economic impacts from Government Program. Based on the experience in conducting audits related to sustainable development, WGEA provides audits guidance and publications that can be seen at <https://wgea.org/audit/>.

WGEA also encourages its members to conduct audits related to the multilateral environmental agreement. Several SAI members from WGEA have conducted audits of MEA such as Kyoto protocols (ECA, Indonesia, Australia, Fiji, EUROSAI cooperative audits,) Basel Convention (Ukraine, cooperative audits from SAI Bulgaria, Greece, Ireland, Norway, Poland, Slovenia, Hungary and the Netherlands), Water Convention (Russia and Estonia), Ramsar Convention (Portugal) and Convention on Biological Diversity (Brazil). Lesson learned from the audit that conducted related MEA, show that SAI has an important role in evaluating the success of MEA that has become a commitment in each country, so SAI can identify the level of success of the commitment. The results of SAI's audit result related to MEA can be seen on <https://wgea.org/audit/>.

INTOSAI, WGEA AND OTHER FRAMEWORKS, GUIDES AND PROJECTS

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.

Figure 3. Documents used by SAI in audits SD

INTOSAI, WGEA and other frameworks, guides and projects	Examples or Sources
The International Standards of Supreme Audit Institutions (ISSAI)	ISSAI 5110 – Guidance on Conducting Audit Activities with an Environmental Perspective
	ISSAI 5120 – Environmental Audit in the Context of Financial and Compliance Audits
	ISSAI 5130 – Sustainable Development: The Role of Supreme Audit Institutions
	ISSAI 5140 – How SAIs may co-operate on the audit of international environmental accords

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 <http://www.intosai.org/documents.html>

INTOSAI, WGEA and other frameworks, guides and projects	Examples or Sources
A section of INTOSAI's website ⁹	<p>The document "A practical guide to government SDGs preparedness review"</p> <hr/> <p>Reflections of seven SAIs that conducted a review in accordance with the seven steps INTOSAI model¹⁰</p> <hr/> <p>Access to the audit reports on SDGs that have been published¹¹</p>
The INTOSAI WGEA guidance materials ¹²	<p>Energy Savings 2016</p> <hr/> <p>Market Based Instruments for Environmental Protection and Management 2016</p> <hr/> <p>Environmental Impact Assessment 2016</p> <hr/> <p>Auditing Government Efforts to Adapt to Climate Change and Ocean Acidification in the Marine Environment 2016</p> <hr/> <p>Auditing Waste Management 2016</p> <hr/> <p>Land Use and Land Management Practices in Environmental Perspective 2013</p> <hr/> <p>Impact of Tourism on Wildlife Conservation 2013</p> <hr/> <p>Sustainability reporting – Concepts, Frameworks and the Role of Supreme Audit Institutions 2013</p>
INTOSAI WGEA's website ¹³	Audits are organized by sustainable development goal, by country, or by issue and environmental agreement
The INTOSAI Development Initiative (IDI)	<p>A library that contains guidance and papers including on auditing the SDGs¹⁴</p> <hr/> <p>Guidance and papers including on auditing the SDGs, including the guidance on "Auditing Preparedness for Implementation of Sustainable Development Goals – Guidance for Supreme Audit Institutions – version 0".</p>
The Canadian Audit and Accountability Foundation, in partnership with the International Institute for Sustainable Development	Guidance on auditing gender equality and the SDGs

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

¹³ <https://www.environmental-auditing.org/audit/>

¹⁴ <http://www.idi.no/en/idi-library/global-public-goods/auditing-sustainable-development-goals?tag=>

Chapter 3

Overview of SAIs experiences on auditing key environmental program with SDGs perspective

This chapter provides an overview and some examples of successful SAI experiences in performing audits related to the 2030 Agenda and SDGs. The main purpose is to share experiences in a way that SAIs can learn from each other and inspire further audits on SDGs.

Based on 9th Survey on Environmental Auditing INTOSAI WGEA, United Nations SDGs topics had high priority in strategic work plan of 68.33% of SAIs. Almost half of the SAIs (48%) mentioned that UN 2030 Agenda for Sustainable Development had influenced their audit practice through using SDGs to choose audit topics and focusing on preparedness to implement the SDGs. It was only 33.33% of SAIs considered the HLPF on SDGs in their audit plans. Since 1 January 2016, 51.67% of SAIs has conducted any audits in direct relation to UN 2030 Agenda for Sustainable Development or one of the 17 SDGs. The most conducted topics were Clean Water and Sanitation. Fifty-one point six seven percent (51.67%) of SAIs were willing to share the results of these future environmental performance audits related to one of the topics of SDGs by means of a framework developed by INTOSAI.

Though relatively small, the number of audits on the 2030 Agenda (whether being conducted by individual SAIs, coordinated or cooperative audits) is continually increasing. Under the IDI-KSC capacity development programme on “Auditing Sustainable Development Goals”¹⁵, there are already over 80 cooperative audits supported by the IDI through this programme, which are assessing preparedness of national governments to implement the 2030 Agenda and SDGs over the 2017-2018 period. SAIs of AFROSAI, ARABOSAI and OLACEFS are conducting these performance audits, which are based on the model presented in the guidance produced by IDI-KSC “Auditing Preparedness for Implementation of Sustainable Development Goals”¹⁶. This model is for conducting audits as per ISSAIs, and is explicitly aligned to the UN voluntary guidance for submitting voluntary national reviews at the high-level politic forum.

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

¹⁶ <https://www.idi.no/en/idi-cpd/auditing-sustainable-development-goals-programme>

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. Other SAIs have used the INTOSAI's seven-steps model to review government SDGs preparedness¹⁷, which was initially developed as a tool to conduct reviews, rather than audits. In addition, some audits of preparedness have used different approaches from these two. Finally, even though these two approaches are different, they are aligned, as they look at similar issues related to the national preparedness for the implementation of SDGs.

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.

Some three years after the entry into effect¹⁸ 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. 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 audits on environmental programs that contributed to SDGs implementation. The last section provides information about the main findings and challenges faced by SAIs in these exercises.

SAI'S EXPERIENCES IN CONDUCTING AUDIT ON PREPAREDNESS OF NATIONAL GOVERNMENT TO IMPLEMENT THE 2030 AGENDA AND SDGS

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.

In addition to the examples of audits on preparedness presented in this document, 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 INTOSAI's seven-steps model.¹⁹

SAI CANADA experience on auditing preparedness for implementation at the federal level

Objective

Determine if the Government of Canada was prepared to implement the 2030 Agenda and the SDGs

Scope

Action taken by 7 federal organizations, including 5 that had been identified to lead on behalf of the Government of Canada the preparation to implement the 2030 Agenda and the SDGs, between October 2015 and November 2017

Model/Approach

INTOSAI's seven-steps model

¹⁷ http://www.intosai.org/fileadmin/downloads/downloads/1_about_us/SDGs_and_SAIs/id782_SDGs_Netherlands.pdf

¹⁸ 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

¹⁹ http://www.intosai.org/fileadmin/downloads/downloads/1_about_us/SDGs_and_SAIs/id782_SDGs_Netherlands.pdf

Results and Conclusions

- 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.
- 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.
- 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.
- 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.
- 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.

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)

Where to Find the Report

http://www.oag-bvg.gc.ca/internet/English/parl_cesd_201804_e_42985.html

SAI Ghana experience on auditing Ghana's preparedness for the implementation of SDGs

Objective

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.

Scope

Adoption of SDGs into the national context; resources and capacities identified and secured; and mechanism for monitoring and evaluation, reviews, reporting and follow-up on SDGs implementation.

Model/approach

The audit adopted the whole-of-government approach and the "all-inclusive approach" to take into account all stakeholders involved in the implementation process based on the IDI-KSC Guidance on Auditing SDGs

Results and Conclusions

- The Government of Ghana, to a large extent, has demonstrated its commitment and preparedness for the implementation of the 2030 Agenda, though there are issues to be addressed.
- The main findings were:
 - the risk that the change in government may discontinue some SDGs programmes and activities;
 - the low level of public awareness on SDGs;
 - gaps in the current funding arrangements for the implementation of SDGs
 - delays in preparation and approval of the development plans, which constrains the analysis and appraisal of resources and capacities of sector agencies;
 - lack of detailed specific monitoring activities for the national monitoring mechanism for SDGs in place; and
 - the need of training and orientation on SDGs to the government staff.
 - 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.

Guidance and Tools Used

INTOSAI Development Initiative: Auditing Preparedness for Implementation of Sustainable Development Goals - Guidance for Supreme Audit Institutions (2017)

Where to Find the Report

<https://ghaudit.org/web/reports/>

Coordinated audit in Latin America on auditing national preparedness to implement the SDGs

Objective

Evaluate the preparation of eleven Latin American governments to implement the 2030 Agenda and SDGs (Argentina, Brazil, Chile, Costa Rica, Ecuador, Guatemala, Mexico, Paraguay, the Dominican Republic, Venezuela and the city of Buenos Aires)

Scope

The coordinated audit evaluated the preparedness of the national governments to implement the SDGs at the center of government level (entities responsible for assisting the Executive Branch in the process strategic decision making)

Model/approach

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

Results and Conclusions:

- The results of the audit indicate that there is mobilization of national governments for the implementation of SDGs. However, the preparation of these countries is still in an incipient stage, with several challenges related to the implementation of the 2030 Agenda.
- Lack of a long term planning for the implementation of the 2030 Agenda in most of countries.
- 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.

Guidance and Tools Used

- Governance Assessment Scale in SDGs
- SDG Radar
- 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)
- TCU's Framework for Evaluating Governance of Public Policies (2014)

Where to Find the Report

<http://www.olacefs.com/medio-ambiente-comtema/>

SAI Indonesia experience on auditing preparedness for implementation of SDGs in Indonesia

Objective

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

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

Model/approach

The audit adopted the whole-of-government approach

Results and Conclusions:

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.

Guidance and Tools Used

- 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

Where to Find the Report

http://www.bpk.go.id/assets/files/otherpub/2019/otherpub_2019_1549938379.pdf

SAI Brazil experiences on auditing national preparedness of SDG target 2.4

Objective

Evaluate the preparation of the Brazilian Federal Government to implement a specific SDG target 2.4, which deals with sustainable food production systems

Scope

The audit evaluated the public policies managed by the sectoral entities responsible to implement the specific SDG target 2.4

Model/approach

The whole-of-government approach and the audit tool Fragmentation, Overlap and Duplication Evaluation Guide adapted for SDG auditing, adopting good governance practices as audit criteria

Results and Conclusions

- Lack of horizontal coordination and the presence of misalignment between the main public policies
- Contradictions between policies to promote the transition in agriculture towards more sustainable production (using less pesticides) and tax incentives to use pesticides.
- 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.
- The government has not managed over 2.5 million dollars from annual tax waivers.
- The government has not internalized the social and environmental costs of pesticides use.
- The whole-of-government approach and the audit tool Fragmentation, Overlap and Duplication Evaluation Guide adapted for SDG auditing allowed 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.

Guidance and Tools Used

- SDG Scoring Matrix
- Government Accountability Office's "Fragmentation, Overlap and Duplication Evaluation Guide"
- Fragmentation, Overlap and Duplication Evaluation Guide adapted for SDG auditing
- Governance Assessment Scale in SDGs and SDG Radar

Where to Find the Report

<https://portal.tcu.gov.br/biblioteca-digital/auditoria-coordenada-ods.htm>

SAI Philippines experience on auditing preparedness for implementation of SDGs**Objective**

To assess how the Philippine Government has provided enabling environment for the following areas: a) government's adaptation of the 2030 Agenda and SDGs into its national context; b) means of implementation; and c) mechanism for monitoring, follow-up, review and reporting on the progress towards implementation of SDGs

Scope

The audit covers the review of initiatives for the preparation of the Philippine Government to implement the 2030 Agenda and the SDGs from October 2015 to March 2018

Model/approach

The audit adopted a system-oriented approach in combination with the result-oriented approach, based on the **based on the IDI-KSC Guidance on Auditing SDGs**

Results and Conclusions:

- The Philippine Government has been setting the tone for all stakeholders and putting in place or adapting existing frameworks and mechanisms needed in achieving the SDGs.
- Good governance shall be promoted by developing the capacity within the government to forecast and manage the positive and negative influences of each SDG to other SDGs and if possible, at the indicator level.
- Financing plan for the SDGs implementation has not yet been developed
- SDG data monitoring mechanism which is responsive to the demand for disaggregation of data, quality and timeliness of data collection is still work in progress.
- Significant progress has been achieved in the government's preparation to implement the Agenda 2030 and the SDGs. It is expected that once the challenges and emerging issues have been addressed and work in progress have been substantially completed, the government's readiness for the implementation of the SDGs will be further enhanced.

Guidance and Tools Used

INTOSAI Development Initiative: Auditing Preparedness for Implementation of Sustainable Development Goals - Guidance for Supreme Audit Institutions (2017)

Where to Find the Report

<https://www.coa.gov.ph/>

AUDIT EXAMPLES OF ENVIRONMENTAL PROGRAMS THAT CONTRIBUTE TO SDGS IMPLEMENTATION

The experiences presented in this chapter were chosen to provide specific examples of environmental audits that contribute to SDGs implementation. These auditing examples has considered some issues for auditing SDGs by referring to the ISSAI 5130, in terms of selecting audit topic, scoping and designing and defining the linkage between economic, environment and social aspects.

SAI Indonesia experience in auditing SDGs based on HLPF themes

Objective

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.

Scope

The scope of audit covers the activities of the Ministry of Marine Affairs and Fisheries, Local Government and other relevant agencies that related to the policy

Model/Approach

The audit adopted the whole-of-government approach

Results and Conclusions

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 that 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.

Guidance and Tools Used

- Government Accountability Office's "Fragmentation, Overlap and Duplication Evaluation Guide"
- Fragmentation, Overlap and Duplication Evaluation Guide adapted for SDG auditing
- ISSAI 3000 Standard for Performance Auditing

Where to Find the Report

<https://portal.bpk.go.id/sites/lhp/Pages/default.aspx>

SAI India experience in auditing the Indian railways environmental management

Objective

This audit aims to assess the environmental impact of Indian railways (IR).

Scope

The scope of audit covers the activities of the Indian government specifically the Ministry of Railways at each stage, including for prevention and control of air, water and noise pollution, conservation of resources such as energy and water as well as the use of renewable energy.

Model/Approach
This audit used general environmental criteria and extrapolated criteria from various general acts, rules, and regulations issued by the government,

Results and Conclusions

The audit found that IR has yet to formulate comprehensive environmental guidelines. Major stations need to be equipped with effluent treatment plants. The use of non-conventional energy sources needs to be enhanced and measures should be taken to decrease waste burning and dumping.

Guidance and Tools Used

Auditing Standards issued by the Comptroller and Auditor General of India

Where to Find the Report

http://saiindia.gov.in/english/home/Our_Products/Audit_Report/Government_Wise/union_audit/recent_reports/union_performance/2014/Railway/Report_23/Report_23.html

SAI Indonesia experience in using the SDGs nested model approach on auditing management and pollution control of Citarum Watershed

Objective

This audit aims to assess the effectiveness of the management and pollution control of the Citarum watershed at the Ministry of Environment and Forestry, the Ministry of Public Works and related agencies.

Scope

The scope of audit covers the activities of the Central Government and Local Government and other relevant agencies in the Citarum watershed management that includes conservation efforts of water resources. Specifically, this audit assesses whether: (i) the quality of Citarum water is within the specified water class range; (ii) the government's efforts in controlling pollution in the Citarum River watershed are in accordance with their authority; and (iii) the government's efforts to improve the quality of the Citarum watershed through forests and lands rehabilitation (FLR) have been effective.

Model/Approach

- This audit used the SDG's nested model approach to show the relationship of the three pillars of sustainability in a comprehensive manner that integrates one and another.
- This audit was conducted based on a risk-based approach and using Geographical Information System (GIS) to select audit sample.

Results and Conclusions

- The main finding of the audit is regarding the total maximum daily load of pollutant of the Citarum River. Total maximum daily load of pollutant or assimilative capacity is the total allowable waste that enter the river ecosystem without compromising the water quality of the river. The government has set several instruments in controlling water pollution from industrial sources. The instruments include wastewater disposal permit and monitoring by the environmental agency. In determining the quantity of disposed wastewater in the permit, the agency that issuing the wastewater disposal permit must refer to the assimilative capacity of the river. The finding shows that the total maximum daily load of pollutant has not been fully implemented as a reference in issuing industrial wastewater disposal permit. In connection with the nested sustainability model, the total maximum daily load acts as the environmental aspect constrain of the river ecosystem.
- Another finding is related to the forest and land rehabilitation of the upstream area. The finding shows that the government effort in rehabilitating and reforestation upstream area of Citarum River has not been effective because the local community utilizes converted forest to cultivate seasonal plants. The audit result encourages the government to plant perennials that can still support the living of the local community such as coffee. The expected outcome is the livelihood of the local community is assured while preserving the upstream area environment.
- SAI of Indonesia recommended the Minister of Environment and Forestry to coordinate and communicate with stakeholders both at the center and in the region to develop pollution control plans integrally in the Citarum Harum program, consider the total maximum daily load of pollutant as a reference in issuing industrial wastewater disposal permit, compile a program to improve the pattern of land management in the upstream area of Citarum River, which includes improving forest and land use in accordance with the level of suitability and controlling erosion and sedimentation and monitoring the implementation of the program, and facilitate the community with government facilities and infrastructure to encourage people to change cropping patterns or agricultural/plantation products that support conservation principles.

Guidance and Tools Used

- 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

Where to Find the Report

<https://portal.bpk.go.id/sites/lhp/Pages/default.aspx>

SAI United Kingdom experience in auditing the long-term environmental risk

Objective

This audit aims to assess the effectiveness of the current authority in reducing risks on the Sellafield site through its major projects.

Scope

The scope of audit covers the efforts of the government specifically the Nuclear Decommissioning Authority and the Department of Energy and Climate Change in managing risk reduction in Sellafield.

Model/Approach

This audit used the SDG's nested model approach to show the relationship of the three pillars of sustainability in a comprehensive manner that integrate one and another.

Results and Conclusions

- The Authority faces a considerable challenge in decommissioning at Sellafield owing to past neglect. Since 2008, it has made progress by appointing a parent body to the site and agreeing with Sellafield Limited a more robust lifetime plan. The plan, which was agreed in May 2011, still contains uncertainties about delivery schedules and costs in the short and long term. The Authority does not yet have adequate external benchmarks to assure whether the plan is sufficiently challenging. It is too early to judge whether the Authority's appointment of Nuclear Management Partners Limited as the parent body of Sellafield Limited is value for money. Sellafield Limited has saved £425 million, compared to previous expected costs, and it has reported further savings that the Authority is reviewing. However, the portfolio of 14 major projects at Sellafield has so far not provided good value for money, with significant lifetime cost increases and delays of between 2 and 19 months during 2011-2012. The Authority is working with Sellafield Limited and Nuclear Management Partners Limited to understand and address project underperformance. Other activities on the site have improved, notably the increase in the amount of spent nuclear fuel reprocessed each year. Securing value for money will depend on how well the Authority develops its intelligent client capability by benchmarking Sellafield Limited's proposed performance and strengthening contract levers to incentivise progress towards risk reduction.
- SAI of UK recommended The Authority must better understand how Sellafield Limited has prepared cost and schedule estimates in the lifetime plan and business cases. Where possible, it should benchmark them against previous experience and externally; for example, for support and overhead costs, or materials and labour. To gain better value for money from its cost reimbursement contract with Sellafield Limited, the Authority should gather lessons from other organisations that use this type of contract. The Authority should obtain assurance that Sellafield Limited has fully assessed risks to time and cost from its approach to supply chain management and put sufficient mitigations in place, with clear individual responsibilities. The Authority should routinely report externally on its major projects, with performance information against original schedules and budgeted costs.

Where to Find the Report

<http://www.nao.org.uk/wp-content/uploads/2012/11/n1213630.pdf>

COMMON FINDINGS AND CHALLENGES IN AUDITING GOVERNMENT'S PREPAREDNESS TO IMPLEMENT THE 2030 AGENDA

This section presents some of the common audit findings and some of the challenges faced by SAIs in auditing preparedness for implementation of the 2030 Agenda and SDGs. Based on the auditing experiences presented previously in this document, the emerging common findings of the audits on preparedness for the implementation of SDGs are:

Figure 4. Risk of fragmentation in Institutional Structure for SDG implementation

Risks of fragmentation in institutional structures for SDG implementation.	
Institutional framework	Lack of clear definition of roles and responsibilities of some of the key organizations in the implementation of the SDGs.
	Absent or deficient long term planning for the implementation of the 2030 Agenda
	Deficiencies in the stakeholder engagement process towards the implementation of SDGs
	Absence of mechanism to ensure the continuity of the 2030 Agenda and the SDG programs across government cycles
	Absence of national framework to monitor and report on national indicators
	Absence of a communication strategy for SDGs
Policy Coherence and Integration	Deficiencies in the horizontal integration (governmental institutions working in silos)
	Deficiencies in the vertical integration (lack of mobilization from the national level to integrate the SDGs at the sub-national level)
Means of Implementation	Inadequate alignment of budgets to the SDGs
	Absence of financing plan for the implementation of SDGs
	Problems of articulation between governmental institutions
Monitoring and evaluation	Deficient monitoring and reporting systems
	Deficiencies in the data desegregation at sub-national levels
	Lack of an integrated monitoring systems (data producers work in silos)

In regard the common challenges SAIs are facing when auditing *preparedness for the implementation of SDGs*, SAIs emphasized that one common challenge faced is the need to think differently in developing approaches to audit the 2030 Agenda and the SDGs. It is already clear that auditing government performance with a narrow scope that focuses either the economic, social or the environmental performance in silo is not sufficient for SAIs to meaningfully contribute to the implementation of the 2030 Agenda. Auditors need to develop and use innovative approaches that integrate the three aspects of sustainable development.

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, there are 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.

Chapter 4

Next steps

The key concepts of sustainable development and how these concepts have been integrated in the design of the 17 SDGs have been introduced in this paper. This new context highlighted the importance of considering the 3 dimensions of sustainable development in a balance manner by the government in planning and implementing its policies and programmes.

The examples provided in this paper present SAIs early efforts to contribute to the implementation and realisation of the SDGs through performance audits. These also highlighted some of the challenges encountered and raised important questions around concepts that SAIs and auditors need to clearly understand in order to add the most value at the international, regional and national levels. Among these are the following:

- What is an audit on the SDGs? Does it examine the implementation of a programme implemented to achieve or to contribute to a specific target under an SDG by using the SDG indicator framework? Or is it an audit of the implementation of a programme that broadly supports an SDG without contributing to a target?
- What are the implications for environmental auditing in each case?
- What is an environmental audit with an SDG perspective? And how is it different from an environmental audit with a sustainable development perspective?
- What are the main challenges governments are facing in implementing the SDGs and how can SAIs design audits to best support their implementation?

These are only a few of questions that need to be discussed and answered by SAIs collectively as well as individually based on the national context. With very few audits performed on the implementation of SDGs and in the absence of clarity on these points, it is difficult and premature to provide guidance to SAIs on how to approach environmental auditing in the context of SDGs. As next steps, we therefore propose to work on answering the following questions, using an whole-of-INTOSAI consultative approach:

- What are the critical areas where governments need support from SAIs in implementing SDGs?
- How can SAIs best support governments in these areas?
- How can SAIs reinforce their impact and add more value to the HLPF review process?
- What are the lessons learned so far from the SAI audits on the implementation of SDGs, be they focused on environmental, social or economic areas?
- What would be a common framework and agreed concepts that would allow SAIs to contribute in a consistent and coherent manner to the implementation and realisation of the SDGs?
- Are new instances needed, for example excellence centres, to build capacity and support SAIs in their work on SDGs? If so, what is the most appropriate format?
- Any other questions?

Chapter 5

Conclusion

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".

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.

Based on the examples of audit work we presented, we noted that though many governments had started to implement the SDGs, many also encountered challenges either in terms of funding the implementation activities; in terms of whole of government organization and coordination (across ministries and across levels of jurisdictions); in terms of the lack of data for decision making and monitoring and tracking progress.

These early observations highlight areas where SAIs can contribute to governments' efforts by formulating recommendations that will help them overcome their challenges. To add maximum value, SAIs need to adapt their traditional way of performing audits to the context of the SDGs. Before clear guidance can be provided, SDG-related audit concepts need to be defined and adapted approaches need to be developed.

Our initial efforts at drafting a guidance document on auditing the SDGs have lead us to conclude that we need to take a step back and that WGEA efforts would be enhanced by joining our efforts to other efforts deployed by colleagues in the audit community. In the spirit of the SDGs, of breaking silos and of cooperation as well as to best support the HLPF and its review efforts for the 17 SDGs, we note that we probably have reached the stage whereby WGEA should come together with other key INTOSAI players to organize a whole-of-INTOSAI response on auditing the implementation of the SDGs.



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