Division for Public Institutions and Digital Government

Expert Group Meeting

"Second technical meeting for the elaboration of an audit model to audit the implementation of the Sustainable Development Goals (SDGs)"

Concept Note

Background

In 2016, the INTOSAI Development Initiative (IDI) and the INTOSAI Knowledge Sharing Committee launched the "Auditing the Sustainable Development Goals (SDGs)" capacity development programme as a contribution to INTOSAI's efforts to support the role of Supreme Audit Institutions (SAIs) in the follow up and review of the SDGs.[1] The main objective of the programme was, in the first phase, to support SAIs in conducting performance audits of government preparedness for the implementation of the SDGs in all INTOSAI regions per the International Standards of SAIs (ISSAI). The United Nations Department of Economic and Social Affairs (UNDESA), through the Division of Public Institutions and Digital Government (DPIDG), has been a partner of the programme since its inception.

Given the novelty and distinctive characteristics of auditing the SDGs, the strategic prioritization of SDG audits by SAIs, and the positive experience of the audits of government preparedness for SDG implementation,[2] the IDI and its partners have decided to extend the programme to the period 2019-2023, with a focus on auditing the implementation of the SDGs. The programme will include the development of an audit model to audit SDG implementation as a first step before providing capacity development support to SAIs for its application. The audit model will be branded as IDI's SDG Audit Model (ISAM).

The model for auditing the implementation of the SDGs will be developed in 2019 and made available in a digital education format in 2020. The model will first be applied in a cooperative compliance audit on sustainable public procurement (implementation of target 12.7) to be conducted by SAIs in Asia, Latin America and possibly the Arab region, currently scheduled to start in late 2019. The model will later be applied in a cooperative performance audit of the implementation of selected SDG goals and targets (probably with a focus on health) to be conducted in 2020-21. The model will also be used to provide guidance to SAIs in their strategic considerations on auditing SDGs. IDI will use the audit model for facilitating subsequent support for cooperative audits of the implementation of SDG targets in different INTOSAI regions.

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[1] As reflected in INTOSAI Strategic Plan 2017-2022
(http://www.intosai.org/fileadmin/downloads/downloads/1_about_us/strategic_plan/EN_INTOSAI_Strategic_Plan_2017_22.pdf).
[2] The results of the audits of government preparedness to implement the SDGs are now available in several regions and will be synthesized in an IDI publication on audit findings and lessons learned from auditing SDG preparedness, which will be published in July 2019.

The elaboration of the audit model relies on the collaboration of a core group of resource experts convened by IDI. A first meeting of the expert group (Oslo, February 2019) set the conceptual focus and basic structure of the audit model, as well as agreed on the workplan and initial communication strategy around the model.

Initial ideas for the model will be presented at the joint UN-IDI SAI leadership and stakeholder meeting, which will take place on 22-23 July in New York, for feedback from SAIs and stakeholders. The proposed Expert Group Meeting will be the second meeting of the group of experts to develop the audit model. The model will be further elaborated and presented at the XXII International Congress for SAIs (INCOSAI) in September 2019. A third and last meeting of the group of experts is planned for late 2019 to validate the model, share it more widely with the SAI community and initiate the process for a cooperative compliance audit on SDG implementation.

Objective
The objective of the Expert Group Meeting is to convene selected staff from SAIs and other experts to discuss the proposed approach, methodology and relevant audit issues (e.g., audit objective, criteria, questions and tools) for the model and to receive technical inputs on the audit subject matter chosen for piloting the model (SDG target 12.7) in order to ensure that the audit model is relevant, focused and meets adequate quality standards.

Specifically, the meeting seeks to achieve the following objectives: (i) discuss different ongoing initiatives and approaches for auditing SDG implementation to help mutually strengthen them, and facilitate alignment, collaboration and communication going forward; (ii) discuss relevant technical audit issues, highlighting what is distinctive about auditing SDG implementation; (iii) receive specialized inputs and validation from subject matter experts on sustainable public procurement to help focus the audit model; (iv) determine modifications to be made in the model based on stakeholder consultation and feedback.

Participants
Participation will be by invitation only. The core group of 5 experts who have been developing the model will be self-funded. The number of participants in addition to the core expert group working on the audit model will be limited (8 external participants) to facilitate an interactive workshop-type discussion. Participants will be drawn from the following pool: supreme audit institutions interested in or working on audits of SDG implementation; INTOSAI regions prioritizing or working on SDG audits; experts from the United Nations /other organization working on themes relevant for the planned audits of SDG implementation.

Date and venue
New York, UN Headquarters, 24-26 July 2019. Conference room 9.

Structure and format
The three-day meeting will include:

- Working sessions with experts on the themes and main issues covered in each session and relevant for auditing SDG implementation, followed by interactive discussions.

- Working sessions of the core expert group developing ISAM convened by IDI to discuss the inputs and further develop the audit model.

- Opportunities to share information on existing initiatives to audit SDG implementation.

Discussions will be conducted in English. Written inputs/presentations/remarks will be made available online.

Outputs

Outputs from the meeting will comprise a collection of inputs prepared by experts before the meeting and summarizing the main components, methodologies and tools of existing initiatives as well as their views on the subject matter of sustainable public procurement as well as critical technical issues for auditing SDG implementation, building on the audit process according to ISSAIs (for compliance and performance audits) but highlighting what is different/distinctive about SDG auditing.

A report of the expert group meeting will document the discussions and serve as input for further developing the audit model.

Tentative agenda

Day 1: Inputs for developing the SDG audit model – Common elements for different streams of audit practice
Opening
Session 1: Introduction and context
Session 2: Auditing SDG implementation - whole of government audit approach
Session 3: Auditing SDG implementation - policy coherence
Session 4: Performance in SDG audits
Day 2: Inputs for developing the SDG audit model – Focus on sustainable public procurement
Session 5: Understanding sustainable public procurement
Session 6: Auditing (sustainable) public procurement
Session 7: Compliance audit of sustainable public procurement – Elements (I)
Session 8: Compliance audit of sustainable public procurement – Elements (II)
Day 3: Revisiting the SDG audit model
Session 9: Revisiting the audit model
Session 10: Audit objective and scope
Session 11: Audit questions, criteria and tools
Session 12: Way forward
Closing

(*) Discussions will consider what is distinctive in SDG auditing for compliance and performance audits at each stage of the audit process. (**) Stakeholder engagement will be discussed as a cross-cutting issue throughout the audit process.

Annex: Conceptual framework for the audit model

Conceptual framework
The audit model for auditing the implementation of the SDGs will be developed at two levels: (i) at the SAI level, highlighting the strategic considerations and options for SAIs regarding the institutional, organizational and professional settings to carry out audits of SDG implementation, and (ii) at the audit practice level, providing guidance and tools to plan and conduct compliance and performance audits of the implementation of selected SDG goals and/or targets.

The audit model will be practical and easy to understand, providing specific examples to illustrate how the different steps and layers of the model can be applied. It will build on the standardized audit process for compliance and performance audits, and highlight what is different about auditing SDGs at different stages, with a focus on the implementation of specific SDG goals and targets. The model will build on the existing experience of SAIs in planning and conducting compliance and performance audits according to ISSAIs.

The design and application of the model will consider the diversity of the SAI community, and use the cooperative audit process to support SAIs with different experience, capacity and resources through mutual learning and exchange.

SAI strategic level

The audit model will underline that all audit streams (financial, compliance and performance audits) can produce relevant information for monitoring and evaluating SDG implementation. However, this requires each audit stream to incorporate an SDG perspective, anchored on the critical principles of the 2030 Agenda (e.g., integration, inclusiveness). Different audit streams can work complementarily and build on each other to provide more comprehensive audit conclusions on the implementation of selected SDG goals/targets in specific national contexts.

At the SAI level, the audit model will provide guidance to SAIs on different areas, including: how to plan for outcome-based audits; organizational options to set up audit teams that will conduct SDG audits, and methodological tools to select relevant SDG goals and targets to be prioritized in annual audit plans, among other topics. The model will also consider the follow-up to findings and recommendations from audits of SDG implementation, and the mechanisms that SAIs need to monitor cross-cutting and medium/long-term issues such as those encapsulated in the SDGs.

Audit practice level

At the audit practice level, guidance will be provided for compliance and for performance audits. The materials will be based on the standard audit process (as per ISSAIs), and will clearly underline what is similar and what must be done differently at each stage of the audit process when planning and conducting a compliance and a performance audit of SDG implementation. Stakeholder engagement will be considered as a cross-cutting issue throughout the audit process.

The model will provide guidance for SAIs to inquire into actual implementation efforts and how they contribute to the achievement of expected results in specific SDG areas. In so doing, the audit model will draw on the experience and lessons learned from the audits of preparedness for SDG implementation as

well as from relevant compliance and performance audits related to selected SDG goals and targets that may have been conducted by SAIs in different countries.

The audit model will adopt a whole of government approach. This approach shifts the focus of audits from the operations of single programs or entities to government performance toward the results that the government seeks to achieve to address a societal challenge. This is needed in order to evaluate performance at the level of SDG targets. It is also consistent and builds on the experience of SDG preparedness audits.

As per ISSAIs, the objectives and audit questions and sub-questions will need to be developed based on the topic of each audit. However, they should reflect what is distinctive about auditing SDG implementation: focus on results (contribution to SDGs), critical dimensions of implementation (e.g., coordination, coherence), a whole-of-government approach and considering key principles of the 2030 Agenda (such as the commitments to leave no one behind or to engage widely all stakeholders).

The audit model will be piloted through cooperative compliance and performance audits supported by IDI. The focus of the compliance audits will be on sustainable public procurement (target 12.7). Use of data analytics will be emphasized in such audits. The focus of the performance audits will be selected based on SAI demand and priorities, but might be related to SDG3 on health and could incorporate a gender dimension (e.g., target 3.1 on maternal mortality).