

## Independent oversight for effective, accountable and inclusive institutions: strengthening the role of Supreme Audit Institutions in SDG implementation and review

Side event at the 6<sup>th</sup> Asia-Pacific Forum on Sustainable Development  
29 March 2019 UN Conference Center Bangkok, Thailand

### Rationale and background

The International Organization of Supreme Audit Institutions (INTOSAI) has prioritised the call to its member SAIs that they should contribute to follow-up and review activities related to the Sustainable Development Goals (SDGs). They should do so in the context of national sustainable development efforts as well as within their own individual mandates. To underpin this commitment, in 2016 the **INTOSAI Development Initiative (IDI)** launched the Auditing SDGs programme, which supports SAIs in conducting high-quality audits of national SDG implementation. So far, 73 SAIs and one sub-national audit office in Africa, Asia, the Caribbean, Europe, Latin America and the Pacific have conducted performance audits assessing preparedness for the implementation of the SDGs.

These efforts and initiatives correspond with the objectives of **Partners for Review (P4R)**, which was initiated by the German Government and is being implemented by the Deutsche Gesellschaft für Internationale Entwicklung (GIZ) GmbH. P4R aims to gather constructive, effective and workable solutions for the collective commitment to review national-level progress in achieving the 2030 Agenda. It is a transnational, multi-stakeholder network. It brings together representatives of governments, civil society, academia and the private sector, as well as other national and international stakeholders who contribute to national processes for the review and monitoring of actions to achieve the SDGs.

From the outset, the **Government of Indonesia** (GOI) understood that the SDGs can only be achieved if all actors work together while strongly

supporting the principle of ‘leaving no one behind’. GOI has therefore engaged a broad range of stakeholders in the 2030 Agenda, including parliamentarians, private-sector actors, philanthropists, civil society organisations, experts and universities, the media and the Audit Board of the Republic of Indonesia.

At the **Asia-Pacific Forum on Sustainable Development (APFSD)** in Bangkok, Thailand, on 29 March 2019, IDI, P4R and GOI co-organised a side event bringing together these varied perspectives. This was conceived as a platform enabling SAIs, as well as state and non-state actors, and international agencies in Asia and the Pacific, to explore the role of SAIs in the implementation and review of the SDGs, to discuss ways of strengthening independent external oversight in the follow-up and review process, and to examine the results achieved by the SAIs so far.



Agus Joko Pramono, of Indonesia’s SAI, and Unaisi Namositava of the Fijian SAI presented audit reports and shared their experiences of auditing SDG preparedness. Representing GOI, Subandi Sarjoko delivered a keynote speech and described the government’s response to the audit results, as well as its view of the role of SAIs in contributing to

the SDGs. Yudi Budiman of IDI presented the Auditing SDG programme. The side event was moderated by Joern Geisselmann of P4R.

### **Audit conclusions and recommendations: Experiences from Indonesia and Fiji**

The **SAI of Indonesia** conducted the SDGs preparedness audit by assessing the effectiveness of government efforts to pursue the SDGs in the national context, to secure and sustain the necessary resources and capacities, and to establish a mechanism for reviewing and reporting on progress made in implementing the SDGs and monitoring follow up activities.

It observed that the government's efforts represent effective preparation for implementation of the SDGs, although there is still room for improvement with respect to the mechanism for the sustainability of the SDG programmes across government cycles, measures in the budget and expenditure policy to promote the quality of government spending, and the disaggregation of statistical data at city and municipal levels.

The SAI of Indonesia has submitted recommendations to the government intended to overcome these challenges. Firstly, it suggests the formulation of long-term and medium-term planning mechanisms that would ensure the sustainability of national strategic programmes/SDGs across government cycles. It also calls on the government to establish a presidential regulation on the quality of budgets and expenditure, and to strengthen coordination between statisticians in providing reliable, high-quality data.

Like the Indonesian SAI, **Fiji's supreme auditing institution** also addressed three objectives in its SDG preparedness audit. It showed that the government needs to pass legislation to ensure the alignment of existing policies with the 2030

Agenda. It also raised the need to improve capacities for the management of resources, in particular resources coming from development partners.

During the discussion, three SAIs shared their views on, and experiences of the SDG preparedness audit. **Malaysia's SAI** stressed that SAIs should have the confidence to influence the overall evolution of SDG implementation at various levels of government. Greater engagement with the experts is needed to understand the indicators. The **SAI of Nepal** found that governments need to improve their policy coherence and integration. The **SAIs of Laos** and Nepal agreed that, since SAIs are quite new to the subject matter of the SDGs, it is necessary to improve capacities in order to deliver high quality SDG audits in the future.

### **The government's response to the audit recommendations**

The **Government of Indonesia** strongly appreciates the valuable contribution made by the Audit Board of Indonesia and its efforts to audit the preparation of SDG implementation. This audit will help improve the performance of the government in managing the process and the achievement of the SDGs.

The audit was not only conducted at the national level; it also used sample tests at sub-national levels in the provinces. In selecting the locations for this, the Audit Board of Indonesia used information derived from an expert and geospatial analysis. This helps GOI to assess horizontal and vertical coherence comprehensively.

The Audit Board's findings and recommendations have been very useful for improving the quality of SDG implementation. They show, for instance, that the Government of Indonesia needs to improve the formulation of its policies for SDG implementation across government institutions at national level.

### Lessons learned from the preparedness audit

Conducting the preparedness audit enabled the SAI to understand the institutional arrangements, the process, the means of implementation and the readiness of the data framework for SDG implementation. This understanding is essential if the SAI is to audit the implementation of the SDGs in the future. The issues of localising SDGs, with a strong focus on policy integration, consolidation of resources and the availability of reliable data with an adequate level of aggregation are key themes for SDGs, which SAIs need to consider when they conduct SDG-relevant audits.

The thematic audits that involve all levels of government will also provide a more comprehensive picture of the level of achievement of the SDGs. Engaging with a wider set of stakeholders during the process will ensure greater inclusiveness in the auditing of SDGs.



Sharing its perspective, GOI explained the benefits of having an SDG audit completed by the SAI. As ambitious goals that transcend many sectors, the SDGs are a very complex initiative requiring big efforts from the various stakeholders. The audit took a whole-of-government approach that examined cross-departmental and inter-organisational cooperation in the development and implementation of public policies and the delivery of services. The SDG audit report will now help the government to identify the limitations and setbacks they have to overcome for the implementation of the SDGs.

This shows that outcomes cannot be achieved working in isolation, but by optimising those outcomes and all of the resources of the state. GOI has therefore learned that it benefits from the inputs and recommendations in the audit report on SDGs, and from the involvement of the Audit Board, enabling it to speed up achievement of the SDGs.

### Contribution to the VNR process

The Indonesian and Fijian SAIs both stated that their audit reports have been submitted to their respective governments. They encourage their governments, which are currently preparing the voluntary national review (VNR) 2019, to use the audit reports as one of the inputs. In the case of **Indonesia**, the SAI is working with the government to incorporate the recommendations from the audit in the narrative of VNR 2019. The follow-up process of the audit recommendations will improve the quality of the VNR process.

In the case of **Fiji**, the SAI has been invited to the public consultation forum, where the draft VNR is being discussed, in order to get inputs from stakeholders. The SAI of Fiji is also part of the monitoring framework for the implementation of the SDGs.

**GOI** needs the long-term presence of the SAI, not only during implementation of all 17 Goals, but also for the planning related to the Goals. The government will submit its SDG roadmap to the SAI for an evaluation of its adherence to regulations while working towards SDG achievement, particularly for line ministries and local governments.

### Future plans to audit the implementation of the SDGs

SAIs have committed themselves to continue auditing the SDGs. They are planning to include the SDG audits in their strategic audit plans, and to

promote awareness about the 2030 Agenda internally and externally. In fact, audits already completed by the SAIs could contribute to the achievement of the SDGs. The SAIs will now start to audit the specific goals and targets of SDGs.

The growing interest of governments and the general public in the achievement of the SDGs means that SAIs have a critical role to play in raising the quality of that achievement. After finishing the preparedness audit, the SAIs need a robust auditing framework to audit the implementation of the SDGs.

The INTOSAI body **IDI**, which has a mandate to support the performance and capacities of SAIs, has been running the Auditing SDG programme since 2016. The programme has a broad implementation strategy that focuses on advocacy and awareness raising, knowledge sharing and support for performance audits to assess the preparedness for SDG implementation. The programme has already exceeded many of the originally planned milestones, such as organising annual UN-IDI meetings at the Headquarters of the UN in New York, in conjunction with the High-Level Political Forum (HPLF), developing the audit guidance for the preparedness audit, and facilitating cooperative performance audits on the preparedness for SDG implementation. Some 73 audit offices and one sub-national office are now completing and publishing their preparedness audit reports.

Under its strategic plan, IDI plans to support the efforts of the SAIs to demonstrate to stakeholders the ongoing relevance of SDG audits, by fostering innovation in audit and education practices, leveraging technological advances and facilitating audit impacts. IDI will move from auditing the preparedness to auditing the implementation of SDGs. To this end it will develop a new model for auditing implementation. This will be disseminated by means of a digital education initiative. IDI will also support cooperative audits of the

implementation of specific goals and targets. This will include developing an audit model that combines such subjects as gender, poverty, hunger, education, public health and climate change, with ISSAI based audit processes.

## Conclusions

In summary, the experiences discussed at the side event show that:

1. SAIs can move governments to action using various forms of audit, including SDG preparedness audits
2. SAIs can stimulate governments to adopt an integrated approach, addressing the policy links between the different dimensions of sustainable development
3. relevant audits should preferably be coordinated with a country's VNR, e.g. through the inclusion of the recommendations in the VNR report
4. SAIs should begin to integrate – or continue integrating – the principles of the 2030 Agenda and the SDGs into their regular work.

Areas for future learning (among others):

- Reaching out to other stakeholders, such as parliamentarians and civil society organisations, to create synergies for efforts to hold governments to account.
- Conducting SDG-related audits at the subnational level.