Chapter 1 | Audit of SDGs implementation: Definition, key concepts and audit process

As SAIs move from the audit of preparedness for implementation of SDGs to the audit of implementation of SDGs, the most frequently asked question is 'what is an audit of SDGs implementation'?. This chapter seeks to define IDI's understanding of the audit of SDGs implementation. It will also explain related key concepts, and the ISSAI-based audit process to be followed for auditing SDG implementation.

> **Audit of SDGs Implementation - Definition**
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> An **audit of SDGs implementation** is an audit of the **implementation of the set of policies** that contribute to the achievement of a **nationally agreed target** linked with one or more SDG targets.It concludes on the progress made towards the achievement of the nationally agreed target; how likely the target is to be achieved based on current trends; and the adequacy of the national target in comparison with the corresponding SDG target(s).
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> An audit of SDGs implementation needs to be conducted using a **whole-of-government approach.** It needs to conclude on the extent of **coherence and integration** in the implementation of policies and to the extent possible, the audit could include objectives and questions that allow the SAI auditor to conclude on
> - **leave no one behind**; and
> - **multi-stakeholder engagement**.

1.1 Audit of progress towards the achievement of nationally agreed targets linked to SDG target(s)

The 2030 Agenda includes 17 SDGs which establish quantitative and qualitative objectives across the social, economic and environmental dimensions of sustainable development to be achieved by 2030. All 17 SDGs are equally important, as the Agenda presupposes no hierarchy or supremacy between the different dimensions of sustainable development. The 17 SDGs are further disaggreated into 169 targets. The targets are "global in nature and universally applicable, taking into account different national realities, capacities and levels of development and respecting national policies and priorities" (Para. 55 A/Res/70/1). Each government can set its own national targets, based on national circumstances, and will decide on how these global SDG targets should be incorporated into national planning processes, policies and strategies. The 2030 Agenda explicitly recognizes the importance of national ownership of development strategies. Each country must define national targets based on national priorities. Adaptation to the national context is vital to ensure ownership of the SDGs. This recognises that each country can have different approaches and visions to achieve sustainable development (Para. 59 A/70/1). It also acknowledges that the initial levels of development differ

across countries, and national processes are required to set relevant and realistic targets for each country.[6]

SAIs which audited preparedness for the implementation of SDGs have already examined the national process of integrating SDG goals and targets in the national context. As SAIs move from auditing preparedness to auditing implementation, we recommend that the SAI audits targets that have been integrated in the national context as envisaged in the Agenda. As SDG goals are broad areas that cover multiple targets, we recommend focusing on specific targets to keep the scope of audits manageable and to allow for in depth examination of the subject matter.

The goals cover 16 thematic areas in all dimensions of sustainable development, while Goal 17 relates to global partnerships and means of implementation. Targets are either thematic, such as SDG Target 3.1, which focuses on the reduction of maternal mortality, or related to means of implementation, that is the resources and capacities required to achieve the goals, such as SDG Target 3.D, which focuses on the strengthening the capacity for early warning, risk reduction and management of health risks.[7]

Nationally agreed targets are distinguishable from the SDG targets. While a national target may differ in scope and the terminology used from SDG targets, it needs to be adequate in terms of the SDG target that it is linked to. e.g. a country needs to set national targets related to sustainable public procurement in order to be aligned to SDG target 12.7. National targets on public procurement that do not cover the three dimensions of sustainability (economic, social and environmental) will not be adequate. SDG Target 4.1 focuses on ensuring that all girls and boys complete free, equitable and quality primary and secondary education, leading to relevant and effective learning outcomes.[8] If the national target within a particular country is the introduction of free, equitable and quality primary education for all children. This national target in effect is narrower that the SDG Target 4.1, as it does not address secondary education, yet falls squarely within the scope of both SDG 4 and SDG Target 4.1.

To the extent that the national target differs from the related/respective SDG target, we recommend that the audit concludes on the adequacy of the national target in relation to the SDG target. The assessment of the adequacy of a national target may include a consideration of the comprehensiveness of the target, its relevance to the national context, and the alignment between the intention of the SDG target and the national target.

Consider an example where a country's national target relating to SDG Target 3.3 is specified as ending the AIDS and tuberculosis epidemics and combating hepatitis and other water-borne diseases. In this respect, the national target does not include malaria, which is specifically mentioned in SDG Target

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[6] Excerpt from Part 1 of 'Auditing Preparedness for Implementation of Sustainable Development Goals A Guidance for Supreme Audit Institutions'
[7] https://www.idi.no/en/elibrary/cdp/auditing-sustainable-development-goals-programme/807-auditing-preparedness-for-implementation-of-sdgs-a-guidance-for-supreme-audit-institutions-version-0-english
[8] https://sustainabledevelopment.un.org/sdg4

3.3[9], as a priority. The SAI may want to assess whether the incidence of malaria cases is high within the country, and to that effect comment on the adequacy of the national target in addressing infectious diseases. Consider another example relating to SDG Target 1.2. SDG Target 1.2 aims to reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definition.[10] The national target relating to SDG Target 1.2 is the reduction of this proportion of persons living in poverty (as per the national definition) by 25%. The SAI may comment that this target is not ambitious enough, in view of the SDG Target 1.2 to decrease this proportion by at least 50%. However, in assessing the adequacy of a national target, one must consider the baseline prevalence rates within the country, and must be sensitive to the resources available to address the issue, economic factors, as well as any impacting cultural, religious and social norms. Having considered the national context, the SAI may rightly conclude that the national target is reasonable within its country's context as it is feasible and achievable, while presenting a substantial improvement on the initial situation.

Different countries may come up with different national targets to address a specific SDG target. Different national targets may vary in terms of how specific they are in outlining the output or outcome to be attained, and to that extent measurement of progress by the SAI may be more or less straightforward. National targets falling within the scope of SDG Target 5.2[11] may include the implementation of national standards for essential services for women and girl survivors of gender-based violence, the review of sexual assault cases previously classified as unfounded by the police or a decrease in the incidence of domestic violence.

Some countries may directly adopt many of the SDG targets, some countries may add to the SDG target list by identifying additional targets at national level. In many cases countries may align national targets to regional targets. Countries may also identify broad priority areas and adopt a cluster of national targets in each area. The SAI auditors needs to examine the specific situation in their respective countries while examining national targets linked to SDG targets.

As the achievement of national targets is a long term process, the definition of audit of SDGs implementation also recognises that SAIs may audit progress towards the achievement of targets and comment on the likelihood of targets being achieved by estimated timelines or established deadlines.

1.2 A whole-of-government approach to the audit of SDGs implementation

The achievement of nationally agreed targets requires a whole-of-government approach. This approach shifts the focus of government performance towards the results that government seeks to achieve to address a societal problem or challenge rather than the operations of any single programme or agency. This is consistent with the integrated nature of the 2030 Agenda and the SDGs, which call for considering the complexity of sustainable development challenges and the interrelations between social, economic and environmental dimensions, as well as aligning and coordinating efforts

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9   https://sustainabledevelopment.un.org/sdg3
10   https://sustainabledevelopment.un.org/sdg1
11   https://sustainabledevelopment.un.org/sdg5

of ministries and entities to allow for integrated responses to national needs and priorities. More generally whole-of-government refers to responses aimed at addressing the problem of fragmentation in public sector and public services, aimed at increasing integration, coordination and capacity.[12]

A whole-of-government approach is critical for auditing the implementation of SDG national targets, given the boundary-spanning and interconnected nature of the SDGs. The audit needs to take into consideration the initiatives undertaken by the various ministries and public sector entities responsible for the implementation of the national target, and the interconnections, as well as the collaboration, coordination and communication mechanisms between them, and provide a holistic picture of the actions taken at different levels of government. This differs from performance audits that focus on one or possibly a few entities or programmes or services. A whole-of-government approach to the auditing of SDG implementation allows for the assessment and identification of systemic risk, with risk considered across the entire planning, implementation, monitoring and review chain, focusing on how products and services are delivered and outcomes are achieved.

In the case of an audit focusing on the achievement of the national target relating to the increase in income of the poorest within the country, in line with SDG Target 10.1[13], the audit would include a review of efforts undertaken by various ministries, including those responsible for social welfare, education, employment, rural development, finance, economy, health and family, amongst others. The efforts of various entities, including local employment and training agencies, various agencies offering social services, family planning centres, entities offering services to migrants and social research institutes would also be considered. Moreover, the audit would consider how these different actors cooperate, collaborate and communicate with each other.

The importance of adopting a whole-of-government approach can be illustrated through the example of slum eradication. An audit focusing on the upgrade of slum settlements in a metropolis may conclude that government intervention to upgrade all existing slums was effective. However, new slum dwellings may have developed at the fringe of the cluster , due to migration, which detracts from the overall objective of eliminating slums. In considering the efforts of various ministries and entities we consider it important to assess areas of fragmentation, gaps, duplications and overlaps in the roles, responsibilities and functions, and to ascertain whether an adequate oversight and coordinating mechanism is in place. The Evaluation and Management Guide by the GAO for the identification of fragmentation, overlap and duplication may prove a useful tool in this exercise.[14] We also consider it important to assess whether the budgets allocated and their distribution across ministries and entities reflect adequately the national priorities, policies and action plans set and the roles of these ministries and entities in achieving the national target. Additional budget considerations include whether the budget is sufficient, whether the budget is actually being spent, and whether those financial resources are being used economically.

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[12]   https://onlinelibrary.wiley.com/doi/epdf/10.1111/1467-9299.00321
     https://www.effectiveservices.org/assets/CES_Whole_of_Government_Approaches.pdf
[13]   https://sustainabledevelopment.un.org/sdg10
[14]   https://www.gao.gov/products/GAO-15-49SP

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A whole-of-government approach includes specific considerations. One such consideration is the extent of policy coherence and integration – both vertical and horizontal. Horizontal coherence refers to an integrated and balanced approach to achieving a specific target of sustainable development, an approach which breaks down traditional sectoral silos and promotes cooperation and integration. Horizontal coherence takes into account interdependencies in dimensions and sectors, manages trade-offs and conflicting policy priorities and maximises synergies between mutually supportive policies. Vertical coherence refers to a consistent approach across all levels of government to ensure that the implementation process reflects local, national and global considerations.[15]

For most national targets, different levels of government will be involved in policy formulation or implementation. In some cases, the policies, resources and programmes are decided at the central level and implemented at local level. In this respect, an audit of SDGs implementation would review and assess efforts of various actors operating at different levels of government. An audit focusing on a national target relating to the increase in income of the poorest within the country, in line with SDG Target 10.1[16], would consider efforts at various levels of government. For example, the audit would review the formulation of employment policies at ministerial levels, employment and industry action plans managed at the regional level and vocational training programmes managed and delivered at the local level.

Beyond what happens within individual entities, a range of functions and services are provided by the government through centre of government functions. Such functions may include strategic management, policy coordination, monitoring and performance management, management of the politics of policies, and communications and accountability.[17] The effectiveness of the government in delivering those functions can critically impact the overall effectiveness of individual organisations and of the whole system, and therefore the audit should review such functions. An effective centre of government can contribute to clear leadership, better policy integration and more efficient implementation. We therefore recommend that the audit of SDGs implementation considers the existence, width of scope and effectiveness of such centre of government functions.

The audit focusing on a national target for EIPV (linked to SDG Target 5.2[18]) would consider whether the government has made suitable institutional arrangements to ensure horizontal coherence in dealing with the issue of EIPV. Also, if the country specifies the promotion of equality as one of its priorities to tackle intimate partner violence indirectly, and this is reflected in awareness raising campaigns and training of various public sector employees, yet school books continue to depict traditional gender roles, this would point to limitations in horizontal coherence. If for example the police commit in their action plan to prioritise calls from victims of intimate partner violence, to ensure immediate response during crisis, specifying maximum response times, and this prioritisation is implemented within the helpline call system, but the local police stations are not duly informed of this or their target response times, this shows lack of vertical coherence.

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[15]   https://www.idi.no/en/elibrary/cdp/auditing-sustainable-development-goals-programme/807-auditing-preparedness-for-implementation-of-sdgs-a-guidance-for-supreme-audit-institutions-version-0-english
[16]   https://sustainabledevelopment.un.org/sdg10
[17]   https://www.oecd.org/gov/cob-sdg-survey-overview-of-results.pdf
[18]   https://sustainabledevelopment.un.org/sdg5

Please refer to 2018 United Nations Department of Economic and Social Affairs' (UNDESA) World Public Sector Report to read more about horizontal and vertical integration [19].

1.3 Auditing implementation of the 'Leave no one behind 'principle

Leave no one behind is a central principle of the 2030 Agenda. The agenda puts the imperative to "leave no one behind" and "reach the furthest behind first" at its heart, recognising the need to combat poverty and inequalities. It states*: ' As we embark on this great collective journey, we pledge that no one will be left behind. Recognizing that the dignity of the human person is fundamental, we wish to see the Goals and targets met for all nations and peoples and for all segments of society. And we will endeavour to reach the furthest behind first. (Paragraph 4)'*
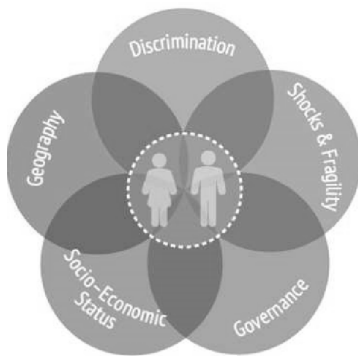
Who is left behind? People get left behind when they lack the choices and opportunities to participate in and benefit from development progress. All persons living in extreme poverty can thus be considered 'left behind', as can those who endure disadvantages or deprivations that limit their choices and opportunities relative to others in society.

A UNDP discussion paper of 2018 identifies five key factors leading to people being left behind. [20]

1. Discrimination: What biases, exclusion or mistreatment do people face based on one or more aspect of their identity (ascribed or assumed), including prominently gender as well as ethnicity, age, class, disability, sexual orientation, religion, nationality, indigenous, migratory status etc.?

2. Geography: Who endures isolation, vulnerability, missing or inferior public services, transportation, internet or other infrastructure gaps due to their place of residence?

3. Governance: Where do people face disadvantage due to ineffective, unjust, unaccountable or unresponsive global, national and/or sub-national institutions? Who is affected by inequitable, inadequate or unjust laws, policies, processes or budgets? Who is less able or unable to gain influence or participate meaningfully in the decisions that impact them?

4. Socio-economic status: Who faces deprivation or disadvantages in terms of income, life expectancy and educational attainment? Who has less chances to stay healthy, be nourished and educated? Compete in the labour market? Acquire wealth and/or benefit from quality health care, clean water, sanitation, energy, social protection and financial services?

5. Shocks and fragility: Who is more exposed and/or vulnerable to setbacks due to the impacts of climate change, natural hazards, violence, conflict, displacement, health emergencies, economic downturns, price or other shocks?

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19   https://publicadministration.un.org/en/Research/World-Public-Sector-Reports#profile4

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      https://www.undp.org/content/dam/undp/library/Sustainable%20Development/2030%20Agenda/Discussion_Paper_L NOB_EN_lres.pdf

People at the intersection of these factors face reinforcing and compounding disadvantage and discrimination making them likely to be the furthest left behind.

In auditing nationally agreed targets linked to the SDGs, the SAI could examine the actions taken by national governments to mainstream the principle of leaving no one behind in the implementation of the SDGs. This could include actions to prioritise outcomes for vulnerable groups, as well as looking beyond population averages to identify who they are, where they are located and their specific needs. SAIs could consider the principle of LNOB in selecting audit topics or/and examine the LNOB principle as a cross-cutting issue in the audit of any of the national targets.

SAIs could consider examining:

- How are vulnerable groups and those furthest behind being identified?
- Who is being left behind and what are the underlying reasons for their vulnerability?
- What disaggregated sources of data are available and what are the data gaps?
- What actions are being taken to determine the needs of the vulnerable and furthest behind?
- What is being done to support the empowerment of vulnerable groups?

For example, an audit focusing on a national target for the reduction of the maternal mortality ratio by 50% (linked to SDG Target 3.1[21]) would assess whether prenatal and antenatal services have specific provisions for indigenous populations, women living in remote areas, women of different ethnicities and ages, women who have disabilities, and migrants.

1.4 Auditing multi-stakeholder engagement

One of the principles of the 2030 Agenda is the requirement for all implementation and follow-up processes to be participatory and inclusive, including all levels and sectors of government, civil society and the private sector, members of parliament and national human rights institutions, among others. The 2030 Agenda has a revitalised partnership for sustainable development at its core, and stakeholders are recognized as valuable partners in implementing the goals and raising public awareness. The participation of stakeholders promotes effective decisions, by giving groups affected by those decisions the opportunity to communicate their needs and interests and support governments in tailoring, implementing and reviewing public policies. Participation and consultation also build ownership of the 2030 Agenda, and therefore contributes to a whole-of-society approach to the implementation of the SDGs. The 2030 Agenda calls upon stakeholders to be actively engaged throughout the process of design, implementation, monitoring and review of the 2030 Agenda.

Given the complex nature of SDGs and the interlinkages between various targets, engaging stakeholders may improve policy coherence and integration by providing a more comprehensive and accurate understanding of the issues, identifying better policy solutions and attaining feedback on implementation efforts. Engagement can include public consultation at pre-drafting stage, at policy drafting stage, the creation of social partnerships for the provision of specific services, as well as monitoring, oversight and evaluation roles. Examples of stakeholder engagement for an audit focusing

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21   https://sustainabledevelopment.un.org/sdg3

on the national target the reduction of poverty (linked to SDG Target 1.2)[22] are public consultation on draft laws when legislative changes are required, government paying religious institutions and NGOs for services provided to the poor, obtaining feedback from academics regarding required efforts and shortcomings, and satisfaction surveys distributed amongst service users of services targeting the poor.

Given SAI mandates, an examination of 'multi-stakeholder engagement' will mainly be an examination of government efforts to reach out to and involve multiple stakeholders in the setting and implementing of of nationally agreed target linked to SDGs. The auditor may also examine if the government created suitable conditions for such involvement, the extent of stakeholder involvement, engagement of critical stakeholders and the adequacy of interaction. In considering the adequacy of interaction the audit may consider whether the communication channels allow for open and honest feedback, whether the feedback system is accessible and uncomplicated for the stakeholder, and whether the feedback system allows for multiple exchanges and negotiated dialogue. For example the stakeholders to be considered in an audit focusing on the national target for the EIPV (linked to SDG Target 5.2[23]) include the various ministries and entities, victims, perpetrators, victim support groups, legal professionals, religious institutions, national statistics office, media, civil society organisations (CSOs), UN agencies, service providers, experts and academics, private sector, amongst others. In determining whether the extent of engagement is adequate, auditors may consider what are the mechanisms and platforms available for stakeholder engagement, identify the stakeholders that are being consulted and key stakeholders that are not being engaged, assess how and to what extent stakeholder feedback is integrated in the planning and implementation of policies, and identify the partnerships that have been put into place for the implementation of SDGs.[24]

1.5 Audit of SDGs implementation: An ISSAI compliant and impact driven performance audit process

We recommend that SAIs interweave compliance requirements coming from performance audit (PA) ISSAIs and effective considerations for audit impact in the audit methodology for audit of SDGs implementation.

We recommend using an audit process that complies with requirements of ISSAI 300[25] and ISSAI 3000[26]. ISSAI 300 defines general principles, as well as audit process related principles. Both these principles need to be addressed in auditing SDG implementation. In applying PA ISSAIs compliant methodology, a combination of results-oriented and system-oriented approach will be best suited for such audits.

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22   https://sustainabledevelopment.un.org/sdg1
23   https://sustainabledevelopment.un.org/sdg5
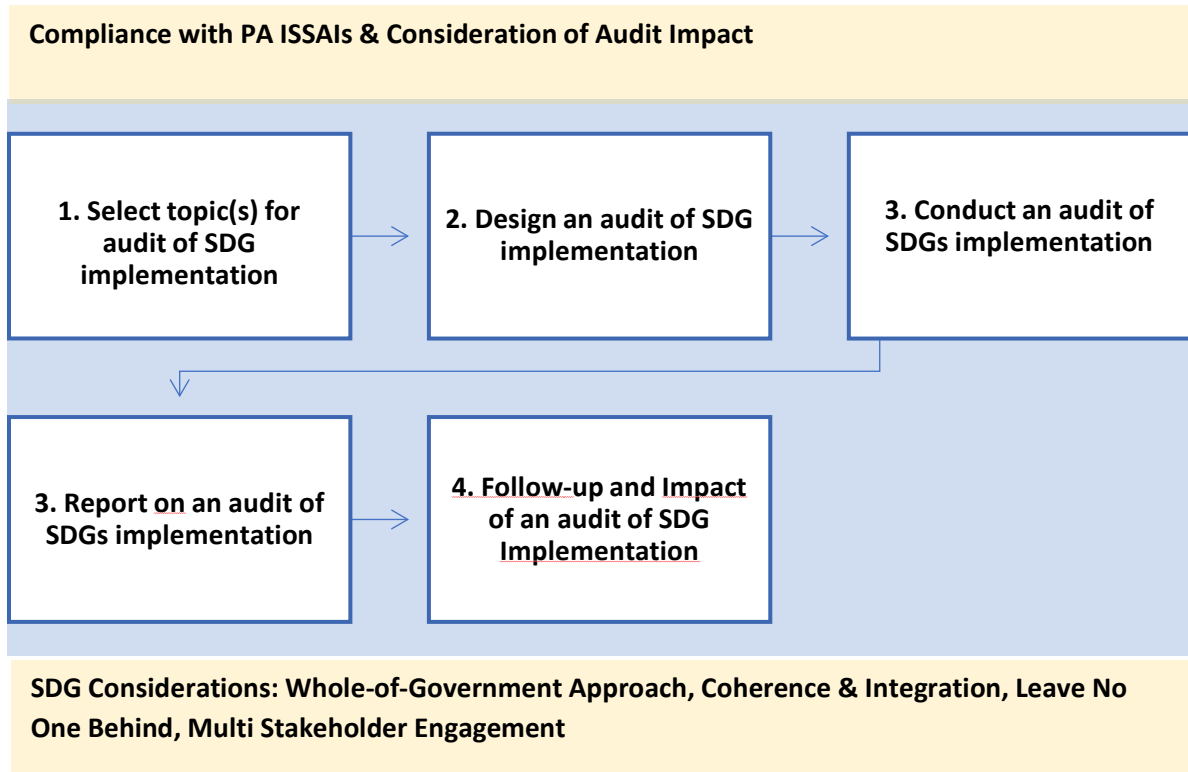24   https://sustainabledevelopment.un.org/content/documents/20872VNR_hanbook_2019_Edition_v2.pdf
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     https://www.intosai.org/fileadmin/downloads/documents/open_access/ISSAI_100__ISSAI_400/issai_300/issai_300_en.pdf
26   https://www.issai.org/professional-pronouncements/?n=3000-3899

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Besides complying with applicable PA ISSAI requirements, the SAI would also need to identify the planned impact of the audit of SDGs implementation, take actions to facilitate such impact throughout the audit process e.g. multi-stakeholder engagement throughout the audit process.

The diagram below depicts the process of auditing SDG implementation, with compliance requirements, impact considerations and SDG considerations mainstreamed throughout.

Compliance with PA ISSAIs & Consideration of Audit Impact

1. Select topic(s) for audit of SDG implementation	**2. Design an audit of SDG implementation**	**3. Conduct an audit of SDGs implementation**

3. Report on an audit of SDGs implementation	**4. Follow-up and Impact of an audit of SDG Implementation**

SDG Considerations: Whole-of-Government Approach, Coherence & Integration, Leave No One Behind, Multi Stakeholder Engagement

The rest of the chapters will show how SAIs can follow an ISSAI compliant and audit impact driven performance audit process that mainstreams key SDG considerations.