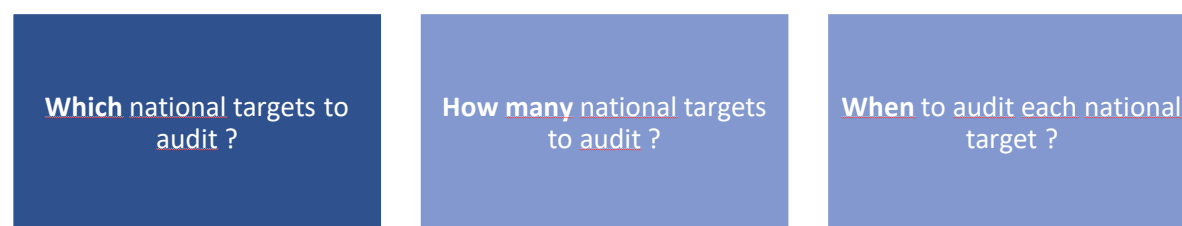# Chapter 2 | Select topic(s) for audit of SDGs implementation

In the first Chapter, we defined audit of SDGs implementation, examined key concepts related to the audit and decribed an ISSAI compliant process for audit of SDGs implementation. This chapter reflects on what is involved in the selection of topics for audit of SDGs implementation, why it is important, and how SAIs can conduct the selection as per ISSAI requirements.

2.1 Select topic(s) for audit of SDGs Implementation: What and Why?

The selection of audit topic(s) for audit of SDGs implementation is the process of deciding on the following three questions:

Which national targets to audit ?	**How many** national targets to audit ?	**When** to audit each national target ?

Nations generally identify a number of national targets linked to the SDGs. Based on the national context, governments priortise the implementation of targets and determine timelines for the achievement of targets. The illustration below provides some examples of nationally agreed targets linked to SDG targets under SDG 5 : Achieve gender equality and empower all women and girls.

Nationally agreed targets	SDG Targets
i. Increase female representation in political and leadership positions up to 30% by 2019; ii. Put in place a monitoring framework to measure women's rights and gender equality by 2019; iii. Put in place a mechanism for tracking public fund allocations for gender equality by 2020; iv. Increase women's' participation in law enforcement and SNA based on temporary special measures v. Reduce the incidence of sexual- and gender- based violence by 20% by 2021; vi. Reduce the prevalence of female genital mutilation/circumcision to less than 70% by 2022	5.2: Eliminate all forms of violence against all women and girls in public and private spheres, including trafficking and sexual and other types of exploitation 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

As mentioned in Chapter 1, nationally agreed targets may be linked to thematic SDG targets, e.g. target 4.5 **-** By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations. National targets may also be linked to SDG targets focusing on strengthening institutions necessary to achieve SDGs, e.g. SDG target 16.6 **-** Develop effective, accountable and transparent institutions at all levels. As SAIs cannot audit all national targets at the same time, it is important for SAIs to analyse national targets and decide on their significance, the risk to implementation, auditability and the impact that the audit is likely to have in contributing to the implementation of SDGs. Each SAI needs to take these decisions based not only on the national

2.2 How to select topic(s) for audit of SDGs Implementation

In this section we will discuss 'how' SAIs with different capacities and in different contexts can select topic(s) for audit of SDGs implementation.
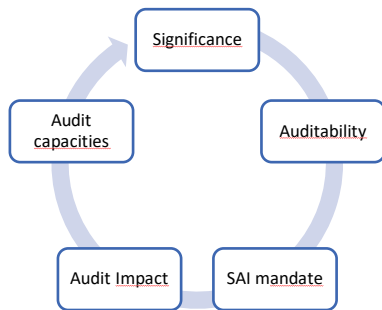
Five criteria for selecting audit topics

Five Criteria for selecting topic(s) - We suggest that a SAI use five criteria, as illustrated on the left, in selecting topic(s) for audit of SDGs implementation. To begin with, a SAI may consider whether it has the **mandate** to audit the specific subject matter of the national target. Some SAIs, for example, may not have the mandate to audit entities that manage public debt in their countries. In this case they may not select SDG target 17.4 for audit. The **significance** of a national target can be determined by ascertaining the priority of the target in the national development context, preliminary information on the risks to achieving the target, its link to other targets, its link to regional and global priorities, financial allocation for the target, etc. In considering significance, the SAI may also consider targets linked to the LNOB principle, and prioritise the selection of targets linked to vulnerable groups. For example, in light of the current pandemic of COVID-19, SAIs may decide to audit national targets linked to SDG target 3.D - Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks. In assessing the **auditability** of a national target, SAIs may consider the stage of implementation of the national target, availaibility of data, availability of indicators for the national target and availability of audit criteria. In applying the criteria of auditability we recommend that the SAI consider the basic minimum required to do the audit rather than wait for all data and indicators to be available.

Audit capacity is a very important consideration in selecting national targets for audit. In order to conduct high quality audits of SDG implementation SAIs need both professional staff and organisational capacities. SAIs need professional staff members who are competent to carry out ISSAI compliant performance audits, are able to apply whole-of-government approach to audit and can examine SDG considerations like coherence, integration, LNOB and multi stakeholder engagement. SAIs also need to have a suitable audit methodology to carry out this work. As many SAIs will be starting with audits of SDG implementation, they may decide to start building capacity by conducting pilots, training and incorporation of the whole-of-government approach in their audit methodology.

The last and key criteria in selecting audit topics is the **audit impact** created by the audit of a particular nationally agreed target. We recommend that at the selection stage the SAI should visualise the audit impact that the audit of each national target under consideration could create. Audit impact is the contribution of SAI audit(s) to concrete improvements in effectiveness, accountability and inclusiveness of public sector institutions, leading to better societies and individual wellbeing. The potential of an audit to create audit impact would one of the key considerations for the SAI in selecting the national target, e.g. climate change may have a huge impact on the very existence of some small

isalnd states. The SAI of that country may choose to audit national targets linked to SDG targets under Goal 13 – Climate action.

As discussed in the previous chapter, there is a great diversity in the way countries choose to integrate SDG targets in their national targets. In some cases countries may select and directly adopt SDG targets as national targets, while in other cases countries may select priority areas based on regional priorities and then identify a cluster of targets under each area. Countries may alternatively have many more targets at the national level, based on the local context of the country. Before selecting topic(s) for audit of SDGs implementation, it is important for the SAI auditor to gain a very good understanding of nationally owned targets and their link to SDG targets.

As SAIs differ vastly in their capacities and context, they may take **different approaches to gathering information** on the criteria mentioned above. Large SAIs may want to set up comprehensive systems for gathering information. They may also decide to use templates and selection matrices to decide on the audit topics for audit of SDGs implementation. Some SAIs may want to assign weights and scores to different criteria in the selection process.

Small SAIs with limited capacities may decide to use more informal processes and take these decisions based on limited document review and face to face meetings. While different solutions are necessary for different SAIs, it is important for SAIs to consider all five criteria mentioned above and document their selection process and decision. SAIs may use a table like the one below to document their selection and decision.

Practical Tip
SAIs can gather information about national targets from different sources like national development plans, VNRs, SDG gap analysis and mapping documents, preparedness audit documents, tier classification of SDGs indicator made by the Inter-agency and Expert Group on SDG Indicators (IAEG-SDGs), data from UN agencies in the country, and data from different stakeholders (e.g. academia, civil society organisations, regional organisations,development partners, etc.)

	Mandate	Significance	Auditability	Audit capacity	Audit impact
National Target 1					
National Target 2					
National Target 3					
....					
National Target no.					

 It is equally important for SAIs to **consult internal and external stakeholders** in making these decisions. The consultation with external stakeholders may range from a limited number of interviews to more elaborate focus group discussions and stakeholder engagements.
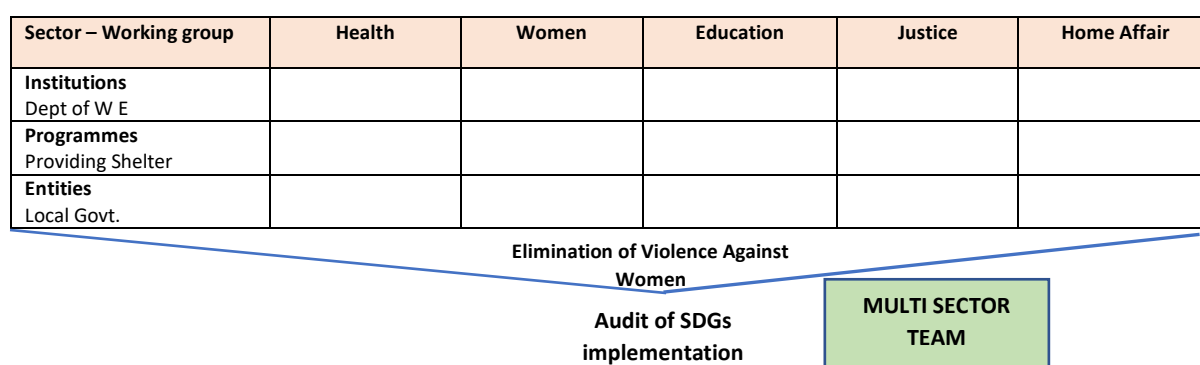
Yet another question to reflect on **is whether SAIs select audit topics for audit of SDGs implementation together with other performance audit topics or do so separately ?** Our recommendation is that to the extent possible SAIs may have one integrated process for the selection of performance audit topic(s), including topics for audit of SDGs implementation. Doing so will help SAIs in taking a holistic view of the value added through their PA work and the resources required to do so.

How many topic(s) to select for audit of SDGs implementation ? Besides deciding on which topics to select for audit of SDGs implementation a SAI also needs to decide on the number of audit topics to select for the audit of SDGs implementation. This may vary from one to many, depending on the context and capacities of the SAI. SAIs with limited performance audit capacity and small staff size may consider choosing one topic for audit of SDGs implementation. They may consider conducting such an audit as a part of a global or regional cooperative audit or a SAI level pilot audit supported by experts.

Large or medium size SAIs with sectorwise audit teams or audit departments, performance audit capacity and staff with whole-of-government understanding may decide to choose multiple national targets from different sectors and bring together multidisciplinary teams for conducting each audit. They may have a setup where each audit department conducts one or more audits of national targets linked to SDGs, and in conducting these audits they work as multi sectoral teams, together with auditors from other relevant departments. Large SAIs may form such teams across sectors and across different levels of government (national, provincial, local) depending on the mandate of the SAI.

Sector – Working group	Health	Women	Education	Justice	Home Affair
Institutions Dept of W E					
Programmes Providing Shelter					
Entities Local Govt.					

Elimination of Violence Against Women

Audit of SDGs implementation

MULTI SECTOR TEAM

When to audit each national target ? As discussed above, SAIs may decide to audit one national target or develop a multi-year portfolio for audits of SDG implementation. SAIs dependent on external support may decide to take up an audit of SDGs implementation when a cooperative audit is conducted in the region or when they receive support to pilot such audits. SAIs with the capacity to develop a multi-year portfolio may use several considerations, such as the timing for achievement of the target as per the strategic roadmap for SDGs developed by the country, the visibility and relevance of the target, planned VNRs or thematic reports, regional plans and priorities, and likely audit impact. To the extent possible, we recommend that SAIs develop a multi-year portfolio of topics for audit of SDGs implementation. The portfolio could have the following potential benefits:

1. It would help to ascertain the progress of government efforts towards achieving the nationally agreed targets.
2. The SAI could plan and prepare adequately, taking into consideration its capacity to conduct the audits.
3. The SAI could plan for follow-up audits to check progress on achievement of the national targets at regular intervals.

In the case of SAIs which develop multi-year portfolios, we recommend that the SAIs review their portfolio on an annual basis.The situation in the country and the expectations of stakeholders may

change depending on the situation. It is important to ascertain that the assumptions made while selecting the topic are still valid. An annual review also enables the SAI to add emerging priority areas/targets to the portfolio. We also recommend that SAIs include topics from the portfolio in their annual audit plans and provide adequate resources to conduct the audits as a part of the annual audit plan.

2.3 *ISSAI Checklist: Select topics for audit of SDGs implementation*

✓ Did the team select topics for audit of SDGs implementation based on a strategic selection process?

✓ Did the team select audit topics which are sufficiently significant, auditable and within the SAI's mandate?

✓ Did the team maximise audit impact while taking into account audit capacities when selecting audit topics?

✓ Did the team exercise professional judgement in selecting topics for audit of SDGs implementation?

✓ Did the team comply with the SAI's code of ethics and independence requirements in selecting topics?

✓ Did the team communicate with relevant stakeholders while selecting topics for audit of SDGs implementation?

✓   Does the team have the required skills to select topics for audit of SDGs implementation?

✓ Was the selection process adequately supervised?

✓   Did the team document the selection process adequately?

2.4 SPOTLIGHT ON AUDIT IMPACT

The SAI auditor may ask the following impact related questions while selecting audit topic(s):
-   *Has the criterion of audit impact been appropriately considered while deciding on selection of audit topic(s)?*
-   *Will the selected audit topic(s), individually and collectively contribute to the progress towards achievement of the national targets linked to the SDG targets?*
-   *Do considerations of audit impact at the selection stage, include gender and inclusiveness considerations?*