Chapter 3 | Designing an audit of SDGs implementation

This chapter explains the second stage in the audit of SDGs implementation. It describes the process involved in the design of an audit of SDGs implementation, reviews why design is important and provides guidance on how to design an audit of SDGs implementation. The end product of this stage of an audit is a documented audit plan for audit of SDGs implementation. From this chapter on we will use one main illustration for providing an example of the audit of SDGs implementation. The illustration refers to audit of government efforts to eliminate intimate partner violence against women. It is linked to SDG 5.2, aimed at eliminating all forms of violence against all women and girls in public and private spheres, including trafficking and sexual and other types of exploitation. Inspired by the UN Women campaign 'Orange the World', for the elimination of violence against women and girls, we will refer to this illustration as an 'Orange Illustration'.

3.1 Designing the audit of SDGs implementation: What and Why?

Designing an audit of SDGs implementation involves:

- Understanding the nationally agreed target
- Combining result and system-oriented approaches in the audit of SDGs implementation
- Keeping the audit scope manageable
- Formulating audit objective and questions based on key considerations for assessing progress of implementation of nationally agreed targets
- Determining appropriate audit criteria for auditing the selected national target(s)
- Developing an Audit Design Matrix for assessing effectiveness of government efforts in the progress towards achievement of nationally agreed target(s)
- Finalising the audit plan document

Audit design is an iterative process. It is the most important stage of audit of SDGs implementation as the design shapes all subsequent stages of the audit. We recommend that SAIs spend sufficient time at this stage of the audit.

3.2 Design audit of SDGs implementation: How to understand the nationally agreed target?

To understand the nationally agreed target the auditor needs to understand its linkage with other targets; understand the laws, institutions, policies, plans, programmes, activities, entities contributing to the target; understand the role of key stakeholders in achieving the nationally agreed target and understand the arrangements to measure progress of achievement of the target.

The auditor can start with identifying a list of questions that will help her/him gain an adequate understanding. We have provided an illustrative list of such questions below (**these are not audit questions!).**

Institutional and legal framework

1. What is the legal and institutional framework (policies, programmes, international standards) for the national target?
2. What is the institutional set-up for the implementation of the national target? What are the roles of the various actors?
3. What are the important interlinkages between the target and other targets of this and the other goals?
4. How are the diferent levels of government (national, sub-national and local) working together to implement the national target?

Means of implementation

1. What are the current resource flows concerning the target?
2. What is the budget and human resources allocation for the target?
3. What are the steps taken to mobilise domestic resources, official development assistance and additional sources of funding, such as foreign direct investment and remittances?What partnerships have been entered into to mobilise means of implementation?
4. Are there any specific roles/employees dedicated to the implementation of the target?
5. Are they sufficiently dedicated to this work, or do they have competing roles and tasks?
6. What are the main challenges and difficulties that the country faces in implementing the SDG target?

Monitoring and follow-up

1. Have nationally agreed indicators been set up to measure the nationally agreed target?
2. Are they consistent with SDG indicators?
3. Have baselines for the target indicators been established and used?
4. What are the data collection mechanisms for the measurement of indicator progress?
5. What are the institutional set-up and the methodology used to collect data on the indicators?
6. What are the information attributes related to the indicators (disaggregation, source, period, etc)?

Multi stakeholder engagement

1. How do the overall institutional arrangements relating to the national target involve key line ministries, sub-national and local levels of government, parliament, human rights institutions, CSOs, and the private sector?
2. How are the various levels of government, legislative body (e.g. the parliament), and the stakeholders working together to achieve the target?
3. What mechanisms and platforms are available for stakeholders from civil society and the private sector to contribute to the planning, implementation, monitoring and review of the policies, plans and programmes intended for the achievement target?
4. What partnerships, including with the private sector, have been put in place for the implementation of the target?

IDI's SDGs Audit Model (ISAM)

Leave no one behind
1. How are vulnerable groups and those furthest behind being identified for the target?
2. What efforts have been made to ensure that all policies, plans and programmes reach the most marginalised and leave no one behind?
3. What specific sources of data are available regarding vulnerable groups?

If we apply these questions to our Orange illustration, we could ask the following questions:

1. What are the links between EIPV and other SDG targets?
2. Are there national gender policies/action plans/strategies on EIPV?
3. Is there a law addressing IPV? How comprehensive is it? Is it specific for IPV or is it included in other laws/regulations addressing violence against women?
4. Is there a budget allocated for efforts to eliminate IPV?
5. Is there a specific government body responsible for the EIPV?
6. What mechanisms/systems/procedures/processes are in place to ensure vertical and horizontal policy coherence?
7. Are there baselines and indicators?

According to expert literature on EIPV, the policies, programmes and initiatives on EIPV need to consider three pillars: prevention, protection and prosecution. We present below some illustrative questions that can guide the auditor in understanding EIPV in terms of prevention, protection and prosecution.

Prevention
1. Does the government have a legal obligation to prevent IPV against women?
2. Which entity/entities are responsible for prevention efforts?
3. What are the prevention mechanisms?
4. Are vulnerable groups being considered in prevention measures?
5. Has the government taken measures to encourage all members of society, especially men and boys, to contribute actively to preventing IPV against women?
6. Has the government taken actions to address social, cultural and religious practices that lead to IPV against women?
7. Has the government taken steps to address gender stereotypes in school curriculum and pedagogy?
8. Has the state taken measures to promote programmes and activities for the empowerment of women?
9. How is the government leveraging technology and using innovation to prevent IPV against women?

Protection
1. Does the government have a legal obligation to provide protection to women who are victims of IPV?
2. Which entity/entities are responsible for protection efforts?
3. What are the protection mechanisms?
4. Are vulnerable groups being considered?

IDI's SDGs Audit Model (ISAM)

Prosecution
1. Does the government have a legal obligation to prosecute the offenders in IPV cases?
2. Which entity/entities are responsible for prosecution efforts?
3. Is there a legal framework for prosecution?
4. Is there a mechanism to ensure that victims of IPV have access to special protective measures during investigation and judicial proceedings?
5. How are CSOs involved in supporting/providing advice to IPV victims?
6. Are there programmes to help reintegrate and rehabilitate the perpetrators?

The SAI auditor can get answers to these questions by gathering information from a number of sources. Such sources may include documents from the audited entities, general research reports, relevant publications (e.g. academic articles), official websites of UN agencies, CSOs, academia, social media feeds, and available studies of the audit topic. In our experience, large volumes of information are generally available these days. In order to be focused when collecting information, we recommend that the SAI auditor speak with a few key stakeholders and experts, e.g. officials from the audited entity, subject matter experts from UN agencies, academia, and civil society organisations. These stakeholders can help the SAI auditor in forming an overview idea about the audit topic and focusing on key information. They can also provide insights into the topic and help in accessing relevant and useful information.

Stakeholder engagement plays a key role in understanding the topic for audit of SDG implementation. The SAI auditor can use a number of ways to engage with stakeholders. These include interviews, focus groups, meetings and conversations with stakeholders, as well as surveys. We recommend that the SAI auditor engage with both state and non state actors related to the national target being audited. Possible stakeholders to be contacted at this stage could be senior managers from line ministries whose function relates to the target, academic and other experts who conduct research on the topic, representatives from CSOs, and experts from UN bodies and other international agencies like the World Bank.

Applying this guidance to our Orange illustration, the SAI auditor can gather information about government efforts for EIPV against women by:

Reviewing reports and evaluations done by Government agencies responsible for EIPV, national reports on international treaties (e.g. UN Conventions); international conventions, like CEDAW, Belém do Pará, Maputo, Istanbul; audits of violence against women done by SAIs, academic articles, websites and reports of CSOs like Women Deliver, CAAF, UN bodies like UN Women, UN reports on SDG implementation, UN's SDG Knowledge portal, IISD, WB's Gender Group, as well as twitter and social media accounts of these organisations
Engaging with key stakeholders from government entities responsible for prevention, protection and prosecution efforts related to EIPV, experts from UN agencies, other international agencies, CSOs, development partners and academic experts who work with EIPV.

SDG goals and targets are inter-related. It is important for the SAI auditor to **understand interlinkages between the chosen target and other SDG targets.** Understanding the positive and negative

interlinkages between the targets can help identify potential synergies and trade-offs. Removing the trade-offs and maximising the synergies are a key element of SDG integration and policy coherence. The SAI auditor can gain an understanding of interlinkages by desk review of relevant reports and literature as well as interviews and consultations with government agencies, civil society, experts, etc. The SAI auditor may also look at tools like the SDG Interlinkages Analysis and Visualisation Tool https://sdginterlinkages.iges.jp/index.html.

Understanding the system of laws, institutions, policies, plans, programme, activities and entities which contribute to the national target selected for audit is crucial in designing the audit. At the expert group meeting (EGM) for development of ISAM, UN and SAI experts worked on a map of audit topics that reflects not only the most important linkages with other policy areas, but also the main processes and actors in the system. Reflecting variations in national legal, institutional and policy contexts, such maps, in order to be relevant, can be elaborated at the national level. A generic map can show in a clear manner the types of issues that are relevant at the entity level; at the center of government level; and at the strategic, policy level. The figure below shows an example of a generic map of sustainable public procurement developed at the EGM with the help of experts.
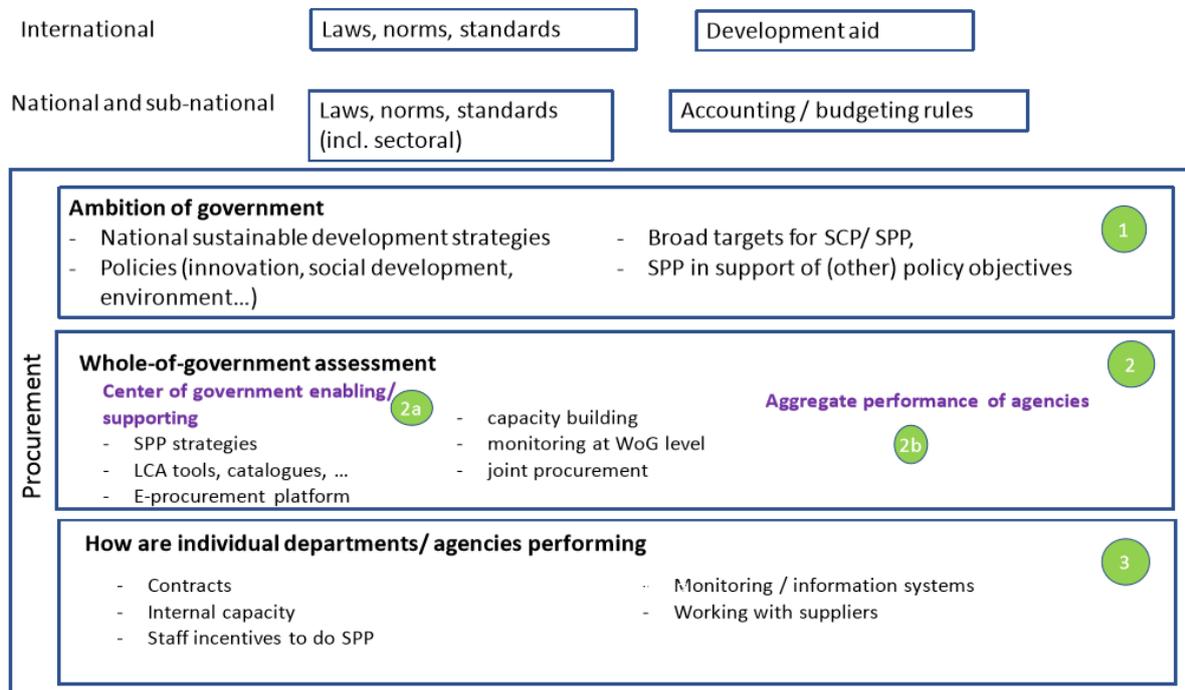
At the top of the figure, layers of laws, norms and regulations, at both the international and national levels, are represented. The international layer also includes development aid. In many countries, procurement practices to some extent will be determined by the rules and practices of donors; therefore, overlooking those would likely affect the relevance of audits. At the national level, beyond procurement centered law, relevant law is also to be found at the sector level (e.g. in construction, labour). Accounting and budgeting rules are also part of the scanning, as they influence the possibilities and incentives for adopting sustainable procurement practices. Within the box labelled "Procurement", which aims to represent the country's procurement system, three levels are distinguished. Going from the bottom up, the third level maps issues that occur at the level of

individual entities or programmes. Those include, among others, contract management; internal capacity of procurement officers; staff incentives to do sustainable procurement; internal monitoring and evaluation systems; and how agencies work with suppliers. The second level lists issues that are relevant across government, and for some of them are centralised. This includes support functions such as e-procurement platforms, life-cycle analysis tools and product catalogues, and also joint procurement activities (e.g. central purchasing units) and centrally administered capacity building. It also includes sector-level and whole-of-government strategies and actions plans, targets for sustainable procurement, and monitoring systems. Lastly, the first level is that of the government strategy and ambition. It includes the inclusion of sustainable procurement in the national sustainable development strategies, other related strategies and action plans (e.g. innovation or SME development), government-wide targets in relation to public procurement, and the mechanisms and tools that the government has put in place to effectively use public procurement in support of other policy objectives. This level also includes issues relating to change in administrative culture to make the latter more supportive of structural transformation in public administration.

Understanding the role played by key stakeholders is also linked to the understanding of the overall system that contributes to the achievement of the nationally agreed target selected for audit. It is important to identify and analyse the relevant stakeholders involved in the activities related to the audit topic, their roles and interests and how they can influence the achievement of the audited outcome. We recommend two tools for this purpose – stakeholder analysis and RACI analysis. Please refer to Annexe 2 to see a detailed orange illustration of stakeholder analysis. It is important to note that a general approach is adopted in this regard and that a stakeholder analysis specific to the EIPV must take into account the context and reality of each country.

Another tool that is useful to understand the roles and responsibilities of each stakeholder in relation to the target and how the stakeholders interact and coordinate among themselves is the RACI[27] analysis. This analysis can also help in identifying possible instances of overlap, duplication, fragmentation and/or gaps that can hinder the performance and hamper the achievement of the target objectives. The entities involved can be identified through stakeholder mapping.

Understanding national arrangements to measure progress on achievement of the selected target is important in an audit of SDGs implementation. The SAI auditor needs to understand the performance measurement framework and performance indicators used for measuring progress on the national target, the arrangements for monitoring, follow-up and review. The SAI auditor also needs to understand the data framework, baselines, system of collecting data, and level of disaggregation of data related to the national target.

3.3 Combining the result and system-oriented approaches in audit of SDGs implementation

We recommend using a combination of results- and systems-based approach for audit of SDGs implementation. A result-oriented approach is useful to assess if outcomes or outputs have been achieved as intended. National targets linked to SDG targets are results to be achieved and the audit

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[27] RACI analysis is a tool that helps identifying who is **R**esponsible for an activity, who is **A**ccountable for that, who is **C**onsulted before it is executed and who is **I**nformed after.

of SDGs implementation is an audit that examines progress on the acheivement of results. However, the audit of SDGs implementation also takes a whole-of-government approach to examine the system of laws, policies, strategies, programme, entities, etc., that contributes to the national target. A system-oriented approach examines the proper functioning of management systems. As such, a combination of both approaches would be appropriate in audit of SDGs implementation.

3.4 Keeping the audit scope manageable

Defining the audit scope in an audit of SDGs implementation involves answering four questions: **What** to audit? **Who** to audit? **Where**? and **When**?

The '**What to audit'** question is generally answered by saying that the SAI auditor should audit the implementation of a set of policies that contribute to the achievement of the selected nationally agreed target linked to one or more SDGs. However, the implementation of the 2030 Agenda requires an integrated approach. National targets are inter-related, and each target SDG typically spans the responsibilities of many ministries, public entities, levels of government, and sectors. A whole-of-government approach seeks to ensure that the efforts of different entities and programmes are aligned and coordinated to provide integrated responses to national development challenges and priorities. At the level of SDG targets, the policies and institutions that impact outcomes are usually to be found in a broader range of areas. The challenge for the audit is to keep the scope large enough to encompass policies that impact the problem (to avoid "wicked problems"), but small enough that it stays manageable. The SAI auditor's understanding of interlinkages, working of the system that contributes to the target and understanding of stakeholders involved will be very useful in carving out a manageable scope. While the SAI auditor needs to narrow down the scope to keep it manageable, the scope cannot be limited to looking at an entity or programme and its contribution to the national target.

As mentioned above, to answer **who to audit**, the SAI auditor may be guided by the understanding gained through conducting stakeholder analysis and RACI analysis. **Where to audit** will depend, mostly, on the audit team's capacity and resources. To the extent possible, the SAI auditor may plan for a representative spread that covers different levels of government and different regions of the country.

The 2030 Agenda makes it clear that countries have to adapt the SDGs to their national circumstances. In addition, in most cases, countries will have adopted policy objectives prior to the adoption of the 2030 Agenda that are related to the SDG target selected for the audit. Therefore, some considerations are relevant for the definition of the period of time (**when**) to be covered by the audit. For the starting point of the audit, the SAI auditor may

- Look at trends, information, policy changes, etc., since the objectives were first articulated in the national context (e.g. a policy on that subject was formulated, legislation enacted). This can also be useful in finding relevant reports (from the SAI or other organisations) that have already examined the issue.
- Select a specific year prior to the adoption of the 2030 Agenda as a basis for comparison. This will enable the SAI auditor to assess the effects of implementation with respect to a year in

which the SDGs had not been adopted yet and for which information is available, reliable and pertinent.

- Consider whether other audits on the same subject or related policies have been conducted by the SAI that could help establish a baseline, provide information on strengths and weaknesses previously identified, and serve as reference for defining the starting point for the new audit.

The end point of the audit should be as close as possible to the finalisation of the audit.

3.5 Formulating Audit Objectives for audit of SDGs implementation

Fomulating audit objectives sits at the heart of designing an audit of SDGs implementation. The SAI auditor formulates audit objectives based on the definition of audit of SDGs implementation, understanding of the selected national target and scope of the audit. The SAI auditor may formulate one main audit objective, which is broken down into further audit questions and sub-questions. To use the orange illustration, the main audit objective could be:

> To assess government efforts aimed at achieving progress towards elimination of intimate partner violence against women.

We have attempted a generic framework of audit questions which the SAI auditor can adapt to the selected national target and the national situation. We recommend that the SAI auditor get inputs from experts in the field in formulating audit objectives for each audit of SDGs implementation.

| Framework of audit questions for auditing SDG implementation

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1. To what extent has the government provided for enabling legal and policy frameworks and institutional arrangements for achievement of the selected national target?

1.1 Has the government taken the necessary measures to align the legal and policy frameworks as well as the institutional set-up with the nationally agreed target?

1.2 Is the legal and policy framework horizontally and vertically coherent (without gaps, overlaps, duplication and fragmentation) with respect to the target?

1.3 Has the government put in place institutional arrangements for effective vertical and horizontal coherence?

1.4 Do the legal and policy frameworks and institutional arrangements adequately address the needs of identified vulnerable groups related to the target?

1.5 Has the government informed and involved citizens and stakeholders (including state and non-state actors like legislative bodies, the public, civil societies and the private sector) in the processes and institutional arrangements to put in place robust legal and policy frameworks for achievement of the national agreed target?

2.	**To what extent has the government planned and budgeted for the achievement of the selected national target?**
2.1	Are government budgets at different levels aligned, sufficient and adequate for achievement of the target?
2.2	Did government include all relevant stakeholders in the planning and budgeting for the target?
2.3	Do the government plans and budgets address the specific needs of identified vulnerable groups related to the target?
3.	**To what extent has the government implemented actions for the achievement of the selected national target?**
3.1	Is there effective coordination, collaboration and communication between government institutions and entities at different levels for achieving the target?
3.2	Has the government mobilised the required resources for achieving the selected national target?
3.3	Has the government created the required capacities at different levels and across functions for achievement of the target?
3.4	Has government identified and addressed systemic risks in implementing the selected national target?
3.5	Are government actions for implementing the selected target effective, accountable and inclusive?
	a. Has government included all relevant stakeholders in implementing its plans for achieving the target?
	b. Has the government implemented measures to address specific needs of identified vulnerable groups?
4.	**To what extent has the nationally agreed target been achieved?**
4.1	Has the government put in place an effective, transparent and inclusive system for measuring, monitoring and reporting on progress towards the achievement of the selected national target?
4.2	Has the government achieved its planned progress on the selected national target?
4.3	Considering the current trend, will the government efforts lead to achievement of the selected national target as per the planned timeline?

3.6 Determining suitable audit criteria for audit of SDGs implementation

Audit criteria are the benchmarks against which the SAI auditor will evaluate government efforts in contributing to the acheivement of a nationally agreed target. The information gathered while understanding the national target will be useful to the SAI auditor in determining suitable audit criteria for the audit of SDGs implementation. National peformance measurement frameworks, performance indicators, international conventions and treaties, national laws and regulations, best practices, etc., can be used by the SAI auditor in determining audit criteria.

We recommend that the SAI auditor engage with the audited entities in determining suitable audit criteria. This is particularly important in audit of SDGs implementation as a number of audited entities together are responsible for contributing to the achievement of the national target. Given the new nature of this subject matter, the SAI auditor may also find that in most cases there are no ready-made or or generally accepted criteria. An exchange of views with the audited entities can be an effective

method for developing the criteria and establishing what is relevant and auditable. Besides the audited entities, experts from various organisations can also be a rich source of criteria. Although a cooperative engagement with the audited entities is preferred, if the audited entities do not agree with the criteria, the auditor has the final responsibility to set them. To give an orange illustration:

Sources of audit criteria for EIPV
- Performance indicators for EIPV, international treaties and conventions such as:
    - Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)[28]
    - Belém do Pará convention[29]
    - Istanbul convention [30]
    - Beijing declaration and platform for action[31]
- National laws like Law Maria da Penha in Brazil
- Gender experts

3.7 Developing audit design matrix for audit of SDGs implementation

We recommend using an audit design matrix as a tool for bringing together all the pieces of work done in designing the audit of SDGs implementation. Such a matrix helps to organise and structure the work and to support the conducting phase. As an example, the audit team can use the format of an audit design matrix below:

Audit Topic: Audit Objective:						
Audit question: Audit sub question:						
Criteria and sources of criteria	Required information	Sources of information	Data collection procedures	Data analysis procedures	Limitations	What will the analysis allow us to say

This matrix contains the audit questions and respective criteria, as well as columns to include the information required to answer the questions and the sources of this information. It also contains columns to register the procedures to be used during the conducting phase to collect and analyse data. The audit design matrix also captures the possible limitations faced by the audit team during the conducting phase. Finally, the last column is designated for the likely conclusions that will emerge from the analysis of all the information registered on the audit design matrix. Annexe 3 shows an illustration of an audit design matrix for one sub-question related to EIPV.

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28   https://www.ohchr.org/documents/professionalinterest/cedaw.pdf
29   https://www.cepal.org/sites/default/files/events/files/belem-do-paraen.pdf
30   https://www.coe.int/en/web/istanbul-convention/text-of-the-convention
31   https://www.un.org/en/events/pastevents/pdfs/Beijing_Declaration_and_Platform_for_Action.pdf

3.8 Finalising the audit plan

The final action in designing an audit of SDGs implementation is the finalisation of the audit plan. Finalising the audit plan involves putting together all relevant documents and working papers that will support the next steps of the audit. These include: Information and documentation on the national target; the audit objective and questions, audit criteria, and scope; methodology, including techniques to be used for gathering evidence and conducting the data analysis; the audit design matrix; an overall activity plan that includes team composition, assessment of team competencies, resources, and possible external expertise required for the audit; and the estimated cost of the audit, the key project timeframes and milestones, and the main control points of the audit.

3.9 ISSAI Checklist: Design audit of SDGs implementation
- ✓ Did the team document a sound understanding of the selected national target?
- ✓ Did the team discuss the audit criteria with the audited entities?
- ✓ Did the team engage with audited entities and other stakeholders throughout the design stage and document the outputs of the engagements**?**
- ✓ Did the team use appropriate audit techniques to define the audit approach, audit scope, audit objective and audit questions?
- ✓ Did the team exercise professional judgement in designing the audit of SDGs implementation?
- ✓ Did the team comply with the SAI's code of ethics and independence requirements in designing the audit of SDGs implementation?
- ✓ Did the team have the required skills to design the audit of SDGs implementation?
- ✓ Was the design process adequately supervised?
- ✓ Is there adequate documentation in respect of: the selected target to be audited; tools and techniques used to define the audit objective and audit questions; audit criteria; audit procedures; audit design matrix; audit plan?

3.10 SPOTLIGHT ON AUDIT IMPACT

The SAI auditor may ask the following impact related questions while designing the audit:
- *What is the impact that this audit should have?*
- *Will the determined audit scope lead to desired audit?*
- *Will the examination of these audit objectives lead to desired audit?*
- *Will this audit positively impact those left behind?*