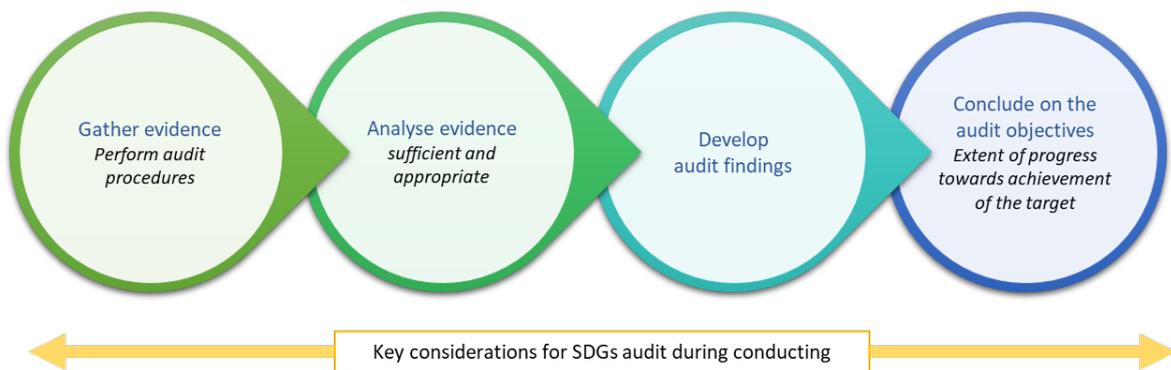


## Chapter 4 | Conducting an audit of SDGs implementation

Conducting an audit of SDGs implementation starts with the approval of the audit plan. At this stage the SAI auditor gathers evidence, analyses evidence, develops audit findings and concludes on audit objectives related to policy coherence and integration, multi-stakeholder engagement, LNOB and implementation of a set of policies contributing to the achievement of the national target. This chapter reflects on some of the key aspects in conducting audit of key SDG considerations mentioned above. The chapter also provides guidance on tools and techniques that the SAI auditor can use at different step during the conducting phase.



### 4.1 Conducting audit of government efforts for coherence and integration in implementation of national target

To answer audit questions linked to **coherence and integration**, the SAI auditor needs to examine the policy and institutional system concerning the target, starting with the stated goals in different policy documents. The SAI auditor may evaluate if the policies are consistent, would realistically influence the target, and if the policies are aligned with the stated target. The SAI auditor can verify the effective functioning of government in terms of **horizontal coherence**, whereby the focus is on whether the various ministries and agencies work in a synchronised manner. In examining the extent of **vertical coherence**, the SAI auditor may seek to ascertain the extent of coordination prevalent from the federal (if applicable), to the state, to the local contexts, with the role of civil society and other key stakeholders included as an integral part of this analysis. In the case of the assessment of horizontal and vertical integration, the SAI auditor can identify and categorise the shortcomings in terms of fragmentation, overlap and duplication (of services, policies, institutional setup, legislative framework, etc.). It is in this sense that the SAI auditor will look at risks across the entire delivery chain, ascertaining whether service delivery is effective and whether outcomes have been satisfactorily achieved or not. In doing so, the SAI auditor will not look at how the individual agencies manage risk, but whether, in the networks and patterns of organisations engaged for the achievement of a target, these organisations are managing risk appropriately. It is important to recognise that these coherence considerations are often first order management responsibilities, whereby management should have access to records of evaluation, data, and improvement plans that link outputs to the national SDG target. If this is not the case, then this shortcoming becomes an audit finding in and of itself. The SAI

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auditor needs to identify who can be asked these questions on interlinkages. In the implementation of SDGs, countries often have a centre of government, or a nodal agency, or another coordination mechanism, and the SAI auditor could direct the question there. The SAI auditor may find that in some cases, coordination works better than others, that some ministries may have progressed more than other ministries. When faced with a situation where there is no designated central authority, the SAI auditor needs to find out what the arrangements for interlinkage are. If there are no arrangements to this effect, there is no need to go any further, as the absence of a centre of government structure is a finding worth reporting. To use an orange illustration:

For Country X to achieve its national target linked to the EIPV, there are three key areas the government needs to focus on: prevention, protection, and prosecution. Simultaneously, to address IPV, one must also consider contributing factors such as economic reasons, social norms, safety issues, lack of legal protection to the women, lack of education, and weak judicial systems in the country. All these factors are not the function of one ministry, but the responsibility of multiple stakeholders, whose coherent efforts are required to achieve the target.

Specifically, prevention, protection, and prosecution functions are associated with the education, health service, social protection, policing and justice sectors, while civil society and the media also have an important role. These functions can be linked to the ministries responsible for gender equality, education, justice, health, police and home affairs, among others. There needs to be horizontal coherence among these across the different aspects of implementation. As the same time, there should be vertical integration between the federal, state and local bodies to achieve the intended results.

### 4.2 Conducting audit of government efforts at multi-stakeholder engagement in implementation of national target

The implementation of the SDGs requires embedding the multi-stakeholder principles of the 2030 Agenda into the country policy agendas and promoting a coordinated effort with civil society, the private sector and other non state actors. At the planning stage, using RACI analysis, the SAI auditor would have determined the stakeholder universe and their roles and responsibilities in relation to the target and how the stakeholders interact and coordinate among themselves.

In the conducting phase, the SAI auditor can check how government is implementing and monitoring efforts aimed at achieving the target, while also creating an enabling environment for other stakeholders to participate. Another element of interest is the extent of institutional cooperation and collaboration across organisational boundaries to achieve the set goals. The SAI auditor can also identify possible instances of overlap, duplication, fragmentation and/or omission that can hinder performance and hamper the achievement of the target.

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### 4.3 Conducting audit of government efforts to ensure that no one is left behind in implementation of national target

When considering the principle of leaving no one behind during the conducting phase the SAI auditor will gather sufficient appropriate evidence to conclude on whether government measures are inclusive in their design and implementation, whether representative participation has been encouraged and achieved, and whether the principle of leaving no one behind is evident in the review of the government's efforts. The SAI auditor will also ask about the measures taken to identify and address the needs of those furthest behind first in implementing the national target. To take an orange illustration:

In the case of EIPV, in Country X, for the development of a social and institutional environment that will contribute to zero tolerance and the eradication of violence against women, initiatives may correspond to women of different demographic profiles, ages, ethnic groups, indigenous populations, and economic groups. The SAI auditor will assess the government's response to the needs and rights of vulnerable groups exposed to multiple discrimination, e.g. indigenous women and girls.

### 4.4 Conducting audit of implementation of a set of policies contributing to the achievement of the national target

To achieve a sector-wide target, the government initiates multiple public interventions based on the policies and strategies set. These interventions are expected to contribute to the outcomes envisaged in the policies. When analysing interventions in a performance audit of a programme, the SAI auditor may find that at the individual programme level, the programme was effective. However, while auditing the implementation of a set of policies towards achieving a target, considering the principles of the SDGs, that individual intervention might not contribute to the target effectively. Hence, to address this, the auditors need to look at the implementation of a set of policies that contribute to the target.

### 4.5 Gather audit evidence on progress in the achievement of nationally agreed target

At the design stage of the audit, the SAI auditor has formulated audit objectives and sub objectives questions, audit criteria to evaluate performance, possible sources of evidence and methods for gathering evidence. In gathering audit evidence the SAI auditor has to actually carry out the audit procedures planned to collect evidence. Audit evidence collected needs to be sufficient, relevant and reliable in relation to the audit question for which the evidence is gathered.

Given the nature of audit of SDGs implementation, the SAI auditor can **gather audit evidence from a variety of sources**. Such sources may include data gathered from the audited entities, national statistical offices, general research reports, relevant publications (e.g. academic articles), databases, public datasets and official websites of UN agencies, CSOs, academia, social media feeds, and available studies of the audit topic.

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One useful reference to identify appropriate data sources for a target is the UN eHandbook on SDGs.<sup>32</sup> This reference will assist in monitoring progress registered in the implementation of the SDGs based on data produced by national statistical systems. In the best-case scenario, the country will have allocated the responsibility for the compilation of indicator data to a specific entity and have specified the methodologies for data collection, data management, and statistical computations. While **collecting available data based on indicators** the SAI auditor needs to consider whether the indicator is a good metric for the selected national target. To give an orange illustration:

Data on an indicator related to spousal violence, will not be sufficient for a national target on EIPV, as it does not include data on violence inflicted by a cohabitating partner or non-cohabitating current or previous partner.

The SAI auditor also needs to consider the **validity of the data collection instrument or procedure**. In some cases, the country may have defined an indicator but not put in place the required mechanism for the collection of the data for monitoring the progress on the indicator. In cases where the country has not identified an indicator, the auditor will register this as an audit finding and will select an appropriate indicator in consultation with the subject matter experts, related agencies, or by considering the indicators set at the international level. In both scenarios, the audit process may have to include data collection, or data extraction from existing administrative records, or possibly the identification of existing data from national statistical offices or other secondary data that are suitable for the analysis. Please see the examples below:

<i>Maternal mortality</i>	Target 3.1	By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births.
	Indicator 3.1.1	Maternal mortality ratio.
	Data source	For an audit focused on the national target for the reduction of maternal mortality, with the chosen indicator being the maternal mortality ratio, administrative records held by hospitals may be one source for determining this ratio. In developing countries, survey data, especially those from the Demographic and Health Surveys (DHS) and similar household surveys, constitute the most common source of data on maternal mortality.
	Data Disaggregation	Income level, residence (urban/rural), educational attainment, ethnicity, humanitarian settings, conflict zones, and refugees as well as adolescents 15-19 years.
<i>Poverty</i>	Target 1.1	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.
	Indicator 1.1.1	Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)
	Data source	For an audit focused on the elimination of extreme poverty, having the poverty rate as the chosen indicator, the audit may include data collection using household income and expenditure survey administered to a sample of the population.

<sup>32</sup> <https://unstats.un.org/wiki/display/SDGeHandbook/Home>

Data Disaggregation	The preferred household surveys should identify the poverty status of households and the economic activity of the household's members and further disaggregation of this indicator by sex, age, employment status and geographic location (urban/rural).
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**When primary sources of data are not available during the audit, and valid data for the selected indicators are not available through other sources, the auditor may consider using proxy data.** Proxy data provides an approximate measure of the target. Please see the example below.

<b>Maternal mortality</b>	The indicator is maternal mortality ratio. The primary data sources identified are the household survey and hospital records. When these primary data are not available, the audit may use the statistics published in the Demographic and Health Survey for the <i>proportion of births assisted by skilled health professionals</i> as a proxy.
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The SAI auditor needs to consider data quality issues, including data accuracy, reliability, coverage, completeness, and timeliness while using data as audit evidence. Data collected and published by statistical agencies constitutes a large portion of the available information about the government. Although data that statistical agencies collect are generally suitable for their purposes, the SAI auditor may still assess and document whether these data are suitable for the audit purpose. The use of professional judgment is an essential element of determining the suitability of data for use in an audit.

If there are limitations or uncertainties in the evidence collected, the SAI auditor needs to :

- seek independent, corroborating evidence from other sources;
- redefine the audit questions or the audit scope to eliminate the need to use the specific evidence that is causing concern;
- present the findings and conclusions in such a manner that renders the evidence sufficient and appropriate; and
- determine whether to report the limitations or uncertainties as a finding, including any related significant internal control deficiencies.

The SAI auditor can use a variety of tools to gather evidence - interviews, focus groups, surveys, document review, observation and physical inspections. In taking a decision on the use of tools, the SAI auditor needs to consider the appropriateness of the tool, the capacity of the audit team to use the tool and the resources required.

In the case of the EIPV, while gathering data and evidence, the audit team may consider contacting the victims, including women from specific vulnerable groups, such as indigenous people. While insightful, face-to-face interviews might be uncomfortable for victims. On the other hand, survey questionnaires may not uncover the full extent of issues. After considering the pros and cons of the different possible methods, the SAI auditor may consider safeguards in different data collection methods and uses sampling to have representative responses.

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**Focus groups** may be particularly relevant in the exploration of complex issues such as the SDGs. The focus group method may assist in testing the preliminary audit findings by comparing the views or comments received. In a focus group, the SAI auditor can interview a panel, including the stakeholders, and collect information on their views or experiences about the topic or audit question. However, the expert comments are not findings but information to be used for confirmation at a later stage. To use our orange illustration:

Focus groups can be organised with personnel who are engaged in implementing the policies or programmes related to the target on the EIPV. (e.g., the police, social service assistants, psychologists, doctors, and judges).

In an audit of SDGs implementation, a **survey** could be a beneficial method when the SAI auditor needs to gather detailed and specific information from a wider group of stakeholders. A survey may also be useful if different offices within an organisation, or different organisations are involved in the achievement of a particular target.

### Tips for conducting surveys

- Start the questionnaire with easy questions
- Write clear, concise and neutral questions
- Don't cover two issues in one question
- Avoid ambiguous questions
- Ask questions that will be used for analysis
- Avoid too many open-ended questions
- If possible, conduct pre-tests of the survey questions with a few members of the target group

We recommend that the SAI auditor set realistic expectations about the audit evidence that is needed and that can be collected in the timeframe of the audit, ensure that vulnerable sections of the population are adequately represented, and information is collected from a variety of stakeholders, sometimes using sampling techniques.<sup>33</sup>

## 4.6 Analyse audit evidence on progress in the achievement of nationally agreed target

Analysing audit evidence is a key step in audit of SDGs implementation. The SAI auditor may use a variety of quantitative and qualitative methods to carry out such analysis. The **quantitative analysis** methods involve analysis of quantitative data, such as numbers and statistics. These methods of analysis range from the simple calculation of an average or a proportion to more complicated statistical modelling. In audit of SDGs implementation, quantitative analysis helps uncover important patterns, trends, and relationships in data and identifies areas that require attention or improvement.

**Qualitative analysis** includes a wide range of methods for structuring, comparing, compiling, and describing information that supports logical reasoning and arguments related to the evidence. Typically, auditors conduct qualitative analysis of evidence from interviews, documents and through open-ended survey questions. **Statistical analysis** is used for uncovering patterns and trends in data. You will often use descriptive statistics to understand, summarise, and describe distributions in the data in a meaningful way, such as in analysing the achievement of performance targets. **Content analysis** is a method for structuring and analysing complex qualitative data and turning it into

<sup>33</sup> Please refer to IDI's ISSAI Implementation Handbook for Performance Audit (V0) for more details on techniques for gathering and analyzing audit evidence.

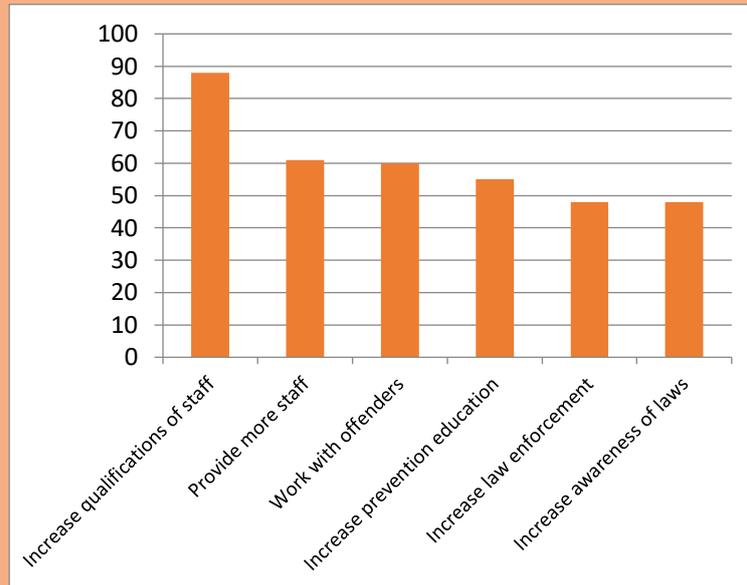
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quantitative data. The goal is to systematically sort, focus, and simplify data into a limited number of themes or content categories that can be summarised. The qualitative data used as a starting point for content analysis could include agency policy documents, interview transcripts, newspaper articles, focus group transcripts, claim files, reports or open-ended survey responses. Content analysis can be a useful methodology if the SAI auditor has a large set of raw data that needs to be transformed into useable evidence, such as open-ended survey responses.

To use an orange illustration for content analysis:

### The content analysis used in the audit EIPV, on actions taken to confront violence against women

Auditors collected survey responses from 340 people who support women victims of violence, such as police officers, psychologists, and social workers. The final question in the survey was, "In your opinion, what should be done to improve the services to women victims of violence and to decrease this type of violence in our country?" The audit team performed a content analysis of the survey responses and then categorized the responses. The six most popular categories are mentioned in the horizontal axis of the diagram.



## 4.7 Develop audit findings

Developing audit findings is to determine the difference between 'what should be' and 'what is', and explain the cause and effect of this difference where it exists. In developing audit findings the SAI auditor clarifies what constitutes criteria, what is the evidence and analysis undertaken, the situation found and its causes, as well as the resulting effects.

The next step after this assessment is to analyse and determine the causes of any deviations from the criteria that can lead to a potential recommendation. Sometimes, the lack of information about audit objective(s) or questions can be a finding in and of itself. For example the SAI auditor may find lack of data frameworks, indicator sets or disaggregated data for

### Criteria

the basis against which the actual situation was measured – performance or normal practice requirements, or standards set by management or by the auditor

### Evidence and analysis

what was examined and why – the extent and scope of evaluation

### Situation found and causes

what was the situation found, including its cause, making apparent the source and extent of evidence

### Effects

what the finding means, including the effect on the individual entities, and why it is important

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measurement of nationally agreed target. If the assessment of the criteria and the condition meets or exceeds the criteria then that is also an audit findings. For example the SAI auditor may find positive achievements on some indicators of the nationally agreed target. While developing audit findings it is important for the SAI auditor to develop positive findings as well. The SAI auditor can use an audit findings matrix to formulate and document audit findings in an audit of SDGs implementation. The table below shows the format of an audit findings matrix:

Finding					Good Practices	Recommendations
Situation found	Criteria	Evidence and analysis	Causes	Effect		

An orange illustration of audit findings matrix is placed as Annexe 3.

From the audit findings matrix, the SAI auditor proceeds to draft the audit findings. Presenting the key finding in simple terms that a non-expert would understand is important. The SAI auditor may use the 'dinner party' technique to organise audit evidence into a series of statements that could easily be understood by a hypothetical guest at a dinner party.

### 4.8 Conclude on audit objectives in an audit of SDGs implementation

Concluding on the audit objectives is the last step in conducting an audit of SDGs implementation.

As per definition an audit of SDGs implementation concludes on:

- progress made towards the achievement of the nationally agreed target;
- how likely the target is to be achieved based on current trends;
- the adequacy of the national target in comparison with the corresponding SDG target(s).
- the extent of coherence and integration in the implementation of policies and to the extent possible on
- leave no one behind; and
- multi-stakeholder engagement.

The framework of audit objectives and sub-objectives suggested by us in the previous chapter includes audit questions and sub-questions related to these conclusions. In arriving at these conclusions the SAI auditor may also conclude on legal and policy framework and institutional arrangements; planning and budgeting; implementation of actions for achievement of the target; and the extent to which the target has been achieved.

The SAI auditor can conclude on likelihood of the target being achieved by comparing baseline data and data at the time of audit on indicators linked to the target and computing the average annual

#### Practical Tip

Check if the audit conclusions:

- provide a clear and concise understanding of the most salient findings and lessons learnt?
- reflect the audit criteria?
- allow for quantification where possible?
- reflect changes over time?
- provide balance in tone and fairly reflect the audit findings?

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percentage change. This allows for a simple projection, assuming a constant rate of change. If several data points are available between the baseline and the year of the audit, then a more complex trend analysis can be carried out, and the projection can be based on this analysis. In addition to this analysis, the findings relating to the government systems, operations, division of roles and responsibilities to achieve the target and coverage of the SDGs principles, would also form part of the conclusions and recommendations.

As in the case of audit findings, it is important for the SAI auditor to reach a balanced audit conclusion.

### 4.9 ISSAI Checklist : Conduct audit of SDGs implementation

- ✓ Did the team obtain sufficient appropriate audit evidence to establish findings?
- ✓ Did the team reach conclusions in response to the audit objectives and questions?
- ✓ Did the team issue recommendations when relevant and allowed by the SAI's mandate?
- ✓ Did the team analyse the collected information and ensure that the audit findings are put in perspective and respond to the audit objective(s) and audit questions?
- ✓ Did the team reformulate the audit objective(s) and audit questions as needed?
- ✓ Did the team engage with audited entities and other stakeholders throughout the conducting stage and documented the outputs of the engagements?
- ✓ Did the team exercise professional judgement in conducting the audit of SDGs implementation?
- ✓ Did the team comply with SAIs code of ethics and independence requirements in conducting the audit of SDGs implementation?
- ✓ Did the team have the required skills to conduct the audit of SDGs implementation?
- ✓ Was the team adequately supervised while conducting the audit of SDGs implementation?
- ✓ Is there adequate documentation in respect of audit evidence gathered, analysis of audit evidence, development of audit findings and development of audit conclusions?

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### 4.10 SPOTLIGHT ON AUDIT IMPACT

*The SAI auditor may ask the following impact related questions while conducting the audit*

- *Will the audit conclusions lead to desired audit impact?*
  - *Will the multi stakeholder engagement during this stage facilitate desired audit impact?*
  - *Do the audit conclusions adequately reflect the views and status of vulnerable groups affected by the implementation of the selected target?*
-