

Report to the HLPF – *SDG 16 from the audit perspective*

Introduction

During the 2016 Congress of Supreme Audit Institutions in Abu Dhabi our community committed to taking the Sustainable Development Goals and the 2030 Development Agenda into our audit scope. The methodology we undertook included initially establishing a baseline for assessing how prepared countries are. This preparedness review assessed the policy and data frameworks in place to achieve the SDGs.

A significant number of preparedness reviews and audits have been conducted all over the globe. The main messages are consistent with the challenges and opportunities identified by the international community. We have identified that coherence on the national level of government is being established through various national committees, however, the challenges in many cases concerns the translation of these structures into budgets, laws and disaggregation of information. There are some good practices such as Indonesia and India, which have established budgets and national indicator frameworks respectively.

There are many instances where the SDGs are not yet translated into operational plans and budgets. This issue of disaggregation and coordination between

different branches of government is central to making SDGs real. The danger is that it is still business as usual.

The issue of data availability, data quality and reliability is central from an audit perspective. The assessments of countries such as Canada is that gaps exist in the data availability currently in place. This situation is almost universal. The concept of auditability is a challenge for our environment. Facilitating the improvement in data and information is a key area where SAIs can be seen initially as partners rather than evaluation experts.

Opportunities for SDG 16

Building effective institutions is a specific area where SAIs are uniquely positioned. We have a responsibility to perform audits annually across the government sector. In cases where our function is federal, there is collaboration with state, provincial or local government auditors. In this regard the elements of effective institutions discussed in the background note. Namely: institutional capacity, evidence based policies, policy coherence and coordination as well as improved transparency represent real opportunities for our community. In truth many of these elements are already being assessed, for example, real time policy evaluation by the Chinese National Audit Office and assessments of good

governance within Hungarian, Malaysian and recently several sub-Saharan SAIs. However, the challenge and opportunity is for the aggregation of results within jurisdictions over time and between jurisdictions.

At this stage SAIs are responsible to report to their legislatures on an annual basis and often at an entity level. The concept of reporting across government against the broader SDGs is a stretch, which the INTOSAI community is researching. The concept of Public Financial Management assessments is the opportunity to contribute to SDG 16. This framework allows for commentary across government taking into account the strategic, budgetary, implementation and reporting processes of government. Deficiencies identified also provide a diagnostic tool for assess corruption vulnerability. A common language and assessment process would be invaluable to the broader community.

Challenges and Solution

At this stage the skill set to assess policy implementation, data and information relating to non-financial information and corruption risk assessments are evolving within the SAI community. The need for integrating the evaluation or performance audit dimension, with the data analytics and annual financial audit process is a challenge. The practice of auditing non-financial information or

performance information has been established in the SAIs around the world.

Countries such as South Africa, Sweden, UK and Russia are amongst some of the countries at the forefront of this practice. This process is being updated through collaboration of various international working groups and will be a focus at our forthcoming Congress in Moscow this September.

The challenge still remains to devise an internationally recognized framework for assessing public financial management, however, during our side event next week we will showcase a case study from our sub-Saharan region and the SAI of Mozambique.

A real opportunity remains for the international community including the UN to engage more extensively with the INTOSAI community. This is at the global, regional and country level. We have the knowledge from the entity level to the national level, a bottom up perspective which could be invaluable for the broader community.