

Rolf Elm-Larsen

SAIs and the UN Sustainable Development Goals

A critical comparative study

or

How and why the SAI ignored UN's SDG

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Overview of this presentation

- I. Intro, research question and earlier studies
- II. Pre - Analytical Visions & Methods
- III. Two UN resolutions as platform for SAI's audit of SDG
- IV. UN's SDG and INTOSAI
- V. Mapping the Nordic SAI (most likely)
- VI. Presenting three different SAIs (most different)
- VII. Process tracing of SAIs audit
- VIII. Conclusions and recommendations

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Research Questions

- Generally, the four Nordic countries are actively and loyal supporting UN initiatives.
 - UN General Assembly has in two resolutions (2011 & 2014) emphasized the importance of SAI in realization of MDG and SDG.
- The expectation is that the Nordic SAI behave in accordance with the norms contained in the two resolution. An indicator for conforming at that norm is that the SAls produce a significant numbers of material reports on SDG.
- If not, we have an expectation gap and the next question:
 - why this deviation?

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A comparative discourse study of the Nordic SAI's annual reports to parliaments

- Each of the Nordic SAI has developed an **individual dominant discourse**
- The dominant discourses are dependent of **distance** from the political system
- Discourse variance in the mandates, mission statement and visions are key **parameters** in the Nordic SAls choice of discursive moments in the annual reporting.

Country	Discourse	Aspect	Distance to the centre of political system	Special features
Denmark	Audit technic	Accountability	High	Audit Opinion
Finland	Government finance watchdog	Learning	Low	Reflect the extend mandate
Noreg	Politically oriented towards the Storting	Accountability	Low	Emphasize critical legal audit
Sweden	Social science	Learning	High	Impact of government activity

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Nordic SAIs & International Standards on Auditing

- **Nordic SAI disciplined standard-receivers:**

At the annual audit, the (3) Nordic state audits are disciplined (linked) to the international auditing standards (ISA / ISSAI) via a **monopolized epistemology** by the standard setter of the private auditing industry.

- **Cognitive socialization of Nordic SAI**

The standards for performance audit embedded within the context of the **dominating neo-liberal worldview** (Weltanschauung, framing, paradigm).

- **As disciplined standard-receivers and as cognitive socialized agents established a power base**

The adoption of ISA /ISSAI gave the (3) SAIs a legitimized **social position and gained influence** in an internal domestic audit context (DK) and in an international context (N & S).

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Pre - Analytical Vision & Abductive Method

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Three Pre-visions of Accountability

Dimension	Types of accounting		
Type of accounting unit	Business	Government	Global SDG
How is accountability framed?	Does the account report a truth and fair financial statement? Does cost generate revenue?	- Budget control of expenditures and save guard of taxes. - Base for evaluation of economic performance	Social activities and use of resources in an equitable social order and intergenerational perspective
Going concern	1 year	Retrospect	Future generations
Unit of measurement	Money	Money and physical / immaterial output	Money and physical / immaterial output

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Three comparative approaches

- Most similar/ likely : four Nordic states
 - Political system
 - Institutional system
 - Economic and social system
 - Historical development
- Most different / least likely (Nordic vs D & Can)
 - Constitutional (Federalism vs Single states)
 - Intuitional system
 - Historical development
- Process tracing:
 - Tracing causal mechanism in casestudies

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A UN based Platform for SAI's Strategical Development

SAIs special role in relation to SDG

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Nordic SAI leading by examples

- In the Ukraine war 2022 INTOSAI call on SDG16 on peace, justice and strong institutions
- A pre-request for realisation of SDG is SAI contributing to the accountability and transparency (resolutions)

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Resolution adopted by the UN General Assembly on 22 December 2011

- 1. *Recognizes* that supreme audit institutions can accomplish their tasks objectively and effectively only if they are **independent** of the audited entity and are protected against outside influence;
- 2. *Also recognizes* the important role of supreme audit institutions in **promoting the efficiency, accountability, effectiveness and transparency** of public administration, which is conducive to the achievement of national development objectives and priorities as well as the internationally agreed development goals, including the Millennium Development Goals;

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Resolution adopted by the General Assembly on 19 December 2014

Acknowledges the role of supreme audit institutions in fostering governmental **accountability** for the use of resources and their performance in achieving development goals;

Encourages Member States to give due consideration to the **independence** and capacity-building of supreme audit institutions systems in accordance with national development plans in the context of the post-2015 development agenda;

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UN define a potential new strategical base for SAIs

- The two UN resolutions give INTOSAI/SAIs a **strategical platform** for reformulation of the SAI audit activities
- UN defines an international **expectation** to member states SAIs audit of the SDG
- Provide a set of expectations to the cooperation within INTOSAI **concerning SDG**

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INTOSAI & UNs SDG

How did the INTOSAI community
work with the SDG?

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INTOSAI's working group on SDG

- The INTOSAI Working Group on SDGs and **Key Sustainable Development Indicators**
- Chair: Russia
- Original a WG on Key Performance Indicators
- In 2019 refocused its activities on the 2030 Agenda for Sustainable Development including SDG

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INCOSAI XXII in Abu Dhabi 2016

- Four approaches:
 - Assessing the **preparedness** of national governments to implement the SDGs,
 - Undertaking **performance audits** in the context of the SDGs,
 - Contributing to the **implementation of SDG 16**, which envisages effective, accountable and transparent institutions, and
 - Possibilities for SAIs to act as models of **transparency and accountability** in their own operations.

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INCOSAI XXIII in Moscow 2019

INTOSAI proclaimed commitment to:

- I. providing independent external **oversight** on the achievement of nationally ... SDGs,
- II. **responding** effectively to ... technological advancement,
- III. enhancing the **impact** on public management **accountability and transparency**

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INTOSAI SDG Atlas



- Some Statistics
 - Total 81 reports
 - Preparedness 58
 - Most frequent SDG Gender 11
 - Second most climate action 5
 - Year
 - 2018: 28 reports
 - 2019: 42 reports
 - 2020: ?

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Mapping of Nordic SAI's reporting on SDG

Most likely cases

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Nordic SAI expected strategic interest in UN SDG

	Sweden	Norway	Finland	Denmark
Context	Riksdagens control of state administration	Parliamentary control	Parliamentary control of public finances, political parties and the EU criteria	Parliamentary control
Function	Responsive/ legitimation ("Learning", Development)	Control on behalf of the Parliament	Strengthen the public administration and finances. Legitimation and responsive	Strengthen the public administration Legitimation and responsive
Interest / values	Sweden globally	Norge as a community	The Nation Finland	Citizens in Denmark
"Psyke"	Ekstrovert	Ekstrovert	Ekstrovert	Introvert
"Development" as an issue for the SAI	A Department in Riksrevisionen	IDI linked to Riksrevisjonen	-	Traditional no links to the area of development.
Expected interest in SDG	It is to be expected that the international interest in both the former Riksrevisionensverket and in the current Riksrevisionen meant more reports on SDG	In recent decades, Norway and the Office of the Auditor General have been committed to providing support to developing countries' SAls.	Finlands engagement in EU, OECD and international organisations	Expected no or few reports
No SDG reports	0	1	3	1

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Nordic SAI audits via the four approaches in INCOSAI XXII

Four approaches:	Denmark	Finland	Norge	Sweden
Assessing the preparedness of national governments to implement the SDGs,	No public evidence of such an assessment	No public evidence of such an assessment	No public evidence of such an assessment	No public evidence of such an assessment
Undertaking performance audits in the context of the SDGs,	1 report on demand of Parliament committee	2 performance audit report and 1 non-audit report	One report	None
Contributing to the implementation of SDG 16, which envisages effective, accountable and transparent institutions	No public evidence of such contribution	No public evidence of such contribution	No public evidence of such contribution	No public evidence of such contribution
Possibilities for SAls to act as models of transparency and accountability in their own operations.	No public evidence of activity	No public evidence of activity	No public evidence of activity	No public evidence of activity

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Nordic SAI Reports on SDG

Country	Year	Initiative	SDG Goal	Title	Type	Remark
Denmark	2020	Folketingets Finansudvalg	All	The Danish ministries' work with the UN Sustainable Development Goals in Denmark	Audit	
Finland	2019	In the annual audit plan	All	Promoting sustainable development	Audit of government promotion of sustainable development and not assessment of result & impact	
Finland	2021	Own initiative ?	7,8,9,12,13,15	Perspectives on sustainable mining in Finland	Non - Audit	Mapping and discussion of opportunities
Finland	2021	In the annual audit plan	13	Finland's international climate finance – Steering and effectiveness	Audit	1. Finland's official development assistance 2. Management systems
Norge	2020	?	All	SAI investigation of the management and review of the national follow-up of the sustainable development goals - Document 3:3 (2020–2021)	Audit	Assess the government's management and review

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Overview of the Nordic SAIs reports of implementation of SDG

Emne	Danmark	Finland	Norge	Sverige
Koordineret	-	Better coordination between the ministeries	Den nasjonale oppfølgingen av bærekraftsmålene har ikke vært godt nok koordinert	-
Helhedsplan	Ministeriernes arbejde med verdensmålene indtil nu har været baseret på, at deres generelle virke og politik allerede favner verdensmålene.	Ministries have implemented most of the actions to enhance the policy coherence	Norge mangler en helhetlig plan for gjennomføring av 2030-agendaen med bærekraftsmålene	
Nye initiativer	Ministerierne kun undtagelsesvist har taget nye initiativer eller lagt særlige planer for at realisere verdensmålene.	Ministries have not been steered by the development goals	-	
Rapportering til parlamentet	Det er vanskelig for såvel Folketinget som offentligheden at få indsigt i, om der er fremdrift mod realisering af FN's verdensmål i Danmark.		Rapporteringen gir ikke god nok informasjon til Stortinget om status og framdrift for den nasjonale oppfølgingen av bærekraftsmålene	
Nasjonale statistiske myndighet	Danmarks Statistiks rapportering ikke er tilstrækkelig egnet til at orientere om fremdriften mod opfyldelse af verdensmålene i Danmark	Monitoring and assessment is comprehensive but vaguely connected to policy preparation	Det har vært mangelfull involvering av Statistisk sentralbyrå i arbeidet med bærekraftsmålene	

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Annexed activities

- Sweden
 - SDG has been an integrated part of the Swedish development program for assisting SAIs
- Norway
 - Close corporation with IDI
- Finland
 - Regional (EUROSAI) paper on SDG
- Denmark
 - None

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Observations on Nordic SAIs

- The Nordic SAI did not implement the 2 UN resolutions
- SDG has no influence on the strategical level
- Produce no or one/few reports on SDG
- The country that produce most report have the broadest mandate
- The reports follow the ISSAI-methodology
- The reports on realisation the general SDG are on process – not substance
- The reports wording (DK, N, F) are almost identical
- Two countries have annexed activity in assisting other SAI auditing SDG

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Mapping three SAIs with several SDG reports

Comparative method:
Least likely

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Bonner Erklärung zur Nachhaltigkeit

Konferenz der Präsidentinnen und Präsidenten der Rechnungshöfe des Bundes und der Länder

- **Die Agenda 2030 richtet sich an alle:** an die Regierungen und Verwaltungen, die Zivilgesellschaft, die Privatwirtschaft, die Wissenschaft und **auch an die externe Finanzkontrolle.**
 - bekräftigt, dass die Rechnungshöfe des Bundes und der Länder als unabhängige Institutionen durch ihre Prüfungen und Beratungen einen wirkungsvollen Beitrag zu einer effektiven und effizienten Umsetzung der Agenda 2030 in Deutschland leisten,
 - beschließt den Austausch zu Herangehensweisen, Methoden und Ergebnissen fortzusetzen, um die Wirksamkeit der externen Finanzkontrolle insgesamt zu erhöhen

16 October 2018

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Type of reports on SDG

- In Germany the Bundesrechnungshof has published total 8 audit report.
- Two of the audit report (Bericht) were addressed for the supreme bodies of government.
 - For the leader of the government (Bundeskanzler) and one for the parliaments (Bundestags) budgetcomite (Haushaltungsausschuss). Both have a more general objective concerning the sustainability and the SDG.
- Six audit report (Abschließende Mitteilung) is destined for the auditee and for the public.
 - They have a specific object and are concentrating on how the individual ministry are translating the SDG into the German context

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Objective of the audit report on SDG

- Prüfung / Audit (4) (8)
- Prüfung der Umsetzung / Audit of the translation (7) (1) (2) (3) (5)
- Zusammenhang / Logical connectivity: Bunde – EU (6)

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Canada Office of the Auditor General

- Legislation:
 - The Auditor General shall **appoint** the Commissioner of the Environment and Sustainable Development
 - The **Commissioner report** annually to Parliament ... environmental and other aspects of sustainable development
 - Environmental **Petitions** Annual Report

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Canada SAI's reports on SDG

Year	Title	SDG no.
Spring 2021	Implementing the United Nations' Sustainable Development Goals	GOAL 1: No Poverty GOAL 5: Gender Equality GOAL 8: Decent Work and Economic Growth
Fall 2020	Follow-up Audit on the Transportation of Dangerous Goods	GOAL 3: Good Health and Well-being
Spring 2019	Non-Tax Subsidies for Fossil Fuel – Environment and Climate Change Canada	GOAL 12: Responsible Consumption and Production
Spring 2019	Tax Subsidies for Fossil Fuel – Department of Finance Canada	GOAL 12: Responsible Consumption and Production
Spring 2019	Aquatic Invasive Species	GOAL 15: Life on Land
Spring 2018	Canada's Preparedness to Implement the United Nations' Sustainable Development Goals	

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US GAO reports on SDG

Year	Title	SDG no.
2020	The Nation's Fiscal Health: Action Is Needed to Address the Federal Government's Fiscal Future	GOAL 8: Decent Work and Economic Growth
2019	Disaster Resilience Framework: Principles for Analyzing Federal Efforts to Facilitate and Promote Resilience to Natural Disasters	GOAL 13: Climate Action
2017	Climate Change: Information on Potential Economic Effects Could Help Guide Federal Efforts to Reduce Fiscal Exposure	GOAL 13: Climate Action
2014	Ocean Acidification: Federal Response Under Way, but Actions Needed to Understand and Address	GOAL 14: Life Below Water

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Observation on D, CAN, US

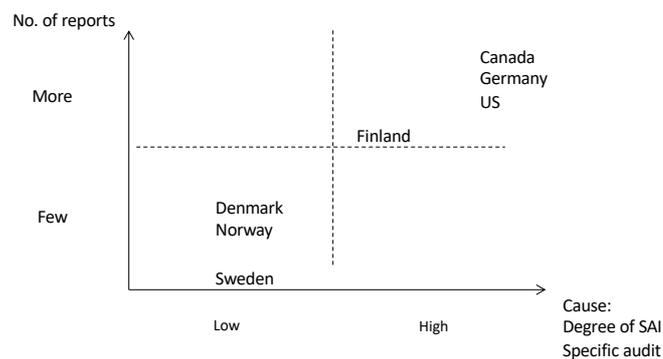
- Greater countries, federations, broader mandate, closer relation to parliament body
- Germany has an explicit acceptance of the UN agenda 2030 (SDG)
- Canadian SAI has integrated an environment commissioner but has reports on other SDGs
- US GAO assist Congress and have High Risk approach
- A broader mandate, closer and different relation to the parliament and different world view generates more SDG reports

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Explanation of SAIs number of reports on SDG



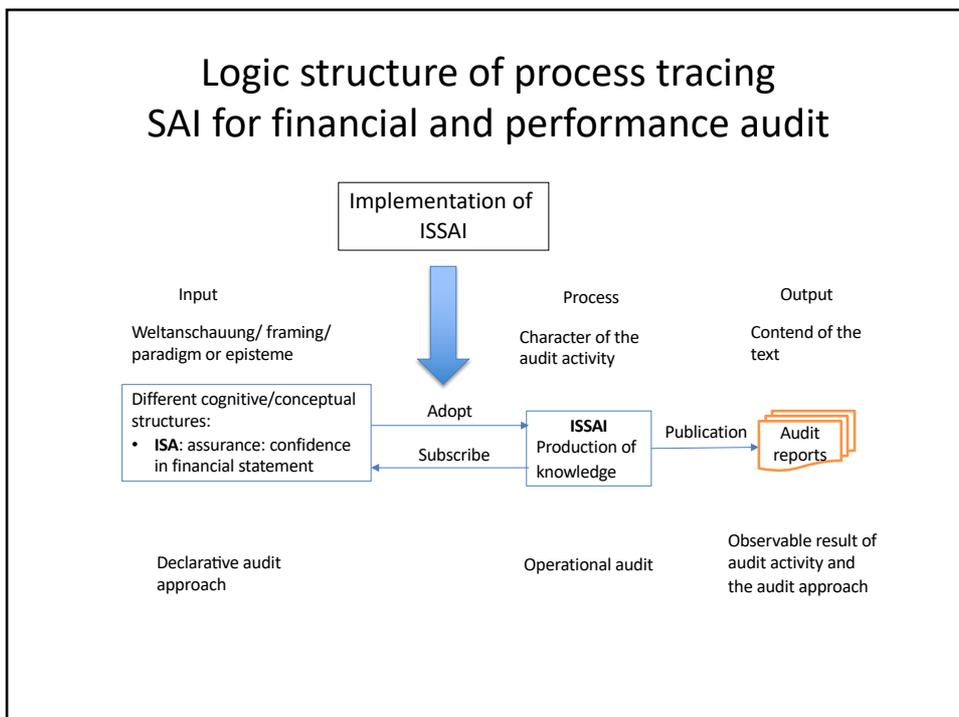
34

Process tracing

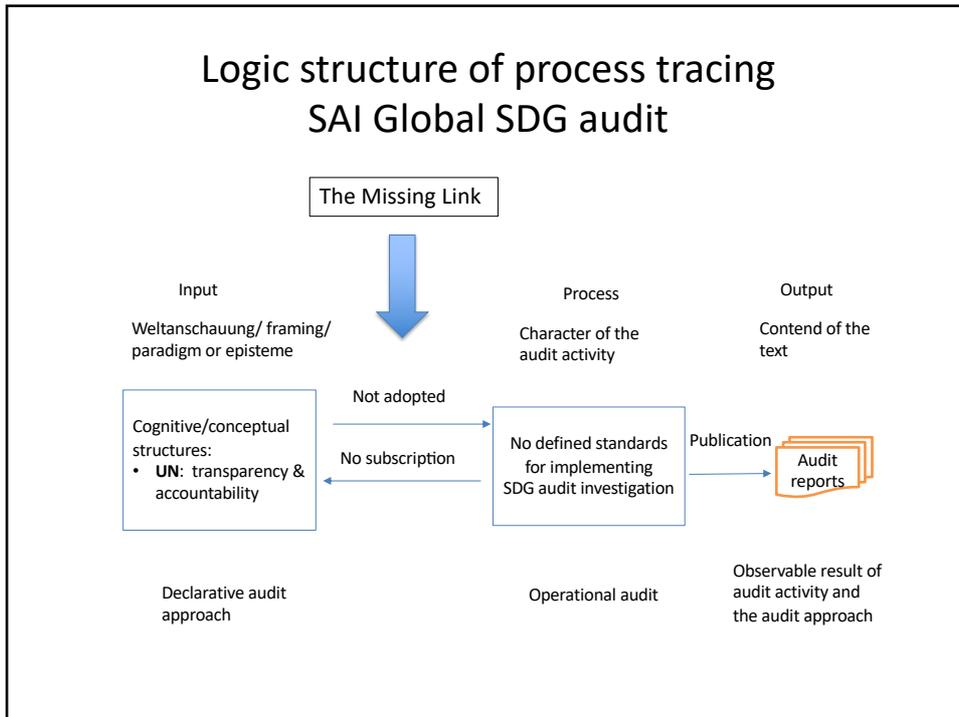
Case studies in theory development

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Abduction

Observation

- One observes the surprising fact that the Nordic SAI produce no or few audit reports on the realization of the world goals.

Statement

- The Nordic SAI use an audit method that is business compliant (the accuracy of the accounts), they do not publish reports on the transparency and the accountability of the realization of SDGs.

Conclusion

- The observation deals with the statement, which can therefore be assumed to be valid.

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Absence of evidence or evidence of absence

Proof of accept of UN resolution (process)		
Evidence of audit report on SDG (Document / Trace)	Exit	/ Exit
Exit	Exiting of a causal relation between the audit approach, the strategical plan and the audit report produced	Audit report on SDG produced out of context with strategical thinking
Absent	Only exiting of a trategical accept of UN resolution but no audit reports on SDG	No sign of exiting of a trace of a causal relation

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Conclusions

Discussion and recomendation

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Do the Nordic SAIs lead by examples?

Observations

- Nordic SAI
 - have not adopted the UN SDG framework
 - have not prioritized the SDG in their strategical plan
 - have only produced none or a reduced number of reports on SDG
 - have work on SDG in annexed activity to the principal task audit of the central government

Conclusions

- The dominated worldview of ISSAI in the Nordic SAI exclude the perspective of the UN SDG in the audit
- Successful integration of UN SDG in SAI requires
 - flexible mandate
 - closer cooperation with the parliament
- The Nordic SAIs have difficulties of adopting new demands (ideas) from the political environment

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Determined factors for integrating SDG in SAI

- Institutional
 - Non integration: Nordic countries
 - Integration: Germany & Canada
- Political context of SAI
 - Balance between parliament and government
- Dominated function of SAI
 - Control, legitimize, responsive
- Cognitive structure
 - Neoliberal dominated by audit profession
 - Regulated welfare state

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Recommendation

- Reformulate the understanding of the the audit mandate so it follows the intention of the UN General Assembly's recommendations
- Formulate a strategic plan for development of audit of SDG in the Nordic SAI in cooperation the Parliamentarian oversight bodies
- Establish a conceptual framework designated to audit of sustainability so it contribute to the Parliamentarian accountability cycle

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**Do the Nordic SAIs want to be
provider of standard audit service
or
institution in service of the society
?**

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